

MR01

Particulars of a charge



Companies House

LOWES/664



Go online to file this information
www.gov.uk/companieshouse

A fee is payable with this form
Please see 'How to pay' on the last page.

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

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

For further information, please
refer to our guidance at:
www.gov.uk/companieshouse

This form **must be delivered to the Registrar for registration**
21 days beginning with the day after the date of creation.
If delivered outside of the 21 days it will be rejected unless it is
delivered with a court order extending the time for delivery.

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



L662SOZL

LD4

09/05/2017

#9

COMPANIES HOUSE

Internal use

1 Company details

Company number 04883589

Company name in full DRAX POWER LIMITED

→ Filling in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 05/05/2017

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

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

Name DEUTSCHE BANK AG, LONDON BRANCH

AS SECURITY AGENT

Name

Name

Name

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

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

MR01

Particulars of a charge

4	Brief description	
Brief description	Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.	Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument" Please limit the description to the available space.
	PLEASE REFER TO CONTINUATION PAGE	
5	Other charge or fixed security	
	Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box. ☒ Yes ☐ No	
6	Floating charge	
	Is the instrument expressed to contain a floating charge? Please tick the appropriate box. ☒ Yes Continue ☐ No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? ☒ Yes	
7	Negative Pledge	
	Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box. ☒ Yes ☐ No	
8	Trustee statement ¹	
	You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge. ☐	¹ This statement may be filed after the registration of the charge (use form MR06).
9	Signature	
Signature	Please sign the form here. Signature X Lahen & Watkins X	
	This form must be signed by a person with an interest in the charge.	

MR01 - continuation page

Particulars of a charge

4	Description	Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security.
Description	FREEHOLD – LAND AND BUILDINGS AT DRAX POWER STATION AND DRAX ABBEY FARM, DRAX SELBY, NORTH YORKSHIRE, TITLE NO. NYK223464. LEASEHOLD – LAND AT CAPITAL PARK, GOOLE, EAST RIDING OF YORKSHIRE, TITLE NO. YEA57712 LEASEHOLD – 3RD FLOOR, 41 MOORGATE, LONDON, EC2R 6PP, CITY OF LONDON, TITLE NO. EGL566844 LEASEHOLD – LAND AT CAMBLESFORTH SEWAGE PUMPING STATION, NORTH YORKSHIRE, TITLE NO. NYK395771 LEASEHOLD - PROPERTY AT BARLOW CE PRIMARY SCHOOL, BARLOW, SELBY, NORTH YORKSHIRE	

MRO1

Particulars of a charge



Presenter information

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

Contact name	CLAUDIA SOUSA
Company name	LATHAM & WATKINS (LONDON)
LLP	
Address	99 BISHOPSGATE
Post town	LONDON
County/Region	LONDON
Postcode	E C 2 M 3 X F
Country	UNITED KINGDOM
DX	
Telephone	02077101850



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



How to pay

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

Make cheques or postal orders payable to 'Companies House.'



Where to send

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

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

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

For companies registered in Northern Ireland:

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4883589

Charge code: 0488 3589 0017

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th May 2017 and created by DRAX POWER LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th May 2017.

p

Given at Companies House, Cardiff on 16th May 2017



Companies House



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

I certify that, save for material redacted pursuant to section 859G of the Companies Act 2006, the enclosed copy of the security instrument, delivered as part of this application for registration under section 859A of the Companies Act 2006, is a correct copy of the original security instrument.

Signature:

Date:

09/05/17

EXECUTION VERSION

5 MAY 2017

DRAX CORPORATE LIMITED
and
the other Chargors listed in Schedule 1

and

DEUTSCHE BANK AG, LONDON BRANCH
(as Security Agent)

SECURITY AMENDMENT AGREEMENT
ENTERED INTO SUBJECT TO THE TERMS OF
AN INTERCREDITOR AGREEMENT DATED
5 MAY 2017

LATHAM & WATKINS

99 Bishopsgate
London EC2M 3XF
United Kingdom
Tel: +44.20.7710.1000
www.lw.com

Contact: Stephen Kensell

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AMENDED AND RESTATED DEBENTURE	

THIS DEED is made on 5 May 2017

BETWEEN:

- (1) **DRAX CORPORATE LIMITED**, a company incorporated in England and Wales with registered number 05562058 (the “**Company**”);
- (2) **DRAX GROUP HOLDINGS LIMITED**, a company incorporated in England and Wales with registered number 09887429 (“**DGHL**”);
- (3) **THE COMPANIES** listed in Part 1 of Schedule 1 (*The Chargors*) (each an “**Original Chargor**” and together the “**Original Chargors**”);
- (4) **THE COMPANIES** listed in Part 2 of Schedule 1 (*The Chargors*) (each a “**New Chargor**” and together the “**New Chargors**”); and
- (5) **DEUTSCHE BANK AG, LONDON BRANCH** as security trustee for itself and the other Secured Parties (the “**Security Agent**”).

WHEREAS:

- A. A revolving credit facility agreement was entered into on 20 December 2012 by, among others, Drax Power Limited and Barclays Bank plc as facility agent and was amended and restated on 10 December 2015 pursuant to a global amendment and restatement deed dated 8 December 2015 (the “**Original Revolving Credit Facility Agreement**”).
- B. The Original Revolving Credit Facility Agreement was amended and restated by an amendment and restatement agreement dated 21 April 2017 between, among others, the Chargors (as defined below) and the Security Agent (as amended pursuant to a supplemental amendment agreement dated on or about the date of this Deed, the “**Amendment and Restatement Agreement**”).
- C. The original debenture was entered into on 20 December 2012 between, among others, Drax Power Limited, the Company and the Security Agent and supplemented pursuant to a security accession deed dated 8 December 2015 between, among others, Billington Bioenergy Limited and the Security Agent and a security accession deed dated 8 December 2015 between, among others, Drax Smart Generation Holdco Limited (formerly known as Drax Group Services Limited) and the Security Agent (the “**Original Debenture**”).
- D. On (and from) the Effective Date (as defined in the Amendment and Restatement Agreement), the Original Debenture will be amended and restated on the terms set out in this Deed, and each New Chargor will accede to the Amended and Restated Debenture as a Chargor.

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this Deed:

“**Amended and Restated Debenture**” has the meaning given to it in Clause 3 (*Amendment of the Debenture*).

“**Amended and Restated Facilities Agreement**” has the meaning given to it in clause 3 (*Amendment of the Facility Agreement*) of the Amendment and Restatement Agreement.

“Chargors” means the New Chargors and the Original Chargors.

“Effective Date” means the date on which the “Effective Date” (as defined in the Amendment and Restatement Agreement) has occurred.

“Finance Parties” means the Finance Parties as defined in the Amended and Restated Facilities Agreement.

“Intercreditor Agreement” means the intercreditor agreement dated on or about the date of this Deed between, among others, Drax Finco plc as the Company, Drax Group plc as the Parent, Drax Group Holdings Limited as DGHL, Barclays Bank PLC as the Original Credit Facility Agent, the Original Lenders, the Hedge Counterparties and the STL Counterparties (each as defined therein), The Bank of New York Mellon, London Branch as Senior Secured Note Trustee, the Original Debtors (as defined therein) and the Security Agent.

“Parties” means each of the parties to this Deed from time to time.

“Security” means any Security Interest created, evidenced or conferred by or under this Deed.

1.2 Construction

Terms defined in the Amended and Restated Debenture have the same meaning in this Deed, unless a contrary intention is stated. The principles of construction set out in Clause 1.2 of the Amended and Restated Debenture shall have effect as if set out in this Deed.

1.3 General

- (a) All the Security:
 - (i) is created in favour of the Security Agent;
 - (ii) is security for the payment, discharge and performance of all the Secured Obligations; and
 - (iii) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 except for any Security Interests permitted under the Secured Debt Documents.
- (b) The Security Agent holds the benefit of this Deed on trust for the Secured Parties.
- (c) The fact that no or incomplete details of any Charged Property are inserted in any of Schedule 2 (*Properties*), Schedule 3 (*Shares*), Schedule 4 (*Bank Accounts*) and/or Schedule 5 (*Insurance Policies*) to the Amended and Restated Debenture does not affect the validity or enforceability of the Security.
- (d) The liability of any Third Party Security Provider to pay any amount under this Deed and/or the Amended and Restated Debenture may only be discharged from, and the recourse of the Security Agent is solely limited to, the Charged Property. The Security Agent may not seek to recover any shortfall in any amounts owing to it under this Deed and/or the Amended and Restated Debenture by bringing any proceedings (howsoever described) against any of the Third Party Security Providers or by applying to appoint an administrator or administrative receiver or have any of the Third Party Security Providers wound up. Any claims against a Third Party Security Provider under this Deed and/or the Amended and Restated Debenture may only be made to the extent of, and are limited solely to, amounts recovered by the Security

Agent in respect of the Charged Property. The limitations in this paragraph (d) apply despite anything else in this Deed to the contrary.

2. CONDITIONS PRECEDENT

This Deed shall become effective on the Effective Date.

3. AMENDMENT OF THE DEBENTURE

- 3.1 With effect from (and including) the Effective Date, the Original Debenture shall be amended to take the form set out in Schedule 2 (*Amended and Restated Debenture*) to this Deed and references to the Original Debenture, however expressed, will thereafter be read and construed as references to the Original Debenture as amended and restated in the form set out in Schedule 2 (*Amended and Restated Debenture*) to this Deed (in such form, the “**Amended and Restated Debenture**”).
- 3.2 With effect from (and including) the Effective Date, each of the Chargors hereby agrees for the benefit of the Security Agent to be bound by the terms of the Amended and Restated Debenture.

4. ACCESSION OF THE NEW CHARGORS

- 4.1 Each New Chargor agrees to be a Chargor for the purposes of the Amended and Restated Debenture with immediate effect and agrees to be bound by all of the terms of the Amended and Restated Debenture as if it had originally been a party to it as a Chargor.
- 4.2 Each New Chargor as primary obligor covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will pay or discharge the Secured Obligations in the manner provided for in the Secured Debt Documents.

4.3 Specific Security

Each New Chargor, as continuing security for the payment of the Secured Obligations, charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:

- (a) by way of first legal mortgage all Property now belonging to or vested in it; and
- (b) by way of first fixed charge:
 - (i) all other interests (not effectively charged under Clause 4.3(a)) in any Property and the benefit of all other agreements relating to land;
 - (ii) all of its rights, title and interest in the Intellectual Property;
 - (iii) all of its rights, title and interest in the Equipment;
 - (iv) all the Investments, Shares and all corresponding Related Rights;
 - (v) all Trading Receivables and all rights and claims against third parties and against any security in respect of those Trading Receivables;
 - (vi) all Other Debts and all rights and claims against third parties against any security in respect of those Other Debts;
 - (vii) all monies from time to time standing to the credit of the Accounts (including any interest and other sums accruing thereon), together with all of its rights,

title and interest in, and benefits and proceeds deriving from or arising in connection with, the Accounts;

- (viii) all of its rights, title and interest in the Hedging Agreements;
- (ix) all of its goodwill and uncalled capital;
- (x) any beneficial interest, claim or entitlement it has to any assets of any pension fund;
- (xi) the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any Charged Property;
- (xii) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (xi) above; and
- (xiii) all its rights, title and interest in (and proceeds and claims under) the Insurance Policies and the Charged Agreements,

and includes, in respect of each of the above charged assets (as appropriate), the benefit of all licences, consents and agreements held by such New Chargor in connection with the use of the asset, any monies or income paid or payable in respect of the asset, any proceeds of the sale of the asset and any other property, rights or claims relating to, accruing to or deriving from the asset.

4.4 Floating Charge

- (a) As further continuing security for the payment of the Secured Obligations, each New Chargor charges with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future assets, undertakings and rights.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Deed.

4.5 Conversion of Floating Charge

- (a) Except as provided below, the Security Agent may, by notice to any Chargor, convert the floating charge created under this Deed into a fixed charge with immediate effect as regards those assets specified in the notice:
 - (i) pursuant to an instruction of the Instructing Group given in accordance with the terms of the Intercreditor Agreement if an Acceleration Event has occurred;
 - (ii) if the Security Agent reasonably considers that any asset charged under the floating charge created under this Deed is in danger of being seized or sold under any form of distress, attachment, execution or other legal process or is otherwise in jeopardy; or
 - (iii) if any Chargor fails to comply, or takes or threatens to take any action which, in the reasonable opinion of the Security Agent, is likely to result in it failing to comply with its obligations under paragraph (a) of Clause 4.6 (*Negative Pledge*).
- (b) The floating charge created under this Deed will automatically (without notice, and in addition to the circumstances in which the same will occur by operation of law) and

immediately be converted into a fixed charge over all the assets of a Chargor which are subject to the floating charge created under this Deed, if:

- (i) the members of that Chargor convene a meeting for the purposes of considering any resolution for its winding-up, dissolution, or a compromise, assignment or arrangement with any creditor; or
 - (ii) any person (entitled to do so) gives notice of its intention to appoint an administrator to any Chargor or files such a notice with the court.
- (c) Upon the conversion of any floating charge pursuant to this Clause 4.5, each relevant Chargor shall, at its own expense, immediately upon request by the Security Agent execute a fixed charge or legal assignment in such form as the Security Agent may require.

4.6 Negative Pledge

No New Chargor may:

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property under this deed;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of Charged Property under this Deed (other than in respect of assets charged under Clause 4.4 (*Floating Charge*) on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property under this Deed,

except as permitted by the Secured Debt Documents or with the prior consent of the Security Agent.

- 4.7 The provisions of the Amended and Restated Debenture shall apply *mutatis mutandis* to the security granted under this Clause 4.

