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

*insert full name
of Company

COMPANIES FORM No. 395**Particulars of a mortgage or charge**

A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

S I I I

05562058

Name of company

* Drax Finance Limited (the **Chargor**)

Date of creation of the charge

3 August 2009

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

An equitable mortgage and charge in respect of shares of Drax Group Limited
between Drax Finance Limited as Chargor and Barclays Bank PLC (the **Chargee**)
(in its capacity as security agent) (the **Charge**).

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whatever actual or
contingent and whether owed jointly or severally or in any other capacity
whatsoever) of each Obligor to any Secured Creditor under any Secured
Debt Finance Document except for any obligation or liability which, if it
were so included, would result in the Charge contravening any law
(**Secured Obligations**) (each capitalised term as defined below).

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

Barclays Bank PLC, 1 Churchill Place, London (the **Chargee** or **Security
Agent**)

Postcode E14 5HP

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

Allen & Overy LLP
40 Bank Street
Canary Wharf
London

E14 5DU

Time critical reference

MAUC/CHA/BK:12027647

For official Use (06/2005)

Mortgage Section

Post room

FRIDAY



ADY0QCE1

A16

14/08/2009

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COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

Please see continuation sheets

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Allen & O'Connell Date *13 August 2007*

On behalf of ~~[company]~~ [mortgagee/chargee] *AO*

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

*† delete as
appropriate*

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

SHORT PARTICULARS OF ALL PROPERTY MORTGAGED OR CHARGED

1. CONSTRUCTION

In this Form 395:

- (a) references to the singular shall include the plural and vice versa and references to the masculine shall include the feminine or neuter and vice versa;
- (b) references to any document include any deed, agreement (including the Charge), negotiable instrument, certificate, notice or other document of any kind and references to any document (or a provision thereof) (including, without limitation, any Finance Document or provision thereof) shall include and be construed as a reference to:
 - (i) such document as modified, amended (including, without limitation, so as to increase the obligations of any person or so as to increase the amounts available to any person under any loan or other facility) restated, supplemented and/or novated from time to time, in each case in accordance with the terms thereof, and
 - (ii) each document which replaces such document from time to time, in each case in accordance with the terms of such document.
- (c) references to assets include property, rights and assets of every description;
- (d) references to the Chargee shall be construed as references to the Chargee in its capacity as Security Agent under the Priority Deed, and
- (e) references herein to any person (including, without limitation, each party hereto) include, in each case, its successors and assigns and persons deriving title under or through it, in whole or in part, and whether at law or in equity and any person which replaces any party to any Secured Debt Finance Document in its respective role thereunder (any person replacing any such party being a "**Replacement Party**"), by assuming the rights and obligations of the party being replaced under such Secured Debt Finance Document.

2. CREATION OF SECURITY

2.1 Shares

As continuing security for the full and punctual payment and discharge of the Secured Obligations, the Chargor as legal and beneficial owner mortgaged to the Chargee (to the extent that the Secured Obligations were not already secured by an effective mortgage pursuant to the Original Charge) (for the benefit of the Secured Creditors) by way of a first equitable mortgage and charges (to the extent that the Secured Obligations were not already secured by an effective charge pursuant to the Original Charge) to the Chargee (for the benefit of Secured Creditors) by way of a first fixed charge, all of the legal and beneficial right, title and interest in and to the Charged Property including all benefits, present and future, actual and contingent accruing in respect of the Charged Property.

3. COVENANTS

- (a) The Chargor covenanted that during the Security Period it will remain the legal and beneficial owner of the Charged Property (subject only to the Security Interests created by the Charge, the Security Agreement, the Priority Deed, the Original Security Agreement or the Original Charge) and that it will not without the prior consent in writing of the Chargee:

- (b) create or suffer the creation of any Security Interests (other than those arising by operation of law and/or created by the Charge, the Security Agreement, the Priority Deed, the Original Security Agreement or the Original Charge) on or in respect of the whole of any part of the Charged Property or any of its interest therein; or
- (c) sell, assign, lend, dispose of, transfer or otherwise deal with any of its interest in the Charged Property in any such case,

unless permitted under the Secured Debt Finance Documents.

4. DEFINITIONS

In this Form 395:

2009 Obligor means each of the Chargor, Drax Power Limited, the Company, Drax Holdings Limited, Drax Intermediate Holdings Limited, Drax Limited, Drax Investments Limited, Drax Ouse, Drax GCo Limited and Haven Power Limited.

Bond Corpus Subordination Agreement means the subordination agreement dated 15 December 2005 between, inter alios, Drax Holdings Limited, BondPower Limited, JPMorgan Chase Bank, N.A. as bond trustee and the Security Agent.

Charged Property means all beneficial and legal title in and to the Shares and any Further Charged Shares from time to time owned by the Chargor during the Security Period (together, the "**Charged Shares**") and all dividends or other distributions, interest and other moneys paid or payable after the date hereof in connection therewith and all interests in and all rights accruing at any time to or in respect of all or any of the Charged Shares.

Charged Shares has the meaning assigned thereto in the definition of Charged Property.

Company means Drax Group Limited, an exempted company with registered office at Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, Cayman Islands KY1-9005.

Deed of Accession means a deed of accession substantially in the form of schedule 5 (Form of Deed of Accession) of the Priority Deed, with such amendments as the Security Agent may approve or reasonably require.

Drax PLC means Drax Group PLC.

Drax PLC Shareholder Support Agreement means the agreement in form and substance satisfactory to the Facility Agent entered into on 15 December 2005 between Drax PLC, the Chargor and Drax Power relating to the provision and receipt of funds or services (as amended by a deed of variation dated 3 August 2009).

Facility Agent means Barclays Bank PLC.

Finance Document means a Secured Debt Finance Document, a Shareholder Document or any agreement relating to Intercompany Debt.

Financial Indebtedness means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any acceptance credit (including any dematerialised equivalent);

- (c) any bond, note, debenture, loan stock or other similar instrument;
- (d) any redeemable preference share;
- (e) any agreement treated as a finance or capital lease in accordance with generally accepted accounting principles in the jurisdiction of incorporation of the Chargor;
- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (g) the acquisition cost of any asset or service to the extent payable after its acquisition or possession by the party liable where the advance or deferred payment:
 - (i) is arranged primarily as a method of raising finance or of financing the acquisition of that asset or service or the construction of that asset or service; or
 - (ii) involves a period of more than six months before or after the date of acquisition or supply;
- (h) any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark to market value of the derivative transaction will be used to calculate its amount);
- (i) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
- (j) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution; or
- (k) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above paragraphs.

Forward Start Facilities Agreement means the credit facilities agreement dated 3 August 2009 between, amongst others, the Chargor and the Facility Agent.

Further Charged Shares means any Ordinary Shares from time to time issued by the Company after the date of the Charge and owned by the Chargor.

Hedging means any interest rate swap in respect of interest relating to Senior Debt.

Hedging Bank means:

- (a) in relation to any Hedging of Senior Bank Debt, each Senior Bank Creditor (if any) named in schedule 4 (Hedging Banks and Hedging Documents) of the Priority Deed and any other person which becomes a party to the Priority Deed as a Hedging Bank under clause 14.1 (Accession of Hedging Bank) of the Priority Deed, in each case in its capacity as provider of Hedging to any of the Obligors, provided that such person is a Senior Bank Lender or an affiliate of a Senior Bank Lender at the time it accedes to the Priority Deed or satisfies the requirements of the Hedging Letter; and
- (b) in relation to any Hedging of Senior Debt other than Senior Bank Debt, any person which becomes a party to the Priority Deed as a Hedging Bank under clause 14.1 (Accession of Hedging Bank) of the Priority Deed, in each case in its capacity as provider of Hedging in respect of such Senior Debt to any of the Obligors.

Hedging Debt means all Liabilities of any Obligor to any Hedging Bank under or in connection with the Hedging Documents or the Priority Deed.

Hedging Document means each master agreement, confirmation or other document evidencing any Hedging provided by a Hedging Bank to an Obligor.

Hedging Letter means the letter dated on or about the date of the Priority Deed between the Chargor and the Senior Agent.

Insolvency means any winding-up, bankruptcy, liquidation, dissolution, administration, receivership, administrative receivership, re-organisation, moratorium or judicial composition of or in respect of any Obligor or any analogous proceedings affecting any Obligor in any jurisdiction outside England and Wales.

Intercompany Debt means all Liabilities of any Obligor to any other Obligor in respect of any Financial Indebtedness.

Liability means in relation to any document, agreement or obligation, any present or future liability (actual or contingent) payable or owing under or in connection with that document, agreement or obligation whether or not matured and whether or not liquidated, together with:

- (a) any refinancing, novation, deferral or extension of that liability;
- (b) any claim for breach of representation, warranty, undertaking or on an event of default or under any indemnity in connection with that document or agreement;
- (c) any further advance made under any document or agreement supplemental to that document or agreement, together with all related interest, fees and costs;
- (d) any claim for damages or restitution in the event of rescission of that liability or otherwise in connection with that document or agreement;
- (e) any claim flowing from any recovery of a payment or discharge in respect of that liability on the grounds of preference or otherwise; and
- (f) any amount (such as post-insolvency interest) which would be included in any of the above but for its discharge, non-provability, unenforceability or non-allowability in any Insolvency or other proceedings.

New Obligor means any person acceding to the Priority Deed pursuant to subclause 21.3 (New Obligors) of the Priority Deed.