5. SUPPLEMENTAL GRANT OF SECURITY

- 5.1 Each Original Chargor as primary obligor covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will pay or discharge the Secured Liabilities in the manner provided for in the Secured Debt Documents.

5.2 Specific Security

Each Original Chargor, as continuing security for the payment of the Secured Obligations, charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:

- (a) by way of first legal mortgage all Property now belonging to or vested in it; and
- (b) by way of first fixed charge:
 - (i) all other interests (not effectively charged under Clause 5.2(a)) in any Property and the benefit of all other agreements relating to land;
 - (ii) all of its rights, title and interest in the Intellectual Property;

- (iii) all of its rights, title and interest in the Equipment;
- (iv) all the Investments, Shares and all corresponding Related Rights;¹
- (v) all Trading Receivables and all rights and claims against third parties and against any security in respect of those Trading Receivables;
- (vi) all Other Debts and all rights and claims against third parties against any security in respect of those Other Debts;
- (vii) all monies from time to time standing to the credit of the Accounts (including any interest and other sums accruing thereon), together with all of its rights, title and interest in, and benefits and proceeds deriving from or arising in connection with, the Accounts;
- (viii) all of its rights, title and interest in the Hedging Agreements;
- (ix) all of its goodwill and uncalled capital;
- (x) any beneficial interest, claim or entitlement it has to any assets of any pension fund;
- (xi) the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any Charged Property;
- (xii) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (xi) above; and
- (xiii) all its rights, title and interest in (and proceeds and claims under) the Insurance Policies and the Charged Agreements,

and includes, in respect of each of the above charged assets (as appropriate), the benefit of all licences, consents and agreements held by such Original Chargor in connection with the use of the asset, any monies or income paid or payable in respect of the asset, any proceeds of the sale of the asset and any other property, rights or claims relating to, accruing to or deriving from the asset.

5.3 Floating Charge

- (a) As further continuing security for the payment of the Secured Obligations, each Original Chargor charges with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future assets, undertakings and rights.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Deed.

5.4 Conversion of Floating Charge

- (a) Except as provided below, the Security Agent may, by notice to any Chargor, convert the floating charge created under this Deed into a fixed charge with immediate effect as regards those assets specified in the notice:

¹ Note: Title should not be taken over the shares of Drax Ouse without consideration of its status as an unlimited company.

- (i) pursuant to an instruction of the Instructing Group given in accordance with the terms of the Intercreditor Agreement if an Acceleration Event has occurred;
 - (ii) if the Security Agent reasonably considers that any asset charged under the floating charge created under this Deed is in danger of being seized or sold under any form of distress, attachment, execution or other legal process or is otherwise in jeopardy; or
 - (iii) if any Chargor fails to comply, or takes or threatens to take any action which, in the reasonable opinion of the Security Agent, is likely to result in it failing to comply with its obligations under paragraph (a) of Clause 5.5 (*Negative Pledge*).
- (b) The floating charge created under this Deed will automatically (without notice, and in addition to the circumstances in which the same will occur by operation of law) and immediately be converted into a fixed charge over all the assets of a Chargor which are subject to the floating charge created under this Deed, if:
- (i) the members of that Chargor convene a meeting for the purposes of considering any resolution for its winding-up, dissolution, or a compromise, assignment or arrangement with any creditor; or
 - (ii) any person (entitled to do so) gives notice of its intention to appoint an administrator to any Chargor or files such a notice with the court.
- (c) Upon the conversion of any floating charge pursuant to this Clause 5.4, each relevant Chargor shall, at its own expense, immediately upon request by the Security Agent execute a fixed charge or legal assignment in such form as the Security Agent may require.

5.5 Negative Pledge

No Original Chargor may:

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property under this deed;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of Charged Property under this Deed (other than in respect of assets charged under Clause 5.3 (*Floating Charge*) on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property under this Deed,

except as permitted by the Secured Debt Documents or with the prior consent of the Security Agent.

- 5.6 Notwithstanding anything to the contrary in this Deed, the security created under this Clause 5 will be second ranking only to the security created pursuant to the Original Debenture, and will become first ranking immediately upon the release or discharge of the security created by the Original Debenture.

5.7 Each Original Chargor confirms for the benefit of the Security Agent that the security created by the Original Debenture shall remain in full force and effect notwithstanding the second ranking supplemental security created under this Clause 5 and the amendments to the Original Debenture effected by this Deed.

5.8 The provisions of the Amended and Restated Debenture shall apply *mutatis mutandis* to the security granted under this Clause 5.

6. SECURITY AGENT

(a) For the avoidance of doubt, the parties to this Deed acknowledge and agree that the duties of the Security Agent hereunder are governed by the Intercreditor Agreement and that in acting under this Deed, the Security Agent shall have the benefit of all rights, powers, protections and indemnities set out in the Intercreditor Agreement.

(b) The parties to this Deed acknowledge and agree that, notwithstanding anything to the contrary in this Deed, where a provision in this Deed is expressed to require the consent of the Security Agent or the Security Agent is required to exercise any right or power or the Security Agent is required to act or refrain from acting or there is reference to the Security Agent acting in its discretion, as it sees fit or any analogous term, all such, consents, rights, powers, discretions, acts and omissions of the Security Agent shall be carried out in accordance with the terms and conditions of the Intercreditor Agreement.

7. MISCELLANEOUS

7.1 Finance Document

This Deed is hereby designated a "Finance Document" for the purposes of the Amended and Restated Facilities Agreement and each other Finance Document.

7.2 Severability

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

7.3 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 the Agreement.

7.4 Failure to Execute

Failure by one or more parties ("**Non-Signatories**") to execute this Deed on the date hereof will not invalidate the provisions of this Deed as between the other Parties who do execute this Deed. Such Non-Signatories may execute this Deed on a subsequent date and will thereupon become bound by its provisions.

8. GOVERNING LAW AND JURISDICTION

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

8.2 Subject to Clause 8.3 below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed whether contractual or non-contractual (including a dispute regarding the existence, validity or

termination of this Deed) (a “**Dispute**”). The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

- 8.3 The Parties agree that, for the benefit of the Secured Parties only, nothing in this Deed shall limit the right of the Secured Parties to bring any legal action against any of the Chargors in any other court of competent jurisdiction.

IN WITNESS whereof this Deed has been duly executed as a deed and is delivered on the date first above written.

SCHEDULE 1

Part 1 THE ORIGINAL CHARGORS

Name of Company	Company number	Registered Address
Drax Corporate Limited	5562058	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Smart Generation Holdco Limited	7821911	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Fuel Supply Limited	5299523	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Power Limited	4883589	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Haven Power Limited	5893966	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Billington Bioenergy Limited	9164604	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Ouse	3618559	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax GCo Limited	5677568	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Holdings Limited	CI-92144	Drax Holdings Limited c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue, George Town, Grand Cayman KY1- 9005, Cayman Islands

Part 2 THE NEW CHARGORS

Name of Company	Company number	Registered Address
Drax Finco plc	10664639	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Group Holdings Limited	9887429	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Smart Supply Holdco Limited	10664625	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Haven Heat Limited	6657428	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Retail Developments Limited	10711130	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Opus Energy Group Limited	4409377	Drax Power Station, Selby, North Yorkshire, YO8 8PH

Opus Energy Limited	4382246	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Abbott Debt Recovery Ltd	5355799	Greyfriars Court, Paradise Square, Oxford, Oxfordshire, OX1 1BE
Opus Energy (Corporate) Limited	5199937	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Opus Gas Supply Limited	6874709	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Opus Energy Renewables Limited	7126582	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Farmoor Energy Limited	7111074	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Donnington Energy Limited	7109298	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Research and Innovation Holdco Limited	6657454	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Corporate Developments Limited	6657336	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Innovation Limited	10664715	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Smart Sourcing Holdco Limited	7821375	Drax Power Station, Selby, North Yorkshire, YO8 8PH

**ORIGINALLY DATED 20 DECEMBER 2012 AND
AS AMENDED AND RESTATED PURSUANT TO
A SECURITY AMENDMENT AGREEMENT
DATED ON THE EFFECTIVE DATE**

**DRAX CORPORATE LIMITED
and
the other Chargors listed in Schedule 1**

and

**DEUTSCHE BANK AG, LONDON BRANCH
(as Security Agent)**

**DEBENTURE
SUBJECT TO THE TERMS OF AN
INTERCREDITOR AGREEMENT DATED
5 MAY 2017**

LATHAM & WATKINS

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London EC2M 3XF
United Kingdom
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Contact: Stephen Kensell

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THIS DEED, originally dated 20 December 2012, is amended and restated on the Effective Date and is made

BETWEEN:

- (1) **DRAX CORPORATE LIMITED**, a company incorporated in England and Wales with registered number 05562058 (the “**Company**”);
- (2) **DRAX GROUP HOLDINGS LIMITED**, a company incorporated in England and Wales with registered number 09887429 (“**DGHL**”);
- (3) **THE COMPANIES** listed in Schedule 1 (*The Chargors*) (each a “**Chargor**” and together the “**Chargors**”); and
- (4) **DEUTSCHE BANK AG, LONDON BRANCH** as security trustee for itself and the other Secured Parties (the “**Security Agent**”).

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this Debenture:

“**Acceleration Event**” has the meaning given to such term in the Intercreditor Agreement;

“**Account Notice**” means a notice substantially in the form set out in Part 3 of Schedule 6 (*Forms of Notices*);

“**Accounts**” means all present and future accounts opened or maintained by the Chargors, including but not limited to the accounts set out in Schedule 4 (*Bank Accounts*) of this Debenture (and any renewal or re-designation of such account(s)), in each case, together with the debt or debts represented thereby;

“**Agreed Security Principles**” has the meaning given to such term in the Facilities Agreement;

“**Amendment and Restatement Agreement**” means the security amendment agreement which amended and restated this Debenture dated 5 May 2017;

“**Charged Agreements**” means the Intra-Group Debt Documents, the STL Agreements, any letter of credit issued in favour of any Chargor, and any other agreement designated as a Charged Agreement by DGHL and the Security Agent;

“**Charged Property**” means all the assets and undertakings of the Chargors which from time to time are subject of the security created or expressed to be created in favour of the Security Agent by or pursuant to this Debenture and any Security Accession Deed;

“**Chargor**” means each of the Chargors and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed;

“**Counterparty Notice**” means a notice substantially in the form set out in Part 1 of Schedule 6 (*Forms of Notices*);

“**Default Rate**” means the rate at which interest is payable under clause 12.3 (*Interest on overdue amounts*) of the Facilities Agreement;

“Due Diligence Report” means the due diligence report on, *inter alia*, the Power Station dated 27 October 2005 prepared by Norton Rose LLP;

“Effective Date” has the meaning given to it in the Amendment and Restatement Agreement;

“Equipment” means in relation to any Chargor any plant, machinery, computers, office equipment or vehicles from time to time owned by that Chargor;

“Event of Default” means an Event of Default as defined in the Intercreditor Agreement;

“Facilities Agreement” means the facilities agreement originally dated 20 December 2012, as amended and restated on 8 December 2015 and as further amended and restated on or about the date of this Debenture pursuant to an amendment and restatement agreement dated 21 April 2017 (as amended pursuant to a supplemental amendment agreement dated on or about the date of this Debenture) between, among others, Drax Corporate Limited as borrower, the companies listed in schedule 1 thereto as obligors and the persons listed in schedule 1 thereto as finance parties;

“Finance Parties” means the Finance Parties as defined in the Facilities Agreement;

“Good Industry Practice” means the exercise of that degree of skill, diligence, prudence, foresight and operating practice which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking in England and Wales as the applicable Chargor under the same or similar circumstances;

“Hedging Agreements” means the Hedging Agreements as defined in the Intercreditor Agreement;

“Insurance Notice” means a notice substantially in the form set out in Part 2 of Schedule 6 (*Forms of Notices*);

“Insurance Policies” means all present and future policies of insurance (other than third party insurance, public liability insurance and director's and officer's insurance) held by, or written in favour of, a Chargor or in which it is otherwise interested, including but not limited to the policies of insurance, if any, specified in Schedule 5 (*Insurance Policies*);

“Intellectual Property” means all present and future patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, and the benefit of all applications and rights to use such assets which may now or in the future subsist;

“Intercreditor Agreement” means the intercreditor agreement dated on or about the date of this Debenture between, among others, Drax Finco plc as the Company, Drax Group plc as the Parent, Drax Group Holdings Limited as DGHL, Barclays Bank PLC as the Original Credit Facility Agent, the Original Lenders, the Hedge Counterparties and the STL Counterparties (each as defined therein), The Bank of New York Mellon, London Branch as Senior Secured Note Trustee, the Original Debtors (as defined therein) and the Security Agent;

“Intra-Group Debt Documents” means any document or agreement providing for a loan or other type of financial accommodation by a Chargor to another member of the Group and/or any other document or agreement providing for the payment of any amount by any member of the Group to a Chargor;

“Investment” means all present and future stock, share, debenture, loan stock, securities, bonds, warrants, coupons, commercial paper, certificates of deposits, options, warrants, interest in any investment fund or investment scheme and any other comparable investment (including all warrants, options and any other rights to subscribe for, convert into or otherwise acquire these investments), including but not limited to the investments, if any, specified in Schedule 3 (*Shares*) (including, unless the context otherwise requires, the *Shares*), in each case whether owned directly by or to the order of a Chargor or by any trustee, fiduciary, nominee or clearance system on its behalf (including all rights against any such trustee, fiduciary, nominee or clearance system);

“Material Adverse Effect” has the meaning given to such term in the Facilities Agreement;

“Material Adverse Land Effect” means either of: (a) a Material Adverse Effect; or (b) a material adverse effect on the operation of the Power Station or the value or saleability of the Property when taken as a whole;

“Occupational Lease” means any agreement for lease, licence or other right granted to any Chargor to occupy or use any part of that Chargor’s Property;

“Other Debts” means all present and future book debts and other debts and monetary claims (other than Trading Receivables) owing to a Chargor;

“Parties” means each of the parties to this Debenture from time to time;

“Planning Act” means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 the Planning and Compulsory Purchase Act 2004, the Planning Act 2008, the Localism Act 2011 and the Housing and Planning Act 2016;

“Power Station” means the solid fuel powered electricity generating station situated on the Power Station Premises and comprising, as at the date of this Deed, six steam turbines, each with a nominal gross capacity of 660 MW and all material associated property, plant and equipment including all atmospheric monitoring equipment, in each case to the extent the same comprises real estate, fixed assets or fixtures;

“Power Station Premises” means the land and buildings at Drax Power Station and Drax Abbey Farm, Drax, Selby, North Yorkshire as registered at H.M. Land Registry under title number NYK223464;

“Property” means all present and future freehold and leasehold property from time to time owned by a Chargor or in which a Chargor is otherwise interested, including, but not limited to the property, if any, specified in Schedule 2 (*Properties*), and shall include:

- (a) the proceeds of sale of all or any part of such property;
- (b) all rights, benefits, privileges, warranties, covenants, easements, appurtenances and licences relating to such property;
- (c) all money received by or payable to a Chargor in respect of such property; and
- (d) all buildings, fixtures and fittings from time to time on such property;

“PSC Register” means the “PSC register” within the meaning of section 790C(10) of the Companies Act 2006;

“Quasi-Security” means a transaction in which a Chargor:

- (a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by a Chargor or any other member of the Group;
- (b) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
- (c) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enters into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness (as defined in the Facilities Agreement) or of financing the acquisition of an asset;

“Receiver” means a receiver, receiver and manager or administrative receiver appointed under this Debenture;

“Related Rights” means all dividends, distributions and other income paid or payable on a Share or Investment, together with all shares or other property derived from any Share or Investment and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Share or Investment (whether by way of conversion, redemption, bonus, preference, option or otherwise);

“Report on Title” means the report on title to the Property dated 27 October 2005 prepared by Norton Rose LLP, as supplemented by a side letter from Norton Rose LLP dated 2 December 2005;

“Secured Debt Documents” means the Intercreditor Agreement, the Hedging Agreements, the STL Agreements, the Credit Facility Documents, the Pari Passu Debt Documents and the Security Documents;

“Secured Obligations” has the meaning given to such term in the Intercreditor Agreement;

“Secured Parties” has the meaning given to such term in the Intercreditor Agreement;

“Security” means any Security Interest created, evidenced or conferred by or under this Deed.

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

“Security Accession Deed” means a deed executed by a member of the Group substantially in the form set out in Schedule 7 (*Form of Security Accession Deed*), with those amendments which the Security Agent may approve or reasonably require;

“Shares” means all present and future shares owned by a Chargor in its Subsidiaries including but not limited to the shares, if any, specified in Schedule 3 (*Shares*); and

“Third Party Security Provider” means each of (i) Drax Ouse; (ii) Drax GCo Limited; and (iii) Drax Holdings Limited.

“Trading Receivables” means all present and future book and other debts arising in the ordinary course of trading owing to a Chargor.

1.2 Construction

In this Debenture, unless a contrary intention appears, a reference to:

- (a) an **"agreement"** includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written);
- (b) an **"amendment"** includes any amendment, supplement, variation, novation, modification, replacement or restatement and **"amend"**, **"amending"** and **"amended"** shall be construed accordingly;
- (c) **"assets"** includes present and future properties, revenues and rights of every description;
- (d) **"including"** means including without limitation and **"includes"** and **"included"** shall be construed accordingly;
- (e) **"losses"** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **"loss"** shall be construed accordingly;
- (f) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing;
- (g) 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; and
- (h) a reference to any charge being made with **"full title guarantee"** shall mean that such charge is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 except for any Security Interests permitted under the Secured Debt Documents.

1.3 Other References

- (a) In this Debenture, unless a contrary intention appears, a reference to:
 - (i) any Finance Party, Secured Party, Chargor or any other person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors in title, permitted assignees and transferees and in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Secured Debt Documents;
 - (ii) any Secured Debt Document or other agreement or instrument is to be construed as a reference to that agreement or instrument as amended (howsoever fundamentally and whether or not such amendment results in new and / or more onerous obligations and liabilities), including by way of a change in the purpose of the facilities, or by way of a refinancing, deferral or extension of the facilities or by way of an addition or increase of or other changes to the facilities or other obligations or liabilities under the agreements or accession or retirement of the parties to the agreements;
 - (iii) any clause or schedule is a reference to, respectively, a clause of and schedule to this Debenture and any reference to this Debenture includes its schedules; and
 - (iv) a provision of law is a reference to that provision as amended or re-enacted.

- (b) The index to and the headings in this Debenture are inserted for convenience only and are to be ignored in construing this Debenture.
- (c) Words importing the plural shall include the singular and vice versa.

1.4 Incorporation by reference

Unless the context otherwise requires or unless otherwise defined in this Debenture, words and expressions defined in the Intercreditor Agreement have the same meanings when used in this Debenture.

1.5 Miscellaneous

- (a) The terms of the documents under which the Secured Obligations arise and of any side letters between any Chargor and any Secured Party relating to the Secured Obligations are incorporated in this Debenture to the extent required for any purported disposition of the Charged Property contained in this Debenture to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (b) Notwithstanding any other provision of this Debenture, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Debenture to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by any Chargor or a ground for the appointment of a Receiver.
- (c) The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Debenture and no rights or benefits expressly or impliedly conferred by this Debenture shall be enforceable under that Act against the Parties by any other person.
- (d) The parties hereto intend that this document shall take effect as a deed notwithstanding that any party may only execute this document under hand.

2. COVENANT TO PAY

Each Chargor as primary obligor covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will pay or discharge the Secured Obligations in the manner provided for in the Secured Debt Documents.

3. CHARGING PROVISIONS

3.1 General

- (a) All the Security:
 - (i) is created in favour of the Security Agent;
 - (ii) is security for the payment, discharge and performance of all the Secured Obligations; and
 - (iii) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 except for any Security Interests permitted under the Secured Debt Documents.
- (b) The Security Agent holds the benefit of this Deed on trust for the Secured Parties.

- (c) The fact that no or incomplete details of any Charged Property are inserted in any of Schedule 2 (*Properties*), Schedule 3 (*Shares*), Schedule 4 (*Bank Accounts*) and/or Schedule 5 (*Insurance Policies*) to this Deed does not affect the validity or enforceability of the Security.
- (d) The liability of any Third Party Security Provider to pay any amount under this Deed may only be discharged from, and the recourse of the Security Agent is solely limited to, the Charged Property. Following realisation of the Charged Property, the Security Agent may not seek to recover any shortfall in any amounts owing to it under this Deed by bringing any proceedings (howsoever described) against any of the Third Party Security Providers or by applying to appoint an administrator or administrative receiver or have any of the Third Party Security Providers wound up. Any claims against a Third Party Security Provider under this Deed may only be made to the extent of, and are limited solely to, amounts recovered by the Security Agent in respect of the Charged Property. The limitations in this paragraph (d) apply despite anything else in this Deed to the contrary.

3.2 Specific Security

Each Chargor, as continuing security for the payment of the Secured Obligations, charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:

- (a) by way of first legal mortgage all Property now belonging to or vested in it; and
- (b) by way of first fixed charge:
 - (i) all other interests (not effectively charged under Clause 3.2(a)) in any Property and the benefit of all other agreements relating to land;
 - (ii) all of its rights, title and interest in the Intellectual Property;
 - (iii) all of its rights, title and interest in the Equipment;
 - (iv) all the Investments, Shares and all corresponding Related Rights;
 - (v) all Trading Receivables and all rights and claims against third parties and against any security in respect of those Trading Receivables;
 - (vi) all Other Debts and all rights and claims against third parties against any security in respect of those Other Debts;
 - (vii) all monies from time to time standing to the credit of the Account (including any interest and other sums accruing thereon), together with all of its rights, title and interest in, and benefits and proceeds deriving from or arising in connection with, the Accounts;
 - (viii) all of its rights, title and interest in the Hedging Agreements;
 - (ix) all of its goodwill and uncalled capital;
 - (x) any beneficial interest, claim or entitlement it has to any assets of any pension fund;
 - (xi) the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any Charged Property;

- (xii) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (xi) above; and
- (xiii) all its rights, title and interest in (and proceeds and claims under) the Insurance Policies and the Charged Agreements,

and includes, in respect of each of the above charged assets (as appropriate), the benefit of all licences, consents and agreements held by the Chargor in connection with the use of the asset, any monies or income paid or payable in respect of the asset, any proceeds of the sale of the asset and any other property, rights or claims relating to, accruing to or deriving from the asset.

3.3 Floating Charge

- (a) As further continuing security for the payment of the Secured Obligations, each Chargor charges with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future assets, undertakings and rights.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Debenture.

3.4 Conversion of Floating Charge

- (a) Except as provided below, the Security Agent may, by notice to any Chargor, convert the floating charge created under this Debenture into a fixed charge with immediate effect as regards those assets specified in the notice:
 - (i) pursuant to an instruction of the Instructing Group given in accordance with the terms of the Intercreditor Agreement if an Acceleration Event has occurred;
 - (ii) if the Security Agent reasonably considers that any asset charged under the floating charge created under this Debenture is in danger of being seized or sold under any form of distress, attachment, execution or other legal process or is otherwise in jeopardy; or
 - (iii) if any Chargor fails to comply, or takes or threatens to take any action which, in the reasonable opinion of the Security Agent, is likely to result in it failing to comply with its obligations under paragraph (a) of Clause 5 (*Negative Pledge*).
- (b) The floating charge created under this Debenture will automatically (without notice, and in addition to the circumstances in which the same will occur by operation of law) and immediately be converted into a fixed charge over all the assets of a Chargor which are subject to the floating charge created under this Debenture, if:
 - (i) the members of that Chargor convene a meeting for the purposes of considering any resolution for its winding-up, dissolution, or a compromise, assignment or arrangement with any creditor; or
 - (ii) any person (entitled to do so) gives notice of its intention to appoint an administrator to any Chargor or files such a notice with the court.
- (c) Upon the conversion of any floating charge pursuant to this Clause 3.4, each relevant Chargor shall, at its own expense, immediately upon request by the Security Agent

execute a fixed charge or legal assignment in such form as the Security Agent may require.

3.5 Property Restricting Charging

- (a) There shall be excluded from the charge created by Clause 3.2 (*Specific Security*) and from the operation of Clause 4 (*Further Assurance*):
 - (i) any leasehold property held by a Chargor under a lease which prohibits either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest; and
 - (ii) any Intellectual Property in which a Chargor has an interest under any licence or other agreement which prohibits either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its interest in that Intellectual Property,

in each case until the relevant condition or waiver has been satisfied or obtained.

- (b) Subject to the Agreed Security Principles, for all leasehold property or Intellectual Property referred to in Clause 3.5(a), each relevant Chargor undertakes to use all reasonable endeavours to obtain the relevant consent or waiver of prohibition or condition as soon as practicable and promptly to supply to the Security Agent a copy of any such consent or waiver of prohibition or condition obtained by it.
- (c) For all leasehold property or Intellectual Property referred to in Clause 3.5(a), each relevant Chargor undertakes to secure all damages, compensation, remuneration, profit, rent or income which the Chargor may receive, or has received, under any relevant lease document or Intellectual Property document but shall not be required to provide security over the document itself until such consent is obtained.
- (d) Immediately upon receipt of the relevant waiver or consent, the formerly excluded leasehold property or Intellectual Property shall stand charged to the Security Agent under Clause 3.2 (*Specific Security*). If required by the Security Agent, at any time following receipt of that waiver or consent, the relevant Chargor will forthwith execute a valid fixed charge or legal assignment in such form as the Security Agent shall reasonably require.

4. FURTHER ASSURANCE

- (a) The covenants set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in sub-clause 4 (b) and (c) below.
- (b) Subject to the Agreed Security Principles, each Chargor shall promptly (and at its own expense) do all such acts (including payment of all stamp duties or fees) or execute or re-execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require):
 - (i) to perfect the Security created or intended to be created under or evidenced by this Debenture (which may include the execution or re-execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of this Debenture) or for the exercise of any rights, discretion, powers and remedies of the Security Agent,

any Receiver or the other Secured Parties provided by or pursuant to this Debenture or by law;

- (ii) to confer on the Security Agent, or on the Secured Parties, Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Debenture; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created under this Debenture.
- (c) Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this Debenture.

5. NEGATIVE PLEDGE

5.1 General

No Chargor may:

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than in respect of assets charged under Clause 3.3 (*Floating Charge*) on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

except as permitted by the Secured Debt Documents or with the prior consent of the Security Agent.

5.2 Non-Distressed Disposals

If a Chargor:

- (a) makes a Non-Distressed Disposal; or
- (b) withdraws amounts from any Account other than to pay into another Account (in each case in accordance with the Senior Debt Documents),

then, such assets or amounts shall be released and discharged from the mortgages, assignments and fixed and floating charges effected by this Deed (and in the case of any Account automatically and without the need for further action by any person) in accordance with clause 14.2 (*Facilitation of Non-Distressed Disposals*) of the Intercreditor Agreement.

6. REPRESENTATIONS AND WARRANTIES

6.1 General

Each Chargor represents and warrants to the Security Agent as set out in this Clause 6 on the date of this Debenture (or, with respect to any Chargor which becomes a party to this Debenture by way of a Security Accession Deed, on the date when it becomes a Chargor) and on each date that the Repeating Representations are repeated under (and as defined in) the Facilities Agreement.

6.2 Property

Except as disclosed in the Due Diligence Report and the Report on Title relating to any of its Property and in each case: (i) subject to any disposal from time to time which is permitted under this Debenture or the other Secured Debt Documents, and (ii) other than in relation to any Property acquired after the date of this Debenture:

- (a) it is the legal and beneficial owner of its Property;
- (b) no breach of any law, regulation or covenant relating to any of that property in such a manner that would have a Material Adverse Land Effect is outstanding;
- (c) there is no covenant, agreement, burden, stipulation, outgoing (other than usual business outgoings), reservation, condition, interest, right, easement or any other matter whatsoever, affecting its Property which is of an onerous or unusual nature or which conflicts with its current use, or adversely affects the value, saleability or use of the Property, in each case which would have a Material Adverse Land Effect;
- (d) nothing has arisen or has been created or is subsisting which would be an overriding interest or an unregistered interest which overrides first registration or registered dispositions over its Property and which would have a Material Adverse Land Effect;
- (e) all facilities necessary for the enjoyment and use of its Property (including those necessary for the carrying on of its business at the Property) are enjoyed by that Property and none of those facilities are on terms entitling any person to terminate or curtail its use or on terms which conflict with or restrict its use, where the lack of those facilities or such terms of any facility would have a Material Adverse Land Effect;
- (f) it has received no notice of any adverse claim by any person in respect of its ownership of its Property or any interest in it which would have or would reasonably be likely to have a Material Adverse Land Effect, nor has any acknowledgement of any such adverse claim been given by any Chargor to any person in respect of its Property;
- (g) its Property is held by it free from any Security Interest (except as created by this Deed or as permitted by the Secured Debt Documents);
- (h) its Property is held by it free from any lease, tenancy or licence which would have a Material Adverse Land Effect;
- (i) the means of access to and egress from its Property (including means of escape in case of fire or other emergency) are over either roads which have been adopted by the local authority and are maintainable at public expense or roads in respect of which the

relevant Chargor and those deriving title under it to that Property have a permanent legal easement free from onerous or unusual conditions which would have a Material Adverse Land Effect, which connect directly to roads which have been adopted by the local authority and are maintainable at public expense;

- (j) its Property is free from any third party rights of any kind which would have a Material Adverse Land Effect; and
- (k) there are no disputes regarding boundaries, easements, covenants or other matters relating to its Property or its use which would be reasonably likely to be adversely determined and which, if adversely determined, would have a Material Adverse Land Effect.

6.3 Shares

It is the legal and beneficial owner of the Shares identified against its name in Schedule 3 (*Shares*) which represent the entire issued share capital of the relevant Subsidiaries and all of those Shares are duly authorised, validly issued and fully paid, and not subject to any option to purchase or similar right.

6.4 Bank Accounts

It is the legal and beneficial owner of the Accounts. It has full power to establish and maintain the Accounts and to enter into and deliver and to create the Security constituted by this Deed.

6.5 PSC Register

- (a) It has not issued, and does not, intend to issue any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 in respect of any shares which constitute Charged Property.
- (b) It has not received any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 in respect of any shares which constitute Charged Property.

7. PROTECTION OF SECURITY

7.1 Title Documents

- (a) Each Chargor will promptly:
 - (i) in respect of all real property (other than leasehold property) mortgaged or charged under this Debenture:
 - (A) deposit with the Security Agent (or as it shall direct) all deeds and documents of title relating to all real property (other than leasehold property) mortgaged or charged under this Debenture and, if those deeds and documents are with the Land Registry, will promptly deposit them with the Security Agent (or as it shall direct) upon their release; or
 - (B) procure that all deeds and documents of title relating to all real property (other than leasehold property) mortgaged or charged under this Debenture are held to the order of the Security Agent by a firm of solicitors approved by the Security Agent for that purpose; and

- (ii) deposit with the Security Agent (or as it shall direct):
 - (A) all stock and share certificates and other documents of title relating to the Shares and Investments together with stock transfer forms executed in blank and left undated on the basis that the Security Agent shall be able to hold such documents of title and stock transfer forms until the Secured Obligations have been irrevocably and unconditionally discharged in full and shall be entitled, at any time following the occurrence of an Acceleration Event, to complete, under its power of attorney given in this Debenture, the stock transfer forms on behalf of the relevant Chargor in favour of itself or such other person as it shall select;¹
 - (B) all documents (including any passbook) relating to the Accounts;
 - (C) copies of all Insurance Policies;
 - (D) following the occurrence of an Event of Default which is continuing, copies of all Charged Agreements; and
 - (E) following the occurrence of an Acceleration Event, all other documents relating to the Charged Property which the Security Agent may from time to time reasonably require.
- (b) The Security Agent may retain any document delivered to it under this Clause 7.1 or otherwise until the security created under this Debenture is released and, if for any reason it ceases to hold any such document before that time, it may by notice to the relevant Chargor require that the document be redelivered to it and the relevant Chargor shall promptly comply (or procure compliance) with that notice.
- (c) Any document required to be delivered to the Security Agent under Clause 7.1(a) which is for any reason not so delivered or which is released by the Security Agent to a Chargor shall be held on trust by the relevant Chargor for the Security Agent.

7.2 Receivables and Bank Accounts

Each Chargor shall:

- (a) as agent for the Security Agent, collect all Trading Receivables and Other Debts charged to the Security Agent under this Debenture, pay the proceeds into an Account promptly upon receipt and, pending such payment, hold those proceeds on trust for the Security Agent;
- (b) not charge, factor, discount or assign any of the Trading Receivables or Other Debts in favour of any person, or purport to do so unless permitted by the Secured Debt Documents or with the prior consent of the Security Agent; and
- (c) where an Account is not maintained with the Security Agent, promptly following the occurrence of an Acceleration Event, serve an Account Notice on the bank with whom the Account is maintained and use reasonable endeavours to procure that such bank signs and delivers to the Security Agent an acknowledgement substantially in the form of the schedule to the Account Notice.

¹ Note: Title should not be taken over the shares of Drax Ouse without consideration of its status as an unlimited company.

7.3 Insurance Policies, Charged Agreements and Hedging Agreements

Each Chargor will:

- (a) promptly following the occurrence of an Acceleration Event, give notice to the other party to each Insurance Policy, each Charged Agreement, each Hedging Agreement, and each Trading Receivable, that it has assigned or charged its right under the relevant policy or agreement to the Security Agent under this Debenture. Such notice will be a Counterparty Notice, except in the case of the Insurance Policies where it will be an Insurance Notice, and in the case of Accounts, where it will be an Account Notice. Each relevant Chargor will use all reasonable endeavours to procure that the relevant counterparty or insurer signs and delivers to the Security Agent an acknowledgement substantially in the form of that set out in the schedule to the relevant notice within 14 days of the notice being given;
- (b) perform all its obligations under the Insurance Policies or Charged Agreements in a diligent and timely manner;
- (c) not amend any provision of any Hedging Agreement, STL Agreement, Insurance Policies or Charged Agreements except:
 - (i) in the case of any Hedging Agreement, STL Agreement or Charged Agreement (other than an Intra-Group Debt Document), where the relevant Hedge Counterparty, STL Counterparty or, in the case of the Parent Liabilities, the parties thereto, are permitted in accordance with the provisions of the Intercreditor Agreement; and
 - (ii) (subject to compliance with any applicable terms of the Intercreditor Agreement) for any amendment to any Intra-Group Debt Documents.

7.4 The Land Registry

- (a) Each Chargor shall apply to the Land Registrar for a restriction to be entered on the Register of Title in relation to all real property (other than leasehold property) situated in England and Wales and charged by way of legal mortgage under this Debenture (including any unregistered properties subject to compulsory first registration at the date of this Debenture) on the prescribed Land Registry form and in the following or substantially similar terms:

“No disposition of the registered estate by the proprietor of the registered estate is to be registered without a consent signed by the proprietor for the time being of the charge dated [●] in favour of [●] referred to in the charges register or their conveyancer”.
- (b) Subject to the terms of the Facilities Agreement, the Finance Parties (other than the Security Agent) are under an obligation to make further advances to the Chargors (which obligation is deemed to be incorporated into this Debenture) and this security has been made for securing those further advances. Each Chargor shall apply to the Land Registrar on the prescribed Land Registry form for a notice to be entered on the Register of Title in relation to real property (other than leasehold property) situated in England and Wales and charged by way of legal mortgage under this Debenture (including any unregistered properties subject to compulsory first registration at the date of this Debenture) that there is an obligation to make further advances on the security of the registered charge.

- (c) If any Chargor fails to make the applications set out in Clauses 7.4(a) or (b) or if the Security Agent gives notice to any Chargor that it will make such applications on its behalf, each Chargor irrevocably consents to the Security Agent making such application on its behalf and shall promptly provide the Security Agent with all information and fees which the Security Agent may request in connection with such application.
- (d) In respect of any of the real property mortgaged or charged under this Debenture title to which is registered at the Land Registry, it is certified that the security created by this Debenture does not contravene any of the provisions of the articles of association of any Chargor.

7.5 Registration of Intellectual Property

- (a) Subject to paragraph (b) below, each Chargor as registered proprietor must promptly, if requested to do so by the Security Agent, sign or procure the signature of, and comply with all reasonable instructions of the Security Agent in respect of, any application for the particulars of this Debenture and of the Secured Parties' interest in its material existing trademarks and trade mark applications and any future trademarks or trade mark applications registered or to be registered in the United Kingdom in the name of that Chargor, to be made on the Register of Trade Marks under section 25(1) of the Trade Marks Act 1994.
- (b) Prior to the occurrence of an Acceleration Event, no registrations shall be made in respect of Intellectual Property secured under this Debenture.

8. NOTICE OF CHARGE

By its execution of this Agreement:

- (a) each Chargor (the "**First Chargor**") shall be deemed to have given notice to each other Chargor which from time to time owes the First Chargor any Trading Receivables or Other Debts (including, without limitation, pursuant to any Intra-Group Debt Document) that such First Chargor has charged all of its rights, title and interest, both present and future, from time to time in such Trading Receivables or Other Debts (including, without limitation, pursuant to any Intra-Group Debt Document) in favour of the Security Agent under this Debenture; and
- (b) each Chargor shall be deemed to have acknowledged the notice deemed given under paragraph (a) above.

9. UNDERTAKINGS

9.1 General

- (a) Each Chargor undertakes to the Security Agent in the terms of this Clause 9 from the date of this Debenture and for so long as any of the Secured Obligations are outstanding.
- (b) Each Chargor will observe and perform all covenants and stipulations from time to time affecting the Charged Property, make all payments, carry out all registrations or renewals and generally take all steps which are necessary to preserve, maintain and renew when necessary or desirable all of the Charged Property.

9.2 Real Property

Repair

- (a) Each Chargor will keep all Property and Equipment which forms part of the Charged Property in such repair and working order as is consistent with Good Industry Practice.

Compliance

- (b) Each Chargor must pay all taxes, rates, duties, charges, assessments and outgoings whatsoever due and payable by it in relation to the Property within a reasonable time of the relevant due date, unless (and only to the extent) that they are being contested in good faith and by appropriate means.
- (c) Each Chargor must only use the Property for such purpose or purposes as may for the time being be authorised as the permitted use or user thereof under or by virtue of any Planning Act and all title deeds relating to the Property.
- (d) Each Chargor must duly and punctually perform and observe all its obligations in connection with the Property under any present or future statute or any regulation, order or notice made or given thereunder, non-performance or non-observance of which would have a Material Adverse Land Effect.
- (e) Each Chargor must duly and punctually perform and observe all covenants and stipulations, restrictive or otherwise, affecting all or any part of the Property and all or any facilities necessary for the enjoyment and use of the Property and/or the carrying on of the business at the Property, including, without limitation, access to and egress from the Property, if in any such case failure to do so would materially and adversely affect the value, saleability or use of the Property, and indemnify the Security Agent in respect of any breach thereof and permit the Security Agent and any person nominated by it at all reasonable times during normal business hours on reasonable notice (but not more than once in every financial year of the Company unless the Security Agent believes that an Event of Default is outstanding under any of the Secured Debt Documents) to enter upon the Property and view the state of the same, as may be required by a prudent mortgagee.

Acquisitions

- (f) Each Chargor will notify the Security Agent if it acquires any freehold or leasehold property after the date of this Deed (including, without limitation by the exercise of such Chargor of any option to acquire any freehold or leasehold property) or enters into any material agreement or option to acquire any freehold or leasehold property or any material licence or other right to occupy or use the same ("**Acquired Property**") that will involve it in expenditure (whether by way of purchase price or lease premium) (excluding any taxes payable thereon) of more than £750,000, and will in any event notify the Security Agent promptly in writing of the actual acquisition by it of any such freehold, leasehold or other real property.
- (g) Each Chargor will promptly following a request by the Security Agent (and at the cost of that Chargor), execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of an Acquired Property in any form (consistent with this Deed) which the Security Agent may require, except where:

- (i) the purchase price or lease premium (excluding any taxes payable thereon) paid in respect of that Acquired Property does not exceed £2,500,000; and
- (ii) the aggregate purchase price and lease premiums (excluding any taxes payable thereon) paid in respect of all Acquired Properties that are not subject to a legal mortgage in favour of the Security Agent does not exceed £5,000,000 at the time of the acquisition of the relevant Acquired Property.

Leases

- (h) Except as permitted by the Secured Debt Documents, no Chargor will grant any lease, tenancy, contractual licence or right to occupy in respect of the whole or any part of the Property or otherwise part with possession of the whole or any part of the Property.
- (i) Each Chargor must perform and observe all the covenants, agreements and stipulations on the part of such Chargor contained in any Occupational Lease and must not do or suffer to be done any act or thing whereby any Occupational Lease may become liable to forfeiture or otherwise be determined prior to the expiration of its term, in each case where such failure to observe or such forfeiture or determination would have or would reasonably be likely to have a Material Adverse Land Effect.

Notices

- (j) Each Chargor will give notice within fourteen days after receipt of any application, requirement, order or notice served or given by any public or local or any other authority with respect to its Property (or any part of it) which would have a material adverse effect on the value, saleability or use of any of the Property.
- (k) Each Chargor will give prompt notice to the Security Agent if it receives any notice under section 146 of the Law of Property Act 1925 or any proceedings are commenced against it for the forfeiture of any lease comprised in any Property.

Investigation of Title

- (l) Each Chargor must grant the Security Agent or its lawyers on request all facilities within the power of that Chargor to enable the Security Agent or its lawyers (at the expense of that Chargor) after this Security has become enforceable to:
 - (i) carry out investigations of title to its Property; and
 - (ii) make such enquiries in relation to any part of its Property as a prudent mortgagee might carry out.

9.3 Share Certificates

Each relevant Chargor:

- (a) will promptly following the execution of this Debenture (or if it acquires the relevant Shares later, as soon as practicable after it does so) deposit with the Security Agent (to the extent not already held by the Security Agent), or as the Security Agent may direct, any bearer instrument (provided that the Security Agent shall not dispose of, sell or otherwise deal with any such bearer instrument until an Acceleration Event has occurred), certificate or other document of title or evidence of ownership in relation to the Shares; and

- (b) must promptly following the execution of this Deed (or if it acquires the relevant Shares later, as soon as practicable after it does so) take any action and execute and deliver to the Security Agent any undated share transfer or other document which may be requested by the Security Agent in order to enable the transferee to be registered as the owner or otherwise obtain legal title to the Shares upon the occurrence of an Acceleration Event, including:
 - (i) delivering executed undated share transfers in favour of the Security Agent or any of its nominees as transferee or, if the Security Agent so directs, with the transferee left blank; and
 - (ii) procuring that those share transfers are registered by the relevant Subsidiary of such Chargor and that share certificates in the name of the transferee are delivered to the Security Agent.

9.4 Changes to rights

A Chargor may not (except to the extent not prohibited by the Secured Debt Documents) take or allow the taking of any action on its behalf which may result in the rights attaching to the Shares being materially and adversely altered or in any circumstance take any such action that may adversely affect the enforcement of the Security.

9.5 Calls

- (a) Each relevant Chargor must pay all calls and other payments due and payable in respect of the Shares during the Security Period.
- (b) If such Chargor fails to do so, the Security Agent may pay those calls or other payments on behalf of such Chargor. Such Chargor must promptly on request reimburse the Security Agent for any payment made by the Security Agent under this Subclause and, pending reimbursement, that payment will constitute part of the Secured Liabilities.

9.6 Other obligations in respect of Shares

- (a)
 - (i) Each relevant Chargor must comply with all requests for information regarding the Shares which is within its knowledge and which it is required to comply with by law (including section 793 of the Companies Act 2006) or under the constitutional documents relating to the Shares. If such Chargor fails to do so, the Security Agent may elect to provide any information which it may have on behalf of such Chargor.
 - (ii) Each relevant Chargor must, if the Security Agent so requests, promptly supply a copy to the Security Agent of any information referred to in subparagraph (i) above.
- (b) Each relevant Chargor must comply with all other conditions and obligations assumed by it in respect of any of the Shares.
- (c) No Secured Party will be required in any manner to:
 - (i) perform or fulfil any obligation of a Chargor;
 - (ii) make any payment;

(iii) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or

(iv) present or file any claim or take any other action to collect or enforce the payment of any amount,

in respect of the Shares.

9.7 Voting and distribution rights

(a) Before the occurrence of an Acceleration Event, each relevant Chargor may continue to exercise the voting rights, powers and other rights in respect of the Shares.

(b) Before the occurrence of an Acceleration Event, if for any reason the relevant Shares have been registered in the name of the Security Agent or its nominee, the Security Agent (or its nominee) must exercise the voting rights, powers and other rights in respect of the Shares in any manner which the relevant Chargor may direct in writing. The Security Agent (or that nominee) will execute any form of proxy or other document which the relevant Chargor may reasonably require for this purpose.

(c) Before the occurrence of an Acceleration Event, all dividends or other income or distributions paid or payable in relation to any of the Shares must be paid to the relevant Chargor. To achieve this, if for any reason the relevant Shares have been registered in the name of the Security Agent (or its nominee):

(i) the Security Agent (or its nominee) will promptly execute any dividend mandate necessary to ensure that payment is made direct to the relevant Chargor; or

(ii) if payment is made directly to the Security Agent (or its nominee) before this Security becomes enforceable, the Security Agent (or that nominee) will promptly pay that amount to the relevant Chargor.

(d) Before the occurrence of an Acceleration Event, the Security Agent shall use its reasonable endeavours to promptly forward to the relevant Chargor all material notices, correspondence and/or other communication it receives in relation to the Shares but only in so far as the Shares are registered in the name of the Security Agent.

(e) After the occurrence of an Acceleration Event, the Security Agent or its nominee may (in order to preserve and/or realise the value of the Security) exercise or refrain from exercising:

(i) any voting rights; and

(ii) any other powers or rights which may be exercised by the legal or beneficial owner of the Shares, any person who is the holder of the Shares or otherwise,

in each case, in the name of the relevant Chargor, the registered holder or otherwise and without any further consent or authority on the part of such Chargor and irrespective of any direction given by such Chargor.

(f) To the extent that the Shares remain registered in the name of the relevant Chargor, such Chargor irrevocably appoints the Security Agent or its nominee as its proxy to exercise all voting rights in respect of those Shares at any time after the occurrence of an Acceleration Event.

- (g) Each Chargor must indemnify the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of its Shares on the direction of such Chargor.

9.8 Clearance systems

- (a) At any time after the occurrence of an Acceleration Event, each relevant Chargor must, if so requested by the Security Agent:
 - (i) instruct any clearance system to transfer any Shares held by it for such Chargor or its nominee to an account of the Security Agent (or its nominee) with that clearance system; and
 - (ii) take whatever action the Security Agent may reasonably request for the dematerialisation or rematerialisation of any Shares held in a clearance system.
- (b) At any time after the occurrence of an Acceleration Event the Security Agent may, at the expense of the relevant Chargor, take whatever action is required for the dematerialisation or rematerialisation of the Shares as necessary.

9.9 Custodian arrangements

Each relevant Chargor must:

- (a) promptly give notice of this Deed to any custodian of any of the Shares (if applicable), in any form which the Security Agent may reasonably require; and
- (b) use reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Security Agent may reasonably require,

but so that the Security Agent shall not require any such notice or acknowledgment to state that the Security Agent has any rights over or in respect of the Shares prior to the occurrence of an Acceleration Event.

9.10 PSC Register

- (a) Each relevant Chargor shall promptly:
 - (i) notify the Security Agent of its receipt of, any “warning notice” or “restrictions notice” (as defined in paragraph 1(2) of Schedule 1B of the Companies Act 2006) in respect of any of the Shares; and
 - (ii) provide to the Security Agent a copy of any such warning notice or restrictions notice,in each case before it issues, or after it receives, any such notice.
- (b) For the purposes of withdrawing any restrictions notice or for any application (or similar) to the court under Schedule 1B of the Companies Act 2006, each relevant Chargor shall provide such assistance as the Security Agent may reasonably request in respect of any Shares and provide the Security Agent with all information, documents and evidence that it may reasonably request in connection with the same.

10. CONTINUING SECURITY

10.1 Continuing Security

The Security constituted by this Debenture shall be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other act, matter or thing.

10.2 Other Security

The Security constituted by this Debenture is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security or other right which the Security Agent and/or any other Secured Party may now or after the date of this Debenture hold for any of the Secured Obligations, and this Security may be enforced against each Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

11. ENFORCEMENT OF SECURITY

11.1 Enforcement Powers

For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this Debenture. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this Debenture shall (subject to the terms of the Intercreditor Agreement) be immediately exercisable at any time after an Acceleration Event has occurred.

11.2 Statutory Powers

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the Security created under this Debenture, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in those Acts and those contained in this Debenture, those contained in this Debenture shall prevail.

11.3 Exercise of Powers

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Debenture, and all or any of the rights and powers conferred by this Debenture on a Receiver (whether expressly or impliedly), may be exercised by the Security Agent without further notice to any Chargor at any time after an Acceleration Event has occurred, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property.

11.4 Disapplication of Statutory Restrictions

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this Debenture.

11.5 Appropriation under the Financial Collateral Regulations

- (a) To the extent that any of the Charged Property constitutes “financial collateral” and this Debenture and the obligations of the Chargors hereunder constitute a “security financial collateral arrangement” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the

“**Regulations**”)), the Security Agent shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may exercise that right to appropriate by giving notice to the relevant Chargors at any time after an Acceleration Event has occurred.

- (b) The Parties agree that the value of any such appropriated financial collateral shall be: (x) in the case of securities, the price at which such securities can be disposed of by the Security Agent; and (y) in the case of any other asset, the market value of such financial collateral as determined by the Security Agent, in each case, in a commercially reasonable manner (including by way of an independent valuation). The Parties agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations.

11.6 Powers of Leasing

The Security Agent may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 of the Law of Property Act 1925.

11.7 Fixtures

The Security Agent may sever any fixtures from the property to which they are attached and sell them separately from that property.

11.8 Bank Accounts

At any time after an Acceleration Event has occurred the Security Agent may and is hereby irrevocably and unconditionally authorised, without further enquiry and without either giving notice to the Chargor or DGHL or obtaining any consent, to apply the whole or part of all monies standing to the credit of the Accounts in or towards payment of the Secured Obligations.

12. RECEIVERS

12.1 Appointment of Receiver

- (a) Subject to paragraph (c) below, at any time after this Security becomes enforceable, or if so requested by the relevant Chargor, the Security Agent may by writing under hand signed by any officer or manager of the Security Agent, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this Debenture.
- (c) The Security Agent shall be entitled to appoint a Receiver save to the extent prohibited by section 72A Insolvency Act 1986.

12.2 Powers of Receiver

Each Receiver appointed under this Debenture shall have (subject to any limitations or restrictions which the Security Agent may incorporate in the deed or instrument appointing it) all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Debenture), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver,

whether or not an administrative receiver. In addition, notwithstanding any liquidation of the relevant Chargor, each Receiver shall have power to:

- (a) manage, develop, reconstruct, amalgamate or diversify any part of the business of the relevant Chargor;
- (b) enter into or cancel any contracts on any terms or conditions;
- (c) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not;
- (d) let or lease or concur in letting or leasing, and vary the terms of, determine, surrender leases or tenancies of, or grant options and licences over, or otherwise deal with, all or any of the Charged Property, without being responsible for loss or damage;
- (e) establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions;
- (f) make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances;
- (g) exercise all voting and other rights attaching to the Shares or Investments and stocks, shares and other securities owned by the relevant Chargor and comprised in the Charged Property, but only following a written notification from either the Receiver or the Security Agent to the relevant Chargor stating that the Security Agent shall exercise all voting rights in respect of the Shares or Investments and stocks, shares and other securities owned by the relevant Chargor and comprised in the Charged Property;
- (h) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (i) appoint and discharge officers and others for any of the purposes of this Debenture and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit;
- (j) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Chargor or relating to any of the Charged Property;
- (k) implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on any real property comprised in the Charged Property;
- (l) purchase or acquire any land or any interest in or right over land;
- (m) exercise on behalf of the relevant Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Property; and
- (n) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or

powers in this Clause 12.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the relevant Chargor for all such purposes,

and in each case may use the name of any Chargor and exercise the relevant power in any manner which he may think fit.

12.3 Receiver as Agent

Each Receiver shall be the agent of the relevant Chargor, which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Security Agent will not be responsible for any misconduct, negligence or default of a Receiver.

12.4 Removal of Receiver

The Security Agent may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

12.5 Remuneration of Receiver

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it.

12.6 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Debenture (unless the document appointing such Receiver states otherwise).

13. APPLICATION OF PROCEEDS

13.1 Order of Application

All moneys received or recovered by the Security Agent or any Receiver pursuant to this Debenture shall (subject to the claims of any person having prior rights thereto) be applied in the order and manner specified by the Intercreditor Agreement notwithstanding any purported appropriation by any Chargor.

13.2 Insurance Proceeds

If an Acceleration Event has occurred, all moneys received by virtue of any insurance maintained or effected in respect of the Charged Property shall be paid to the Security Agent (or, if not paid by the insurers directly to the Security Agent, shall be held on trust for the Security Agent) and shall, at the option of the Security Agent, be applied in replacing or reinstating the assets destroyed, damaged or lost (any deficiency being made good by the relevant Chargor) or (except in the case of leasehold premises) in reduction of the Secured Obligations.

13.3 Section 109 Law of Property Act 1925

Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Debenture.

13.4 Application against Secured Obligations

Subject to Clause 13.1 above, any moneys or other value received or realised by the Security Agent from a Chargor or a Receiver under this Debenture may be applied by the Security Agent to any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any order or manner which the Security Agent may determine.

13.5 Suspense Account

Until the Secured Obligations are paid in full, the Security Agent or the Receiver (as applicable) may place and keep (for such time as it shall determine) any money received, recovered or realized pursuant to this Debenture or on account of any Chargor's liability in respect of the Secured Obligations in an interest bearing separate suspense account (to the credit of either the relevant Chargor or the Security Agent or the Receiver as the Security Agent or the Receiver shall think fit) and the Security Agent or the Receiver may retain the same for the period which it considers expedient without having any obligation to apply all or any part of that money in or towards discharge of the Secured Obligations.

14. PROTECTION OF SECURITY AGENT AND RECEIVER

14.1 No Liability

Neither the Security Agent nor any Receiver nor any Delegate shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his gross negligence or wilful misconduct.

14.2 Possession of Charged Property

Without prejudice to Clause 14.1 above, if the Security Agent or the Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

14.3 Primary liability of Chargor

Each Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Charged Property shall be deemed to be a principal security for the Secured Obligations. The liability of each Chargor under this Debenture and the charges contained in this Debenture shall not be impaired by any forbearance, neglect, indulgence, abandonment, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Agent or any other Secured Party, or by any other act, event or matter whatsoever whereby the liability of the relevant Chargor (as a surety only) or the charges contained in this Debenture (as secondary or collateral charges only) would, but for this provision, have been discharged.

14.4 Waiver of defences

The obligations of each Chargor under this Debenture will not be affected by an act, omission, matter or thing which, but for this this Debenture, would reduce, release or prejudice any of its obligations under this Debenture (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor 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 an Obligor or any other person;
- (f) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Secured Debt Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Secured Debt Document or other document or security;
- (g) any unenforceability, illegality or invalidity of any obligation of any person under any Secured Debt Document or any other document or security or the failure by any member of the Group to enter into or be bound by a Secured Debt Document; or
- (h) any insolvency or similar proceedings.

14.5 Security Agent

The provisions set out in clause 19 (*The Security Agent*) of the Intercreditor Agreement shall govern the rights, duties and obligations of the Security Agent under this Debenture.

14.6 Delegation

The Security Agent may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this Debenture to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Security Agent will not be liable or responsible to any Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate.

14.7 Cumulative Powers

The powers which this Debenture confers on the Security Agent, the other Secured Parties and any Receiver appointed under this Debenture are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

15. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any person nominated for the purpose by the Security Agent or any Receiver (in writing and signed by an officer of the Security Agent or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to

((i) following the occurrence of an Acceleration Event or (ii) if the relevant Chargor has failed to comply with a further assurance or perfection obligation, in which case, only to the extent necessary in order to complete such further assurance or perfection requirement) execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Debenture, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Security Agent or any Receiver under this Debenture or otherwise for any of the purposes of this Debenture, and each Chargor covenants with the Security Agent and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

16. PROTECTION FOR THIRD PARTIES

16.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Security Agent or any Receiver (or their agents) shall be obliged or concerned to enquire whether:

- (a) the right of the Security Agent or any Receiver to exercise any of the powers conferred by this Debenture has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Obligations remain outstanding and/or are due and payable or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

16.2 Receipt Conclusive

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

17. COSTS AND EXPENSES

17.1 Initial Expenses

Each Chargor shall within five Business Days of demand pay to each of the Security Agent and any Receiver the amount of all documented costs and expenses (including legal fees) properly incurred by any of them in connection with:

- (a) the negotiation, preparation, execution, completion and perfection of this Debenture and any other documents or notices referred to in, or related or incidental to, this Debenture; and
- (b) any amendment, waiver or consent relating to this Debenture (and documents, matters or things referred to in this Debenture).

17.2 Enforcement Expenses

Each Chargor shall, within five Business Days of demand, pay to each of the Security Agent, any Receiver and each other Secured Party the amount of all documented costs and expenses (including legal fees) properly incurred by it in connection with the enforcement of or the preservation of any rights under (and any documents referred to in) this Debenture and any proceedings instituted by or against the Security Agent and any Secured Party as a consequence of taking or holding the Security created under this Debenture or enforcing these rights.

17.3 Stamp Duties, etc.

Each Chargor shall pay and, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Debenture.

17.4 Default Interest

If not paid when due, the amounts payable under this Clause 17 shall carry interest compounded with monthly rests at the Default Rate (after as well as before judgment), from the date of demand and shall form part of the Secured Obligations.

18. REINSTATEMENT AND RELEASE

18.1 Amounts Avoided

If any amount paid by a Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the relevant Chargor or otherwise, then for the purposes of this Debenture that amount shall not be considered to have been paid. No interest shall accrue on any such amount, unless and until such amount is so avoided or set aside.

18.2 Discharge Conditional

Any settlement or discharge between a Chargor and any Secured Party shall be conditional upon no security or payment to that Secured Party by that Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of that Secured Party under this Debenture) that Secured Party shall be entitled to recover from that Chargor the value which that Secured Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

18.3 Covenant To Release

- (a) Once all the Secured Obligations have been irrevocably paid in full and none of the Security Agent nor any Secured Party has any actual or contingent liability to advance further monies to, or incur liability on behalf of, any Chargor, the Security Agent and each Secured Party shall, at the request and cost of each Chargor, execute any documents (or procure that its nominees execute any documents) or take any action which may be necessary to release the Charged Property from the Security constituted by this Debenture.
- (b) In the event of a disposal to a person or persons outside the Group of any assets subject to the Security constituted by this Debenture owned by a Chargor which is permitted by Clause 5.2 (*Non-Distressed Disposals*), clause 14.2 (*Facilitation of Non-Distressed Disposals*) of the Intercreditor Agreement shall apply.

19. CURRENCY CLAUSES

19.1 Conversion

All monies received or held by the Security Agent or any Receiver under this Debenture may be converted into any other currency which the Security Agent considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Security Agent's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.

19.2 No Discharge

No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the relevant Chargor in respect of which it was made unless and until the Security Agent has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Agent shall have a further separate cause of action against the relevant Chargor and shall be entitled to enforce the Security constituted by this Debenture to recover the amount of the shortfall.

20. SET-OFF

20.1 Set-off rights

The Security Agent may set off any matured obligation due from a Chargor under the Secured Debt Documents (to the extent beneficially owned by the Security Agent) against any matured obligation owed by the Security Agent to that Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

20.2 Different Currencies

The Security Agent may exercise its rights under Clause 20.1 (*Set-off rights*) notwithstanding that the amounts concerned may be expressed in different currencies and the Security Agent is authorised to effect any necessary conversions at a market rate of exchange selected by it.

20.3 Unliquidated Claims

If, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Security Agent to any Chargor, the relevant obligation or liability is unliquidated or unascertained, the Security Agent may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

20.4 No Set-off

The Chargor will pay all amounts payable under this Debenture without any set-off, counterclaim or deduction whatsoever unless required by law, in which event, other than in the case of a payment of interest, the Chargor will pay an additional amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made.

21. RULING OFF

If the Security Agent or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Secured Debt Documents it may open a new account for the relevant Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the relevant Chargor), as from the time it receives that notice, all payments made by the relevant Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the relevant Chargor and not as having been applied in reduction of the Secured Obligations.

22. REDEMPTION OF PRIOR CHARGES

The Security Agent may, at any time after an Acceleration Event has occurred, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on each Chargor. Each Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

23. NOTICES

Clause 25 (*Notices*) of the Intercreditor Agreement shall apply to any communication to be made under or in connection with this Debenture (including by any Secured Creditor who is not a party to this Debenture) as if it were set out in full in this Debenture.

24. CHANGES TO PARTIES

24.1 Assignment by the Security Agent

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Debenture in accordance with the Secured Debt Documents.

24.2 Changes to Parties

Each Chargor authorises and agrees to changes to parties under clause 31 (*Changes to the Parties*) of the Facilities Agreement and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

24.3 New Subsidiaries

Each of the Chargors will procure that any new Subsidiary of it which is required to do so by the terms of the Facilities Agreement executes a Security Accession Deed.

24.4 Consent of Chargors

- (a) Each Chargor consents to new Subsidiaries becoming Chargors as contemplated by Clause 24.3 above.
- (b) Each Chargor confirms that the execution of any Security Accession Deed by a new Subsidiary will in no way prejudice or affect the security granted by each of them under (and the covenants given by each of them in), this Debenture and that this Debenture shall remain in full force and effect as supplemented by any such Security Accession Deed.
- (c) Each Chargor further confirms that the execution of any other supplemental security document by a Chargor will in no way prejudice or affect the security granted by each of them under (and the covenants given by each of them in), this Debenture and that this Debenture shall remain in full force and effect as supplemented by any such supplemental security document.

25. MISCELLANEOUS

25.1 Certificates Conclusive

A certificate or determination of the Security Agent as to any amount payable under this Debenture will be conclusive and binding on each Chargor, except in the case of manifest error.

25.2 Counterparts

This Debenture 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 Debenture.

25.3 Invalidity of any Provision

If any provision of this Debenture is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

25.4 Failure to Execute

Failure by one or more parties ("Non-Signatories") to execute this Debenture on the date hereof will not invalidate the provisions of this Debenture as between the other Parties who do execute this Debenture. Such Non-Signatories may execute this Debenture on a subsequent date and will thereupon become bound by its provisions.

26. GOVERNING LAW AND JURISDICTION

- (a) This Debenture and any non-contractual claims arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) Subject to paragraph (c) below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this Debenture) (a "**Dispute**"). The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- (c) The Parties agree that, for the benefit of the Secured Parties only, nothing in this Debenture shall limit the right of the Secured Parties to bring any legal action against any of the Chargors in any other court of competent jurisdiction.

IN WITNESS whereof this Debenture has been duly executed as a deed and is delivered on the date first above written.

SCHEDULE 1
THE CHARGORS

Name of Company	Company number	Registered Address
Drax Corporate Limited	5562058	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Finco plc	10664639	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Group Holdings Limited	9887429	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Smart Generation Holdco Limited	7821911	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Fuel Supply Limited	5299523	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Power Limited	4883589	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Smart Supply Holdco Limited	10664625	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Haven Power Limited	5893966	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Haven Heat Limited	6657428	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Billington Bioenergy Limited	9164604	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Opus Energy Group Limited	4409377	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Opus Energy Limited	4382246	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Abbott Debt Recovery Ltd	5355799	Greyfriars Court, Paradise Square, Oxford, Oxfordshire, OX1 1BE
Opus Energy (Corporate) Limited	5199937	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Opus Gas Supply Limited	6874709	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Opus Energy Renewables Limited	7126582	Drax Power Station, Selby, North Yorkshire, YO8 8PH

Farmoor Energy Limited	7111074	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Donnington Energy Limited	7109298	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Research and Innovation Holdco Limited	6657454	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Corporate Developments Limited	6657336	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Innovation Limited	10664715	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Smart Sourcing Holdco Limited	7821375	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Retail Developments Limited	10711130	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Ouse	3618559	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax GCo Limited	5677568	Drax Power Station, Selby, North Yorkshire, YO8 8PH
Drax Holdings Limited	CI-92144	Drax Holdings Limited c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue, George Town, Grand Cayman KY1- 9005, Cayman Islands

SCHEDULE 2**PROPERTIES**

Chargor	County and District (or London Borough)	Address or description	Freehold or Leasehold	Title No.
Drax Power Limited (Company Number: 4883589)	North Yorkshire	Land and buildings at Drax Power Station and Drax Abbey Farm, Drax, Selby, North Yorkshire	Freehold	NYK223464
Opus Energy Limited (Company Number: 4382246)	Northamptonshire	Land on the West Side of Sandfield Close, Northampton	Freehold	NN62588
Opus Energy Limited (Company Number: 4382246)	Northamptonshire	Land East of Summerhouse Road, Moulton Park, Northampton	Freehold	NN61668
Drax Holdings Limited (Company Number: CI-92144)	Lincolnshire	Land on the east of Somerby Way, Gainsborough	Freehold	LL325985
Opus Energy Limited (Company Number: 4382246)	Northamptonshire	John Dryden House, The Lakes, Bedford Road, Northampton	Leasehold	NN150993
Opus Energy Limited (Company Number: 4382246)	Oxfordshire	Lambourne House, 311-321 Banbury Road, Oxford	Leasehold	ON160760
Opus Energy Limited (Company Number: 4382246)	Cardiff	First Floor, No. 2 Capital Quarter, Cardiff	Leasehold	CYM689758
Opus Energy Limited (Company	Northamptonshire	Royal Pavilion, Summerhouse Road, Moulton	Leasehold	NN304203

Number: 4382246)		Park, Northampton		
Drax Power Limited (Company Number: 4883589)	East Riding of Yorkshire	Land at Capital Park, Goole	Leasehold	YEA57712
Drax Power Limited (Company Number: 4883589)	City of London	3 rd Floor, 41 Moorgate, London EC2R 6PP	Leasehold	EGL566844
Drax Power Limited (Company Number: 4883589)	North Yorkshire	Land at Camblesforth Sewage Pumping Station	Leasehold	NYK395771

UNREGISTERED LAND

Chargor	County and District (or London Borough)	Address or description	Freehold or Leasehold
Haven Power Limited (Company Number: 5893966)	Suffolk	First Floor, Franciscan House, Princes Street Ipswich	Leasehold
Drax Power Limited (Company Number: 4883589)	North Yorkshire	Property at Barlow CE Primary School, Barlow, Selby, North Yorkshire	Leasehold
Opus Energy Limited (Company Number: 4382246)	Northamptonshire	Wing A2, Second Floor, Francis Crick House, Summerhouse Road, Moulton Park, Northampton	Leasehold
Opus Energy Limited (Company Number: 4382246)	Northamptonshire	2/3 Westbury Court, Anglia Way, Moulton Park, Northampton	Leasehold
Haven Power Limited (Company Number: 5893966)	Suffolk	32 Ransomes EuroPark, The Havens, Ipswich IP3 9SJ	Leasehold

SCHEDULE 3

SHARES

Name of Chargor which holds the shares	Name of company issuing shares	Number and class of shares
Drax Group Holdings Limited	Drax Corporate Limited	1,233,092,002 ordinary shares of £0.001
Drax Group Holdings Limited	Drax Generation Developments Limited	1 ordinary share of £1
Drax Group Holdings Limited	Drax Research & Innovation Holdco Limited	1 ordinary share of £1
Drax Group Holdings Limited	Drax Finco plc	50,000 ordinary shares of £1
Drax Group Holdings Limited	Drax Smart Supply Holdco Limited	1 ordinary share of £1
Drax Group Holdings Limited	Drax Smart Sourcing Holdco Limited	243, 193, 452 shares of £1
Drax Corporate Limited	Drax Smart Generation Holdco Limited	1 ordinary share of £1
Drax Corporate Limited	Billington Bioenergy Limited	100,000 ordinary shares of £1
Drax Holdings Limited	Drax Power Limited	200,000,100 ordinary shares of £1
Drax Holdings Limited	Drax Fuel Supply Limited	1,000 ordinary shares of £1
Drax Power Limited	Haven Power Limited	10,100 ordinary shares of 1p
Drax Research & Innovation Holdco Limited	Drax Corporate Developments Limited	1 ordinary share of £1
Drax Research & Innovation Holdco Limited	Haven Heat Limited	1 ordinary share of £1
Drax Research & Innovation Holdco Limited	Drax Generation (Selby) Limited	1 ordinary share of £1
Drax Research & Innovation Holdco Limited	Abergelli Power Limited	100 ordinary shares of £1
Drax Research & Innovation Holdco Limited	Hirwaun Power Limited	100 ordinary shares of £1
Drax Research & Innovation Holdco Limited	Millbrook Power Limited	100 ordinary shares of £1
Drax Research & Innovation Holdco Limited	Progress Power Limited	100 ordinary shares of £1

Drax Research & Innovation Holdco Limited	Drax Innovation Limited	1 ordinary share of £1
Drax Research & Innovation Holdco Limited	Opus Energy Group Limited	1,626,161 ordinary 'A' shares of £0.01 390,327 ordinary 'B' shares of £0.01
Drax Smart Supply Holdco Limited	Drax Retail Developments Limited	1 ordinary shares of £1
Drax Holdings Limited	Drax Ouse	1,000,000 ordinary shares of £0.001
Drax Fuel Supply Limited	Drax Ouse	1 ordinary share of £0.001
Opus Energy Group Limited	Opus Energy Limited	4,000,000 ordinary shares of £1
Opus Energy Group Limited	Abbot Debt Recovery Ltd	1 ordinary share of £1
Opus Energy Group Limited	Opus Energy (Corporate) Limited	1 ordinary share of £1
Opus Energy Group Limited	Opus Gas Supply Limited	1 ordinary share of £1
Opus Energy Group Limited	Donnington Energy Limited	1 ordinary share of £1
Opus Energy Group Limited	Farmoor Energy Limited	1 ordinary share of £1
Opus Energy Group Limited	Opus Energy Renewables Limited	1 ordinary share of £1

SCHEDULE 4
BANK ACCOUNTS

Name of Chargor	Name and address of institution at which account is held	Account Number	Sort Code
DRAX POWER LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX POWER LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX POWER LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX POWER LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX POWER LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX POWER LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX POWER LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX POWER LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX CORPORATE LTD	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire	REDACTED	REDACTED

	LE87 2BB		
DRAX FUEL SUPPLY LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX FUEL SUPPLY LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX SMART SOURCING HOLDCO LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX GROUP HOLDINGS LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX SMART SOURCING HOLDCO LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX SMART SOURCING HOLDCO LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX RESEARCH AND INNOVATION HOLDCO LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX CORPORATE LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
DRAX CORPORATE LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED

HAVEN POWER LIMITED	Barclays Bank plc, Barry Broad Street, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
HAVEN POWER LIMITED	Barclays Bank plc, Barry Broad Street, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
HAVEN POWER LIMITED	Barclays Bank plc, Barry Broad Street, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
HAVEN POWER LIMITED	Barclays Bank plc, Barry Broad Street, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
HAVEN POWER LIMITED	Barclays Bank plc, Barry Broad Street, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
HAVEN POWER LIMITED	Barclays Bank plc, Barry Broad Street, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
HAVEN POWER LIMITED	Barclays Bank plc, Barry Broad Street, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
HAVEN POWER LIMITED	Barclays Bank plc, Barry Broad Street, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
BILLINGTON BIOENERGY LIMITED	Barclays Bank plc, Liverpool Lord Street, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
OPUS ENERGY LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED

OPUS ENERGY LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
OPUS GAS SUPPLY LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
OPUS ENERGY GROUP LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
OPUS ENERGY (CORPORATE) LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
FARMOOR ENERGY LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
OPUS ENERGY RENEWABLES LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
OPUS ENERGY LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED
OPUS ENERGY LIMITED	Barclays Bank plc, 1 Churchill Place, Leicester, Leicestershire LE87 2BB	REDACTED	REDACTED

OPUS ENERGY LIMITED	Pall Mall, London SW1Y 5EY	REDACTED	REDACTED
OPUS ENERGY MARKETING LIMITED	Pall Mall, London SW1Y 5EY	REDACTED	REDACTED
OPUS GAS SUPPLY LIMITED	Pall Mall, London SW1Y 5EY	REDACTED	REDACTED
OPUS ENERGY GROUP LIMITED	Pall Mall, London SW1Y 5EY	REDACTED	REDACTED
OPUS ENERGY (CORPORATE) LIMITED	Pall Mall, London SW1Y 5EY	REDACTED	REDACTED
OPUS ENERGY LIMITED		REDACTED	

SCHEDULE 5

INSURANCE POLICIES

Name of Chargor	Insurer	Policy Number	Type of Risk Insured
Drax Power Limited and various subsidiaries	ACE European Group Limited	93UK340788	All Risks Property Damage and Business Interruption
Drax Group Plc and all its subsidiary companies	XL Catlin	GB00023911LI	Primary Employers Liability
Drax Power Limited, Haven Power Limited, Billington Bioenergy Limited and/or Subsidiary Companies	QBE Casualty Syndicate 386 (75%) QBE Insurance (Europe) Limited (25%)	B080110001CF16	Excess Employers Liability
Drax Group Plc and all its subsidiary companies	XL Catlin	GB00023974LI	Primary Public and Products Liability
(i) Drax Group Plc and all its subsidiary companies registered in UK, Channel Islands or Isle of Man (ii) in respect of Difference in Conditions/Difference in Limits Drax Biomass International Inc operating from premises in USA	ACE European Group Limited (46.67%) AIG Europe Ltd £40m	UKCANC39163	Excess Public and Products Liability
Drax Power Limited and/or Subsidiary Companies	ACE European Group Ltd and Others	UKCSRC57203	Construction All Risks
Drax Power Limited and/or Drax Fuel Supply Ltd and/or Drax Group Plc	The Charterers P&I Club	CPIC20160812	Marine Charterers Liability
Drax Power Limited	ACE European Group Ltd	SPRPR1600018	Pension Trustee Liability Insurance
Drax Group Plc and all its subsidiary companies	Zurich Insurance plc UK Branch (50%) QBE Insurance (Europe) Ltd (50%)	SPRPR1700043	Commercial Crime Insurance

Drax Group Plc and all its subsidiary companies	ACE European Group Ltd (50%) QBE Insurance (Europe) Ltd (50%)	SPRPR1700049	Excess Commercial Crime Insurance
Opus Energy Group Limited and all its subsidiaries	Aviva	25129754CCI	Business Services
Opus Energy Group Limited and all its subsidiaries	Allianz	GBF00671160	Crime
Opus Energy Group Limited and all its subsidiaries	Aviva	100512409CPO	Property
Opus Energy Group Limited and all its subsidiaries	Aqua	A1605119/313994	Property
Opus Energy Group Limited and all its subsidiaries	RSA	RSAP6004347200	Fleet

SCHEDULE 6
FORMS OF NOTICES

Part 1
Form of Counterparty Notice

To: [insert *name and address of counterparty*]

Dated: [●]

Dear Sirs

Re: [here identify the relevant Charged Agreement/Hedging Agreement] (the “Agreement”)

We notify you that, [insert *name of Chargor*] (the “**Chargor**”) has [charged in favour of]/[assigned to] [insert *name of Security Agent*] (the “**Security Agent**”) for the benefit of itself and certain other banks and financial institutions (the “**Secured Parties**”) all its right, title and interest in the Agreement as security for certain obligations owed by the Chargor to the Secured Parties by way of a debenture dated [●].

We further notify you that:

1. the Chargor may not agree to amend or terminate the Agreement without the prior written consent of the Security Agent;
2. the Chargor has no right to deal with you in relation to the Agreement and therefore you should deal only with the Security Agent;
3. you are authorised to disclose information in relation to the Agreement to the Security Agent on request;
4. you must pay all monies to which the Chargor is entitled under the Agreement direct to the Security Agent (and not to the Chargor) unless the Security Agent otherwise agrees in writing; and
5. the provisions of this notice may only be revoked with the written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;
- (b) you have not received notice that the Chargor has assigned its rights under the agreement to a third party or created any other interest (whether by way of security or otherwise) in the agreement in favour of a third party; and
- (c) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Chargor any right of set-off, counter-claim or other right relating to the Agreement.

The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of
[*insert name of Chargor*]

[*On acknowledgement copy*]

To: [insert name and address of Security Agent]

Copy to: [insert name and address of Chargor]

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (c) above.

.....

for and on behalf of
[*insert name of Counterparty*]

Dated:

Part 2
Form of Insurance Notice

To: [insert name and address of insurance company]

Dated: [●]

Dear Sirs

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

We notify you that, [insert name of Chargor] (the "Chargor") has assigned to [insert name of Security Agent] (the "Security Agent") for the benefit of itself and certain other banks and financial institutions (the "Secured Parties") all its right, title and interest in [its proceeds and claims under] the Policies as security for certain obligations owed by the Chargor to the Secured Parties by way of a debenture dated [●].

We further notify you that:

1. the Chargor may not agree to amend or terminate the Policies without the prior written consent of the Security Agent;
2. the Chargor has no right to deal with you in relation to the Policies and therefore you should deal only with the Security Agent;
3. you are authorised to disclose information in relation to the Policies to the Security Agent on request; and
4. the provisions of this notice may only be revoked with the written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of confirmation that:

- (a) you agree to act in accordance with the provisions of this notice;
- (b) you [will note/have noted] the Security Agent's interest as first chargee on each of the Policies;
- (c) [after receipt of written notice in accordance with paragraph 2 above], you will pay all monies to which the Chargor is entitled under the Policies direct [if they exceed £●] to the Security Agent (and not to the Chargor) unless the Security Agent otherwise agrees in writing;
- (d) you will not cancel or otherwise allow the Policies to lapse without giving the Security Agent not less than 14 days written notice;
- (e) you have not received notice that the Chargor has assigned its rights under the Policies to a third party or created any other interest (whether by way of security or otherwise) in the Policies in favour of a third party; and
- (f) you have not claimed or exercised nor do you have any outstanding right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Policies.

The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of
[insert name of Chargor]

[On acknowledgement copy]

To: [insert name and address of Security Agent]

Copy to: [insert name and address of Chargor]

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (f) above.

.....
for and on behalf of
[insert name of insurance company]

Dated: [●]

Part 3
Form of Account Notice

To: [insert name and address of Account Bank] (the “Account Bank”)

Dated: [●]

Dear Sirs

Re: The [●] Group of Companies - Security over Bank Accounts

We notify you that [insert name of Chargor] (the “Chargor”) and certain other companies identified in the schedule to this notice (together the “Customers”) charged to [insert name of Security Agent] (the “Security Agent”) for the benefit of itself and certain other banks and financial institutions all their right, title and interest in and to the monies from time to time standing to the credit of the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by the Customers (the “Charged Accounts”) and to all interest (if any) accruing on the Charged Accounts by way of a debenture dated [●].

1. We irrevocably authorise and instruct you:
 - (a) to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Security Agent and to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect; and
 - (b) to disclose to the Security Agent any information relating to the Customers and the Charged Accounts which the Security Agent may from time to time request you to provide.
2. We also advise you that:
 - (a) [the Customers may not withdraw any monies from the Charged Accounts designated as “Blocked” in the schedule below without first having obtained the prior written consent of the Security Agent;]
 - (b) by counter-signing this notice the Security Agent confirms that the Customers may make withdrawals from the Charged Accounts designated as “Not blocked” in the schedule below until such time as the Security Agent shall notify you (with a copy to the Chargor) in writing that their permission is withdrawn. That permission may be withdrawn or modified by the Security Agent in its absolute discretion at any time; and
 - (c) the provisions of this notice may only be revoked or varied with the prior written consent of the Security Agent.
3. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of your confirmation that:
 - (a) you agree to act in accordance with the provisions of this notice;
 - (b) you have not received notice that any Customer has assigned its rights to the monies standing to the credit of the Charged Accounts or otherwise granted any security or other interest over those monies in favour of any third party;

- (c) you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Accounts, except for the netting of credit and debit balances pursuant to current account netting arrangements previously approved in writing by the Security Agent; and
- (d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Charged Accounts.

The provisions of this notice are governed by English law.

Schedule

Customer	Account Number	Sort Code	Status
[•]	[•]	[•]	[Blocked][Not blocked]

Yours faithfully,

.....
for and on behalf of
[Insert name of Chargor]
as agent for and on behalf of
all of the Customers

Counter-signed by

.....
for and on behalf of
[Insert name of Security Agent]

[On acknowledgement copy]

To: [Insert name and address of Security Agent]

Copy to: [Insert name of Chargor] (on behalf of all the Customers)

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (d) above.

.....
for and on behalf of
[Insert name of Account Bank]

Dated: [●]

SCHEDULE 7

FORM OF SECURITY ACCESSION DEED

THIS SECURITY ACCESSION DEED is made on [●]

BETWEEN:

- (1) [[●] **Limited**, a company incorporated [in England and Wales] with registered number [●] (the “**Parent**”);]
- (2) [●] **Limited**, a company incorporated in England and Wales with registered number [●] (the “**New Chargor**”); and
- (3) [●] as security trustee for itself and the other Secured Parties (the “**Security Agent**”).

RECITAL:

This deed is supplemental to a debenture dated [●] between, amongst others, DGHL, the Chargors named therein and the Security Agent, as previously supplemented by earlier Security Accession Deeds (if any) (the “**Debenture**”).

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

Terms defined in the Debenture shall have the same meaning when used in this deed.

1.2 Construction

Clauses 1.2 (*Construction*) to 1.5 (*Miscellaneous*) of the Debenture will be deemed to be set out in full in this deed, but as if references in those clauses to the “Debenture” and other similar expressions were references to this deed.

2. ACCESSION OF NEW CHARGOR

2.1 Accession

The New Chargor agrees to be a Chargor for the purposes of the Debenture with immediate effect and agrees to be bound by all of the terms of the Debenture as if it had originally been a party to it as a Chargor.

2.2 Covenant to pay

The New Chargor as primary obligor covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will pay or discharge the Secured Obligations in the manner provided for in the Secured Debt Documents.

2.3 Specific Security

The New Chargor, as continuing security for the payment of the Secured Obligations, charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:

- (a) by way of first legal mortgage all Property now belonging to or vested in it; and

(b) by way of first fixed charge:

- (i) all other interests (not effectively charged under Clause 2.3(a)) in any Property and the benefit of all other agreements relating to land;
- (ii) all of its rights, title and interest in the Intellectual Property;
- (iii) all of its rights, title and interest in the Equipment;
- (iv) all the Investments, Shares and all corresponding Related Rights;
- (v) all Trading Receivables and all rights and claims against third parties and against any security in respect of those Trading Receivables;
- (vi) all Other Debts and all rights and claims against third parties against any security in respect of those Other Debts;
- (vii) all monies from time to time standing to the credit of the Account (including any interest and other sums accruing thereon), together with all of its rights, title and interest in, and benefits and proceeds deriving from or arising in connection with, the Accounts;
- (viii) all of its rights, title and interest in the Hedging Agreements;
- (ix) all of its goodwill and uncalled capital;
- (x) any beneficial interest, claim or entitlement it has to any assets of any pension fund;
- (xi) the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any Charged Property;
- (xii) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (xi) above; and
- (xiii) all its rights, title and interest in (and proceeds and claims under) the Insurance Policies and the Charged Agreements,

and includes, in respect of each of the above charged assets (as appropriate), the benefit of all licences, consents and agreements held by the Chargor in connection with the use of the asset, any monies or income paid or payable in respect of the asset, any proceeds of the sale of the asset and any other property, rights or claims relating to, accruing to or deriving from the asset.

2.4 Floating Charge

- (a) As further continuing security for the payment of the Secured Obligations, the New Chargor charges with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future assets, undertakings and rights.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this deed.

2.5 Conversion of Floating Charge

- (a) Except as provided below, the Security Agent may, by notice to the New Chargor, convert the floating charge created under this deed into a fixed charge with immediate effect as regards those assets specified in the notice:
 - (i) pursuant to an instruction of the Instructing Group given in accordance with the terms of the Intercreditor Agreement if an Acceleration Event has occurred;
 - (ii) if the Security Agent reasonably considers that any asset charged under the floating charge created under this deed is in danger of being seized or sold under any form of distress, attachment, execution or other legal process or is otherwise in jeopardy; or
 - (iii) if the New Chargor fails to comply, or takes or threatens to take any action which, in the reasonable opinion of the Security Agent, is likely to result in it failing to comply with its obligations under paragraph (a) of Clause 3 (*Negative Pledge*).
- (b) The floating charge created under this deed will automatically (without notice, and in addition to the circumstances in which the same will occur by operation of law) and immediately be converted into a fixed charge over all the assets of the New Chargor which are subject to the floating charge created under this deed, if:
 - (i) the members of the New Chargor convene a meeting for the purposes of considering any resolution for its winding-up, dissolution, or a compromise, assignment or arrangement with any creditor; or
 - (ii) any person (entitled to do so) gives notice of its intention to appoint an administrator to the New Chargor or files such a notice with the court.
- (c) Upon the conversion of any floating charge pursuant to this Clause 2.5, the New Chargor shall, at its own expense, immediately upon request by the Security Agent execute a fixed charge or legal assignment in such form as the Security Agent may require.

3. **NEGATIVE PLEDGE**

The New Chargor may not:

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of Charged Property (other than in respect of assets charged under Clause 2.6 (a) (*Floating Charge*) on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

except as permitted by the Secured Debt Documents or with the prior consent of the Security Agent.

4. **CONSTRUCTION OF DEBENTURE**

- (a) The Debenture shall remain in full force and effect as supplemented by this deed.

- (b) The Debenture and this deed shall be read together as one instrument on the basis that references in the Debenture to “this deed” or “this Debenture” and other similar expressions will be deemed to be references to the Debenture as supplemented by this deed.

5. **DESIGNATION AS A SECURED DEBT DOCUMENT**

This deed is designated as a Secured Debt Document.

6. **FAILURE TO EXECUTE**

Failure by one or more parties (“Non-Signatories”) to execute this Deed on the date hereof will not invalidate the provisions of this Deed as between the other Parties who do execute this Deed. Such Non-Signatories may execute this Deed on a subsequent date and will thereupon become bound by its provisions.

7. **NOTICES**

The New Chargor confirms that its address details for notices in relation to Clause 23 (*Notices*) of the Debenture are as follows:

Address: [●]

Facsimile: [●]

Attention: [●]

8. **GOVERNING LAW**

- (a) This deed and any non-contractual claims arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) Subject to paragraph (c) below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this deed) (a “**Dispute**”). The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- (c) The Parties agree that, for the benefit of the Secured Parties only, nothing in this deed shall limit the right of the Secured Parties to bring any legal action against any of the Chargors in any other court of competent jurisdiction.

IN WITNESS whereof this document has been duly executed as a deed and is delivered on the date first above written.

SIGNATORIES TO DEED OF ACCESSION

THE NEW CHARGOR

EXECUTED as a DEED by
[Name of New Chargor] acting by:

[●] as Director: _____

Witness: _____

Name: _____

Address: _____

Occupation: _____

Notice Details

Address: [●]

Facsimile: [●]

Attention: [●]

[DGHL

EXECUTED as a DEED by
[Drax Group Holdings Limited] acting by:

[●] as Director: _____

Witness: _____

Name: _____

Address: _____

Occupation: _____

Notice Details

Address: [●]

Facsimile: [●]

Attention: [●]

THE SECURITY AGENT

EXECUTED as a DEED by

[Name of Security Agent] acting by:

☐ as Authorised Signatory: _____

Notice Details

Address: ☐

Facsimile: ☐

Attention: ☐

Email: ☐

SIGNATORIES TO THE DEED

THE CHARGORS

EXECUTED as a DEED by) REDACTED
Drax Corporate Limited acting by:)
Isobel Dickinson)
as Attorney/Director

Witness: REDACTED
Name: ELIZABETH GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by) REDACTED
Drax Finco plc acting by:)
Isobel Dickinson)
as Attorney/Director

Witness: REDACTED
Name: ELIZABETH GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by) REDACTED
Drax Group Holdings Limited acting by:)
Isobel Dickinson)
as Attorney/Director

Witness: REDACTED
Name: ELIZABETH GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by)
Drax Smart Generation Holdco Limited acting by:)
Isobel Dickinson)
as Attorney/Director

REDACTED

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY

ONE BUNHILL ROW

Occupation:

LONDON EC1Y 8YY

TRAINEE SOLICITOR

EXECUTED as a DEED by)
Drax Fuel Supply Limited acting by:)
Isobel Dickinson)
as Attorney/Director

REDACTED

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY

Occupation:

ONE BUNHILL ROW

LONDON EC1Y 8YY

TRAINEE SOLICITOR

EXECUTED as a DEED by)
Drax Power Limited acting by:)
Isobel Dickinson)
as Attorney/Director

REDACTED

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY

ONE BUNHILL ROW

Occupation:

LONDON EC1Y 8YY

TRAINEE SOLICITOR

EXECUTED as a DEED by) REDACTED
Drax Smart Supply Holdco Limited acting by:)
Isobel Dickinson)
as Attorney/Director

Witness: REDACTED
Name: ELIZABETH GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by) REDACTED
Haven Power Limited acting by:)
Isobel Dickinson)
as Attorney/Director

Witness: REDACTED
Name: ELIZABETH GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by) REDACTED
Haven Heat Limited acting by:)
Isobel Dickinson)
as Attorney/Director

Witness: REDACTED
Name: ELIZABETH GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by
Billington Bioenergy Limited acting by:
ISOBEL DICKINSON
as Attorney/Director

) REDACTED
)
)

Witness: REDACTED
Name: ELIZABETH GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by
Opus Energy Group Limited acting by:
ISOBEL DICKINSON
as Attorney/Director

) REDACTED
)
)

Witness: REDACTED
Name: ELIZABETH GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by
Opus Energy Limited acting by:
ISOBEL DICKINSON
as Attorney/Director

) REDACTED
)
)

Witness: REDACTED
Name: ELIZABETH GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by) REDACTED
Abbott Debt Recovery Limited acting by:)
Isobel Dickinson)
as Attorney/Director

Witness: REDACTED
Name: ELIZABETH H GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by) REDACTED
Opus Energy (Corporate) Limited acting by:)
Isobel Dickinson)
as Attorney/Director

Witness: REDACTED
Name: ELIZABETH H GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by) REDACTED
Opus Gas Supply Limited acting by:)
Isobel Dickinson)
as Attorney/Director

Witness: REDACTED
Name: ELIZABETH H GEORGE
Address: SLAUGHTER AND MAY
ONE BUNHILL ROW
Occupation: LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by
Opus Energy Renewables Limited acting by:
ISOBEL DICKINSON
as Attorney/Director

REDACTED

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY

ONE BUNHILL ROW

Occupation:

LONDON EC1Y 8YY

TRAINEE SOLICITOR

EXECUTED as a DEED by
Farmoor Energy Limited acting by:
ISOBEL DICKINSON
as Attorney/Director

REDACTED

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY

ONE BUNHILL ROW

Occupation:

LONDON EC1Y 8YY

TRAINEE SOLICITOR

EXECUTED as a DEED by
Donnington Energy Limited acting by:
ISOBEL DICKINSON
as Attorney/Director

REDACTED

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY

ONE BUNHILL ROW

Occupation:

LONDON EC1Y 8YY

TRAINEE SOLICITOR

EXECUTED as a DEED by
Drax Research and Innovation Holdco Limited
acting by: ISOBEL DICKINSON
as Attorney/Director

) REDACTED
)
)
)

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY
ONE BUNHILL ROW

Occupation:

LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by
Drax Corporate Developments Limited acting by:
ISOBEL DICKINSON
as Attorney/Director

) REDACTED
)
)
)/

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY
ONE BUNHILL ROW

Occupation:

LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by
Drax Innovation Limited acting by:
ISOBEL DICKINSON
as Attorney/Director

) REDACTED
)
)
)/

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY
ONE BUNHILL ROW

Occupation:

LONDON EC1Y 8YY
TRAINEE SOLICITOR

EXECUTED as a DEED by)
Drax Smart Sourcing Holdco Limited acting by:)
ISOBEL DICKINSON)
as Attorney/~~Director~~

REDACTED

Witness:

REDACTED

Name:

ELIZABETH GEORGE
SLAUGHTER AND MAY

Address:

ONE BUNHILL ROW

Occupation:

LONDON EC1Y 8YY

TRAINEE SOLICITOR

EXECUTED as a DEED by)
Drax Retail Developments Limited acting by:)
ISOBEL DICKINSON)
as Attorney/~~Director~~

REDACTED

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY

Occupation:

ONE BUNHILL ROW

LONDON EC1Y 8YY

TRAINEE SOLICITOR

EXECUTED as a DEED by)
Drax Ouse acting by:)
ISOBEL DICKINSON)
as Attorney/~~Director~~

REDACTED

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY

Occupation:

ONE BUNHILL ROW

LONDON EC1Y 8YY

TRAINEE SOLICITOR

EXECUTED as a DEED by
Drax GCo Limited acting by:
ISOBEL DICKINSON
as Attorney/Director

) REDACTED
)
)

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY

Occupation:

ONE BUNHILL ROW

LONDON EC1Y 8YY

TRAINEE SOLICITOR

EXECUTED as a DEED by
Drax Holdings Limited acting by:
ISOBEL DICKINSON
as Attorney/Director

) REDACTED
)
)

Witness:

REDACTED

Name:

ELIZABETH GEORGE

Address:

SLAUGHTER AND MAY

Occupation:

ONE BUNHILL ROW

LONDON EC1Y 8YY

TRAINEE SOLICITOR

THE SECURITY AGENT

EXECUTED as a DEED by
Deutsche Bank AG, London Branch acting by:

as Authorised Signatory

REDACTED

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)
)

Paul Gaines
Assistant Vice President

Craig Hoepf
Vice President