New Security Documents means:

- (a) a composite debenture dated 3 August 2009 between, inter alios, the Security Agent and the 2009 Obligors;
- (b) a third party charge dated 3 August 2009 between Drax PLC and the Security Agent;
- (c) each share mortgage dated on 3 August 2009 in respect of the shares of each 2009 Obligor incorporated in the Cayman Islands; and
- (d) any other document evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor under the Secured Debt Finance Documents.

Non Voting Shares means non voting shares in the capital of the Company having a nominal par value of £0.001 each.

Obligor means each Original Obligor, each 2009 Obligor and each New Obligor.

Original Charge means a share charge dated 15 December 2005 between the Chargor and the Chargee.

Original Obligor means each of the Chargor, Drax Power Limited, the Company, Drax Holdings Limited, Drax Intermediate Holdings Limited, Drax Limited, Drax Investments Limited, and Drax Ouse.

Original Security Agreement means the composite debenture dated 15 December 2005 between, inter alios, the Security Agent and the Original Obligors;

Original Security Document means:

- (a) the Original Security Agreement;
- (b) a third party charge dated 15 December 2005 between Drax PLC and the Security Agent;
- (c) each share mortgage in respect of the shares of any Obligor incorporated in the Cayman Islands; and
- (d) any other document (other than a New Security Document) evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor under the Secured Debt Finance Documents.

Ordinary Shares means shares in the capital of the Company having a nominal or par value of £1.00 each.

Other Obligor means each person that is an "Obligor", as such term is defined in the Senior Credit Agreement, excepting the Chargor (and, collectively, the "Other Obligors").

Priority Deed means the priority deed originally dated 15 December 2005 as amended and restated on 3 August 2009 by an amendment and accession deed between, inter alios, the Chargor, each Other Obligor and the Security Agent.

Qualifying New Senior Debt means, in relation to a Secured Qualifying NSD Incurrence, all Liabilities of any Obligor to any Qualifying NSD Creditor under or in connection with the Qualifying NSD Secured Documents for such Qualifying NSD Incurrence.

Qualifying NSD Creditor means each Finance Party as defined in the Forward Start Facilities Agreement, each person (other than an Obligor or Drax PLC) that is a party to a Qualifying NSD Secured Document named as such in any Deed of Accession delivered in accordance with subclause 2.4 (Accession of Qualifying NSD Creditors) of the Priority Deed and each person who subsequently accedes to the Priority Deed as a Qualifying NSD Creditor in accordance with subclause 21.4 (New Creditors) of the Priority Deed.

Qualifying NSD Incurrence means the incurring of Financial Indebtedness by any Obligor (not being a Qualifying Refinancing) which complies with the requirements of subclause 2.3 of the Priority Deed (Criteria for Qualifying NSD Incurrence).

Qualifying NSD Representative means the Facility Agent as defined in the Forward Start Facilities Agreement and, in relation to a Secured Qualifying NSD Incurrence, the person named as such in any Deed of Accession relating thereto delivered in accordance with subclause 2.4 (Accession of Qualifying NSD Creditors) of the Priority Deed.

Qualifying NSD Secured Documents means each Finance Document as defined in the Forward Start Facilities Agreement and, in relation to a Secured Qualifying NSD Incurrence, each document named as such in any Deed of Accession relating thereto delivered in accordance with subclause 2.4 (Accession of Qualifying NSD Creditors) of the Priority Deed.

Qualifying Refinancing means the incurring of Financial Indebtedness by the Chargor or (if the net proceeds of such Financial Indebtedness are sufficient to irrevocably pay and discharge all Liabilities of any Obligor to any Senior Bank Creditor under or in connection with the Senior Term Loan Facility) any Obligor in order to refinance all or any part of the Senior Term Loan Facility and which complies with the requirements of subclause 2.1 (Criteria for Qualifying Refinancing) in the Priority Deed.

Qualifying Refinancing Creditor means each person (other than an Obligor or Drax PLC) that is a party to a Qualifying Refinancing Secured Document named as such in any Deed of Accession delivered in accordance with subclause 2.2 (Accession of Qualifying Refinancing Creditor) of the Priority Deed and each person who subsequently accedes to the Priority Deed as a Qualifying Refinancing Creditor in accordance with Subclause 21.4 (New Creditors) of the Priority Deed.

Qualifying Refinancing Representative means, in relation to a Secured Qualifying Refinancing, the person named as such in any Deed of Accession delivered relating thereto in accordance with subclause 2.2 (Accession to Qualifying Refinancing Creditor) of the Priority Deed.

Qualifying Refinancing Secured Debt means, in relation to a Secured Qualifying Refinancing, all Liabilities of any Obligor to any Qualifying Refinancing Creditor under or in connection with the Qualifying Refinancing Secured Documents for such Qualifying Refinancing.

Qualifying Refinancing Secured Documents means, in relation to a Secured Qualifying Refinancing, each document named as such in any Deed of Accession relating thereto delivered in accordance with subclause 2.2 (Accession of Qualifying Refinancing Creditors) of the Priority Deed.

Secured Creditor means a Senior Creditor or a Hedging Bank.

Secured Debt Finance Documents means the Senior Finance Documents, the Hedging Documents, the Qualifying Refinancing Secured Documents and the Qualifying NSD Secured Documents.

Secured Qualifying NSD Incurrence means a Qualifying NSD Incurrence the parties to which (other than an Obligor) have delivered a Deed of Accession in accordance with subclause 2.4 (Accession of Qualifying NSD Creditors) of the Priority Deed.

Secured Qualifying Refinancing means a Qualifying Refinancing the parties to which (other than an Obligor) have delivered a Deed of Accession in accordance with subclause 2.2 (Accession of Qualifying Refinancing Creditors) of the Priority Deed.

Security Agreement means the supplemental composite debenture dated 3 August 2009 between, inter alios, the Chargee and the Chargor.

- (a) **Security Document** means the Original Security Documents and the New Security Documents.

Security Interest means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

Security Period means the period beginning on the date of execution of the Charge and ending on the Senior Discharge Date.

Senior Agent means Barclays Bank PLC in its capacity as facility agent for the Senior Bank Creditors under the Senior Credit Agreement.

Senior Bank Creditor means each of:

- (a) the persons named in schedule 2 (Senior Bank Creditors) of the Priority Deed in their capacity as senior lenders and/or issuing bank under the Senior Credit Agreement;
- (b) each arranger under the Senior Credit Agreement, the Senior Agent and (until the Senior Discharge Date) the Security Agent; and
- (c) each person who accedes to the Priority Deed as a Senior Bank Creditor in accordance with subclause 21.4 (New Creditors) of the Priority Deed.

Senior Bank Debt means all Liabilities of any Obligor to any Senior Bank Creditor under or in connection with the Senior Finance Documents.

Senior Bank Lender means a lender and/or an issuing bank under the Senior Credit Agreement.

Senior Credit Agreement means the £800,000,000 credit agreement originally dated 27 October 2005 between, amongst others, the Chargor, the Senior Agent and the Security Agent as amended by an amendment and restatement agreement dated 3 August 2009;

Senior Creditor means a Senior Bank Creditor, a Qualifying Refinancing Creditor or a Qualifying NSD Creditor.

Senior Debt means the Senior Bank Debt, the Qualifying Refinancing Secured Debt and/or the Qualifying New Senior Debt, as the context requires.

Senior Discharge Date means the date on which each of the Senior Agent, any Qualifying Refinancing Representative, any Qualifying NSD Representative and the Security Agent is satisfied (acting reasonably) that all of the Senior Debt and Hedging Debt has been irrevocably paid and discharged and all commitments of the Senior Creditors have been cancelled and all obligations of the Hedging Banks under the Hedging Documents have been terminated.

Senior Finance Document means the Senior Credit Agreement, the Priority Deed, a Letter of Credit, the escrow and distribution agreement referenced in the Senior Credit Agreement, the Security Documents, a fee letter, a transfer certificate, an accession agreement, an issuing bank accession agreement, the transfer memorandum dated 5 December 2006 between, inter alios, Drax Electric Limited, Drax Holdings Limited, the Chargor, the Bond Corpus Subordination Agreement or any other document designated as such by the Senior Agent and the Chargor, but for this purpose excluding the Hedging Documents.

Senior Term Loan Facility means the term loan facility made available under clause 2.1 of the Senior Credit Agreement.

Shares means 86,472,000 Ordinary Shares and 7,782,480 Non Voting shares in respect of which the Chargor is registered as member in the Register of Members of the Company.

Shareholder means Drax PLC and any other shareholder of the Chargor from time to time, in each case in their capacity as creditors in respect of any Shareholder Debt.

Shareholder Debt means all Liabilities of the Chargor to any Shareholder arising under, in connection with or pursuant to the Shareholder Documents, including any dividends or other distributions and any amount payable to any Shareholder on a liquidation or other insolvency of any Obligor.

Shareholder Documents means (a) the constitutional documents of the Chargor; (b) the Drax PLC Shareholder Support Agreement; and (c) all documents evidencing any indebtedness payable or owing by the Chargor to any Shareholder.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 5562058
CHARGE NO. 5**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT AN EQUITABLE MORTGAGE AND
CHARGE IN RESPECT OF SHARES OF DRAX GROUP LIMITED
DATED 3 AUGUST 2009 AND CREATED BY DRAX FINANCE
LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME
DUE FROM EACH OBLIGOR TO ANY SECURED CREDITOR ON
ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE
AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING
THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1
PART XII OF THE COMPANIES ACT 1985 ON THE 14 AUGUST
2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 19 AUGUST 2009



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES