

MG01

Particulars of a mortgage or charge

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LASERFORM

A fee is payable with this form.

We will not accept this form unless you send the correct fee
Please see 'How to pay' on the last page

✓ **What this form is for**
You may use this form to register
particulars of a mortgage or charge
in England and Wales or Northern
Ireland

✗ **What this form is NOT**
You cannot use this form to register
particulars of a charge on a
company. To do this, please use
form MG01s

WEDNESDAY



LD4 10/08/2011 81

COMPANIES HOUSE

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k

1 Company details

Company number 0 5 5 6 2 0 5 8

Company name in full Drax Finance Limited (the **Company**)

→ **Filling in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Date of creation of charge

Date of creation d2 d8 m0 m7 y2 y0 y1 y1

3 Description

Please give a description of the instrument (if any) creating or evidencing the
charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge'

Description A security agreement dated 28 July 2011 between, amongst others, the
Company, Barclays Bank PLC as Security Agent (as defined below) (the
Deed)

4 Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured All present and future obligations and liabilities
(whether actual or contingent and whether owed
jointly or severally or in any other capacity
whatsoever) of each Chargor to any Secured Creditor
under any Secured Debt Finance Document (the
Secured Liabilities) (all capitalised terms as
defined below)

Continuation page
Please use a continuation page if
you need to enter more details

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5 Mortgagee(s) or person(s) entitled to the charge (if any)

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge

Continuation page
Please use a continuation page if you need to enter more details

Name Barclays Bank PLC (the **Security Agent**)

Address 1 Churchill Place

London

Postcode E 1 4 5 H P

Name

Address

Postcode

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Continuation page
Please use a continuation page if you need to enter more details

Short particulars Please see continuation sheets

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7 Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered

Commission, allowance or discount Nil

8 Delivery of instrument

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860). If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 870).

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 866). The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it. Where a body corporate gives the verification, an officer of that body must sign it. We will also accept a verified copy where section 867(2) applies (property situated in another part of UK).

9 Signature

Please sign the form here

Signature

Signature

X Allen Overy UP (10/8/2011) X

This form must be signed by a person with an interest in the registration of the charge

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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 and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name Cordelia Manley (BK 17763383)

Company name Allen & Overy LLP

Address One Bishops Square

Post town London

County/Region Greater London

Postcode E 1 6 A D

Country United Kingdom

DX

Telephone 020 3088 3368



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 the original deed with this form
- ☒ You have entered the date the charge was created
- ☒ You have supplied the description of the instrument
- ☒ You have given details of the amount secured by the mortgagee or chargee
- ☒ You have given details of the mortgagee(s) or person(s) entitled to the charge
- ☒ You have entered the short particulars of all the property mortgaged or charged
- ☒ You have signed the form
- ☒ You have enclosed the correct fee



Important information

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



How to pay

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

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.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

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

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6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

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1. CONSTRUCTION

In this Form MG01

- (a) a Party or any other person includes its successors in title, permitted assigns and permitted transferees,
- (b) an amendment includes an amendment, supplement, novation, re-enactment, replacement, restatement, variation or waiver or the giving of any waiver, release or consent having the same commercial effect (and amend shall be construed accordingly),
- (c) unless the context otherwise requires, a reference to a Security Asset includes
 - (i) any part of that Security Asset,
 - (ii) any proceeds of that Security Asset, and
 - (iii) any present and future assets of that type,
- (d) references to, or to any specified provision of, the Deed, any other Secured Debt Finance Document, or any other document ancillary or relevant to any Secured Debt Finance Document shall in this Form MG01 be construed as references to the Deed, that Secured Debt Finance Document, that provision or that document as in force for the time being and as amended which, as the Company specifically agrees and acknowledges in relation to the Secured Debt Finance Documents may include, without limitation
 - (i) any increase or reduction in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used,
 - (ii) any facilities or indebtedness provided in substitution for or in addition to the facilities or indebtedness originally made available thereunder,
 - (iii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing,
 - (iv) any substitution of any existing borrower thereunder for any other borrower and/or any addition of any new borrowers thereunder,

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- (v) any increase to the margin, commitment commission, fees or other amounts payable thereunder, and
 - (vi) any combination of any of the foregoing in accordance with the terms thereof or, as the case may be, with the agreement of the relevant parties and (where any consents are required to be obtained as a condition to such amendment being permitted) with the requisite consents
 - (e) The Parties will have no rights or obligations and give no representations under the Deed and, for the avoidance of doubt, shall not grant any Security Interests pursuant to the Deed until the Effective Date and if the Effective Date does not occur pursuant to the English Deed of Release, then the Parties will cease to be parties to the Deed. On the Effective Date, the Chargors shall grant the Security Interests on the terms set out in the Deed and, following the Effective Date, the Parties will be bound by and benefit from the Deed
- 2. SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED**
- 2.1 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 Liabilities, 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 clause 23.5 (Negative pledge) of the Revolving Credit Facility Agreement and any equivalent provisions of any other Secured Debt Finance Document
 - (b) If the Company assigns an agreement under the Deed (or charges it by way of a first fixed charge or (in respect of any agreement relating to estates or interests in any leasehold property or any other licence or other agreement or document which gives the Company a right to occupy or use property (including any specified in Part 1 of Schedule 1 (Security Assets) of this Form MG01)) mortgage) and that assignment, fixed charge or mortgage breaches a term of that agreement because a third party's consent has not been obtained in respect of any agreement relating to leasehold property, rights under any licence or other agreement or

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document which gives the Company a right to occupy or use property acquired after the date of the Deed and any other agreements in each case assigned or subject to a fixed charge under the Deed (other than the Relevant Contracts and Insurances), that mortgage, assignment or charge will not take effect in relation to all rights under that agreement until that consent is obtained save that such mortgage, assignment or charge will take effect in relation to all damages, compensation, remuneration, profit, rent or income which the Company may derive from that right or be awarded in respect of that right

- (c) The Security Agent holds the benefit of the Deed on trust for the Secured Creditors

2.2 Land

- (a) The Company charged under the Deed
 - (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it and all rights under any licence or other agreement or document which gives the Company a right to occupy or use property including any specified in Part 1 of Schedule 1 (Security Assets) of this Form MG01 opposite its name or in part 1 of the schedule to any Deed of Accession by which it became party to the Deed (excluding the leasehold interests the subject of the Permitted Biomass Transaction Options), and
 - (ii) (to the extent that they are not the subject of a mortgage under subparagraph (i) above) by way of first fixed charge all estates or interests in any freehold or leasehold property owned by it and all rights under any licence or other agreement or document which gives the Company a right to occupy or use property
- (b) A reference in the Deed to any freehold or leasehold property includes
 - (i) all Fixtures and Premises on that property owned by the Company, and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property and any moneys paid or payable in respect of those covenants

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2.3 Investments

- (a) The Company charged under the Deed (to the extent not already mortgaged, charged or pledged under the Share Mortgages
 - (i) by way of a first mortgage all Shares, and
 - (ii) (to the extent that they are not the subject of a mortgage referred to in or under subparagraph (i) above) by way of a first fixed charge its interest in all shares, stocks, debentures, bonds, warrants, coupons or other securities and investments (including all cash equivalents and Authorised Investments) owned by it or held by any nominee on its behalf
- (b) A reference in the Deed to any share, stock, debenture, bond, warrant, coupon or other security or investment includes
 - (i) any dividend, interest or other distribution paid or payable,
 - (ii) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,
 - (iii) any right against any clearance system, and
 - (iv) any right under any custodian or other agreement,

in relation to that share, stock, debenture, bond, warrant, coupon or other security or investment
- (c) The Company assigned absolutely, subject to a proviso for reassignment on redemption, all of its rights, title and interest (if any) in the membership of Drax GCo Limited which it held at the date of the Deed

2.4 Plant and machinery

The Company charged under the Deed by way of a first fixed charge all Plant and Machinery owned by it and its interest in any Plant and Machinery in its possession

2.5 Credit balances

The Company charged under the Deed by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account it has with any person, save for

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- (a) any amount standing to the credit of an account designed to provide cash cover to a lender under the Revolving Credit Facility Agreement for a Letter of Credit as contemplated by clause 7 1(c) (General) of the Revolving Credit Facility Agreement,
- (b) any amount standing to the credit of an account which is provided as cash collateral in accordance with clause 3 1(d) (Loans) of the Revolving Credit Facility Agreement, including, for the avoidance of doubt, any amount held in a Cash Cover Account,
- (c) any amount standing to the credit of the BlueNext Account,
- (d) any amount standing to the credit of a bank account with an Exchange and Clearing House, and
- (e) any amount standing to the credit of any deposit accounts held with an Acceptable Bank

2.6 Book debts etc.

The Company charged under the Deed by way of a first fixed charge

- (a) all of its book and other debts,
- (b) all other moneys due and owing to it, and
- (c) the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any item under paragraph (a) or (b) above

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2.7 Insurances

- (a) The Company assigns absolutely, subject to a proviso for reassignment on redemption, all amounts payable to it under or in connection with each of its Insurances and all of its rights in connection with those amounts
- (b) To the extent that they are not effectively assigned under paragraph (a) above, the Company charges by way of first fixed charge all amounts and rights described in paragraph (a) above

2.8 Other contracts

- (a) The Company assigns absolutely, subject to a proviso for reassignment on redemption, all of its rights in respect of
 - (i) its Relevant Contracts,
 - (ii) any letter of credit issued in its favour, and
 - (iii) any bill of exchange or other negotiable instrument held by it
- (b) To the extent that any such right described in paragraph (a) above is not assignable or capable of assignment, the assignment of that right purported to be effected by paragraph (a) operates as an assignment of any damages, compensation, remuneration, profit, rent or income which the Company may derive from that right or be awarded or entitled to in respect of that right
- (c) To the extent that they are not effectively assigned under paragraph (a) or (b) above, the Company charges by way of first fixed charge all of its rights under each agreement and document to which it is a party described in paragraph (a) above

2.9 Intellectual property

The Company charged under the Deed by way of a first fixed charge all of its rights in respect of any Intellectual Property Rights

2.10 Miscellaneous

The Company charged under the Deed by way of a first fixed charge

- (a) any beneficial interest, claim or entitlement it has to any assets of any pension fund,
- (b) its goodwill,

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Short particulars	<p>(c) the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any Security Asset,</p> <p>(d) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (c) above,</p> <p>(e) its uncalled capital, and</p> <p>(f) all Intercompany Debt</p> <p>2.11 Floating charge</p> <p>(a) The Company (without prejudice to the Share Mortgages) charged under the Deed by way of a first floating charge all of its assets whatsoever and wheresoever (including, for the avoidance of doubt, the Shares which are the subject of any Security Interest under any Share Mortgage) not otherwise effectively mortgaged, charged or assigned under the Deed</p> <p>(b) The Security Agent may by notice to the Company convert the floating charge created by the Company under the Deed into a fixed charge as regards any of the Company's assets specified in that notice, if</p> <p>(i) an Event of Default has occurred and is outstanding,</p> <p>(ii) the Security Agent (acting in good faith) reasonably considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy, or</p> <p>(iii) the Company 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 (Restrictions on dealing) of this Form MG01</p> <p>(c) The floating charge created under the Deed will (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge over all of the Company's assets</p> <p>(i) if an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator and reasonably believes that the notice is not frivolous or vexatious, or</p>	

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(11) on the convening of any meeting of the members of the Company to consider a resolution to wind the Company up (or not to wind the Company up)

(d) The floating charge created under the Deed is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986

3. RESTRICTIONS ON DEALINGS

The Company may not

- (a) create or allow to exist any Security Interest on any of its assets, or
- (b) either in a single transaction or in a series of transactions and whether related or not and whether voluntarily or involuntarily dispose of all or any part of its assets,

unless permitted under the Secured Debt Finance Documents

4. VOTING RIGHTS

Except as otherwise provided in the Share Mortgages

- (a) before the Security becomes enforceable, the Company may continue to exercise the voting rights, powers and other rights in respect of its Investments,
- (b) before the Security becomes enforceable if the relevant Investments have been registered in the name of the Security Agent (or its nominee), the Security Agent (or that nominee) must exercise the voting rights, powers and other rights in respect of the Investments in any manner which the Company may direct in writing. The Security Agent (or that nominee) will execute any form of proxy or other document which the Company may reasonably require for this purpose,
- (c) before the Security becomes enforceable, all dividends or other income or distributions paid or payable in relation to any Investments must be paid to the Company. To achieve this
 - (i) the Security Agent (or its nominee) will promptly execute any dividend mandate necessary to ensure that payment is made direct to the Company, or
 - (ii) if payment is made directly to the Security Agent (or its nominee) before this Security becomes enforceable, the

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Security Agent (or that nominee) will promptly pay that amount to the Company,

(d) before the Security becomes enforceable, the Security Agent shall use its reasonable endeavours to promptly forward to the Company all material notices, correspondence and/or other communication it receives in relation to the Investments but only in so far as the Investments are registered in the name of the Security Agent,

(e) after the Security has become enforceable (in accordance with clause 12.1 of the Deed), the Security Agent or its nominee may 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 any Investment, any person who is the holder of any Investment or otherwise,

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

(f) to the extent that the Investments remain registered in the names of the Company, the Company irrevocably appoints the Security Agent (or its nominee) as its proxy to exercise all voting rights in respect of those Investments at any time after this Security has become enforceable in accordance with clause 12.1 of the Deed, and

(g) the Company 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 Investments on the direction of the Company

5. DEFINITIONS

In this Form MG01

Acceptable Bank means

(a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by S&P or Fitch or A3 or higher by Moody's or equivalent

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rating from another internationally recognised credit rating agency, or

- (b) any other bank or financial institution approved by the Senior Agent

Additional Chargor means a member of the Group which becomes a chargor in accordance with the Deed of Accession to which it is a party

Affiliate means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company, except that in relation to The Royal Bank of Scotland plc, the term "Affiliate" shall not include (i) the UK government or any member or instrumentality thereof, including Her Majesty's Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof) or (ii) any persons or entities controlled by or under common control with the UK government or any member or instrumentality thereof (including Her Majesty's Treasury and UK Financial Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings

Authorised Investments means at any time

- (a) certificates of deposit or money deposits maturing within one year after the relevant date of calculation and issued by an Acceptable Bank through a branch in the United Kingdom,
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United Kingdom or by an instrumentality or agency of the government of the United Kingdom having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security,
- (c) commercial paper not convertible or exchangeable to any other security
 - (i) for which a recognised trading market exists,
 - (ii) issued by an issuer incorporated in the United Kingdom,
 - (iii) which matures within one year after the relevant date of calculation, and
 - (iv) which has a credit rating of either A-1 or higher by S&P or Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer

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of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating,

- (d) any investment accessible within 180 days in money market funds which have a credit rating which is the equivalent of AAA from any of S&P, Fitch or Moody's, or
- (e) any other debt security approved by the requisite majority under the Revolving Credit Facility Agreement,

in each case, to which any member of the Group is beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security Interest (other than one arising under the Security Documents)

Barclays/Drax Trading Agreements means

- (a) the ISDA master agreement (multicurrency-cross border) and schedule thereto dated as of 22 June 2007, as amended, restated and/or supplemented from time to time entered into between Drax Power Limited and Barclays Bank plc for the purpose of entering into commodity derivatives,
- (b) the Electricity Forward Agreement Association grid trade master agreement and schedules thereto dated as of 1 March 2005, as amended, restated and/or supplemented from time to time entered into between Drax Power Limited and Barclays Bank plc, and
- (c) the master netting agreement dated as of 27 May 2005, as amended, restated and/or supplemented from time to time entered into between Drax Power Limited and Barclays Bank plc

Biomass Growth Strategy means the development, design, financing, realisation, operation and maintenance of new biomass fired power generation facilities of approximately 150-400MW each in the United Kingdom PROVIDED THAT

- (a) the borrowing or funding for, and (save as a Permitted Biomass Transaction) the operation of biomass plants shall only be permitted to the extent that such activities are undertaken by special purpose companies which are not members of the Group,
- (b) no member of the Group is required to grant Security Interests or, save as permitted in clause 23 17 (Third Party Guarantees) of the Revolving Credit Facility Agreement, give guarantees in

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Short particulars	<p>connection with the funding of the Biomass Growth Strategy, and</p> <p>(c) no member of the Group incurs any borrowing in connection with the Biomass Growth Strategy other than in accordance with clause 3 2(e) (Letters of Credit) of the Revolving Credit Facility Agreement</p> <p>BlueNext Account means an account in the name of Drax Power Limited held with Caisse des Dépôts et Consignations in relation to Drax Power Limited's membership of Bluenext provided that (i) the maximum amount deposited on such account does not exceed £2,000,000 for more than five consecutive business days and (ii) funds held in such account will be solely for the settlement of spot trades</p> <p>Cash Cover Account means any account of any member of the Group which is held and funded for the purpose of providing cash cover for a Letter of Credit or cash collateral in favour of counterparties referred to in clause 3 2 (Letters of Credit) of the Revolving Credit Facility Agreement to the extent that such counterparties do not accept Letters of Credit</p> <p>Chargor means an Original Chargor and any Additional Chargor</p> <p>Deed of Accession means a deed substantially in the form of schedule 6 (Form of Deed of Accession) of the Deed</p> <p>Drax PLC means Drax Group plc</p> <p>Drax PLC Group Relief Surrender Agreements means each of</p> <p>(a) the group relief surrender agreement dated 15 December 2005 between the Company (as surrenderer) and Drax PLC,</p> <p>(b) the group relief surrender agreement dated 15 December 2005 between Drax Power Limited (as surrenderer) and Drax PLC,</p> <p>(c) the group relief surrender agreement dated 15 December 2005 between Drax Holdings Limited (as surrenderer) and Drax PLC,</p> <p>(d) the group relief surrender agreement dated 15 December 2005 between Drax PLC (as surrenderer) and the Company,</p> <p>(e) the group relief surrender agreement dated 15 December 2005 between Drax PLC (as surrenderer) and Drax Power Limited, and</p>	

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Short particulars	<p>(f) the group relief surrender agreement dated 15 December 2005 between Drax PLC (as surrenderer) and Drax Holdings Limited</p> <p>Drax PLC Shareholder Support Agreement means the agreement dated 15 December 2005 between Drax PLC, the Company and Drax Power Limited relating to the provision and receipt of funds or services (as amended by a deed of variation dated on or about 3 August 2009 and as further amended on 22 July 2011)</p> <p>Effective Date means 28 July 2011</p> <p>English Deed of Release means the deed of release governed by English law dated 26 July 2011 between, amongst others, the Company, the other Chargors and the Security Agent</p> <p>Event of Default means an event of default howsoever defined in any of the Secured Debt Finance Documents</p> <p>Exchange and Clearing House means</p> <p>(a) any commodity exchange (other than BlueNext) located in the European Economic Area or the United States of America which an Obligor (as defined in the Revolving Credit Facility Agreement) may trade on in its ordinary course of trading, provided that any such commodity exchange must be regulated by the FSA or (in the case of any commodity exchange located outside of the UK) the equivalent regulatory body in that country (and will include, for the avoidance of doubt, any regulated market or multilateral trading facility as defined in the Markets in Financial Instruments Directive (2004/39/EC)) (to include, for the avoidance of doubt, the Automated Power Exchange), and</p> <p>(b) the central counterparty which clears trades executed on any such exchange</p> <p>Finance Party means a lender or an administrative party under the Revolving Credit Facility Agreement</p> <p>Financial Indebtedness means any indebtedness for or in respect of</p> <p>(a) moneys borrowed,</p> <p>(b) any acceptance credit (including any dematerialised equivalent),</p> <p>(c) any bond, note, debenture, loan stock or other similar instrument,</p> <p>(d) any redeemable preference share,</p>

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- (e) any agreement treated as a finance or capital lease in accordance with generally accepted accounting principles in England and Wales,
- (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

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

Fixtures means in relation to the Company, all fixtures and fittings (including trade fixtures and fittings) and fixed Plant and Machinery from time to time owned by the Company on the Company's Mortgaged Property

FSA means the Financial Services Authority and any successor body

Group means the Company and its Subsidiaries

Group Relief Surrender Agreement means each of

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

- (a) the group relief surrender agreement dated 15 December 2005 between the Company (as surrenderer) and Drax Power Limited,
- (b) the group relief surrender agreement dated 15 December 2005 between Drax Power Limited (as surrenderer) and the Company,
- (c) the group relief surrender agreement dated 15 December 2005 between Drax Holdings Limited (as surrenderer) and the Company,
- (d) the group relief surrender agreement dated 15 December 2005 between the Company (as surrenderer) and Drax Holdings Limited,
- (e) each of the Drax PLC Group Relief Surrender Agreements, and
- (f) the group relief surrender agreement dated 3 August 2009 between Haven Power Limited (as surrenderer) and Drax Power Limited

Hedging means any interest rate swap in respect of interest relating to Senior Debt and any foreign exchange hedging (other than any non-secured foreign exchange hedging arrangements entered into in accordance with clause 23 8(c) (Hedging) of the Revolving Credit Facility Agreement), in each case entered into in accordance with clause 23 8 (Hedging) of the Revolving Credit Facility Agreement (prior to the RCF Discharge Date) and any equivalent provision of a Qualifying NSD Secured Document

Hedging Bank means

- (a) in relation to any Hedging of RCF Debt, each RCF Lender (or its Affiliates) (if any) named in schedule 3 (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 13 1 (Accession of Hedging Banks) 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 RCF Lender or an Affiliate of a RCF Lender at the time it accedes to the Priority Deed,
- (b) in relation to any Hedging of Senior Debt other than RCF Debt, any person which becomes a party to the Priority Deed as a Hedging Bank under clause 13 1 (Accession of Hedging Banks) 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,

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

provided that such person is a RCF Lender or an Affiliate of a RCF Lender at the time it accedes to the Priority Deed, and

- (c) in relation to any foreign exchange hedging any person which becomes a party to the Priority Deed as a Hedging Bank under clause 13.1 (Accession of Hedging Banks) of the Priority Deed in its capacity as provider of Hedging in respect of foreign exchange risk to any of the Obligors, provided that such person is a RCF Lender or an Affiliate of a RCF Lender at the time it accedes to the Priority Deed

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

Holding Company of any other person, means a company in respect of which that other person is a Subsidiary

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

Insurances of the Company means all contracts and policies of insurance of any kind now or in the future taken out by or on behalf of the Company or (to the extent of its interest) in which the Company now or in the future has an interest, but excluding any third party liability or public liability insurance and any directors and officers insurance

Intellectual Property Rights means all know-how, patents, trademarks, servicemarks, designs, business names, typographical or similar rights, copyrights and other intellectual property rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same) of the Company

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

Investments means

- (a) the Shares, and

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged
Short particulars	Please give the short particulars of the property mortgaged or charged
	<p>(b) all other shares, stocks, debentures, bonds, warrants, coupons and other securities and investments,</p> <p>which the Company purports to mortgage or charge under the Deed</p> <p>Letter of Credit means a letter of credit, substantially in the form of schedule 9 (Form of Letter of Credit) to the Revolving Credit Facility Agreement or in any other form agreed by the Company and the relevant issuing bank under the Revolving Credit Facility Agreement</p> <p>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</p> <p>(a) any refinancing, novation, deferral or extension of that liability,</p> <p>(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,</p> <p>(c) any further advance made under any document or agreement supplemental to that document or agreement, together with all related interest, fees and costs,</p> <p>(d) any claim for damages or restitution in the event of rescission of that liability or otherwise in connection with that document or agreement,</p> <p>(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</p> <p>(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</p> <p>Moody's means Moody's Investor Services Limited or any successor to its ratings business</p> <p>Mortgaged Property means all freehold and leasehold property which the Company purports to legally mortgage or charge under the Deed including any specified in Part 1 of Schedule 1 (Security Assets) to this Form MG01 or in part 1 of the schedule of any Deed of Accession by which it becomes a party to the Deed</p>

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

New Obligor means any person that accedes as such to the Priority Deed

Novation and Trading Agreement means the £135,000,000 novation and trading agreement dated 5 May 2010 between, amongst others, Drax Power Limited as counterparty and the Trading Creditor as amended by an amendment and restatement agreement dated 28 July 2011

Obligor means each Original Obligor and each New Obligor

Original Chargor means each of Drax Finance Limited, Drax Group Limited, Drax Intermediate Holdings Limited, Drax Investments Limited, Drax Holdings Limited, Drax Limited, Drax Power Limited, Drax Ouse, Haven Power Limited and Drax GCo Limited

Original Obligor means the Company, and each other Original Chargor

Party means a party to the Deed

Permitted Biomass Transaction means any agreement entered into between one or more members of the Group (or in the case of clause 24.1 (Holding Company) of the Revolving Credit Facility Agreement, Drax PLC) and one or more third parties in connection with the Biomass Growth Strategy (including, but not limited to the management, operation, trading, procurement of biomass and any agency relationships relating thereto) on arms' length terms PROVIDED THAT

(a) such a transaction will not have a material adverse affect on the Security Interests created under the Security Documents or on any guarantee granted by any Obligor (as defined in the Revolving Credit Facility Agreement) in favour of any Finance Party, and

(b) such a transaction will not have a Material Adverse Effect (as defined in the Revolving Credit Facility Agreement)

For the purposes of this definition an agreement on **arms' length terms** shall include an agreement in respect of transactions customarily entered into in connection with the development or operation of a start-up biomass project company with the objective to generate and sell electricity on profitable terms in circumstances where such agreement is both reasonable for, and of net value to the relevant member of the Group (or in the case of clause 24.1 (Holding Company) of the Revolving Credit Facility Agreement, Drax PLC) and has no affect on the ability of any Obligor (as defined in the Revolving Credit Facility Agreement) to comply with or perform its payment or other material obligations under

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>any Secured Debt Finance Document or other document in respect of Financial Indebtedness</p> <p>Permitted Biomass Transaction Options means</p> <p>(a) a first option deed dated 22 October 2008 relating to a lease over land adjacent to Immingham Bulk Terminal Immingham Dock at Port of Immingham, Immingham entered into by Drax Power Limited with Associated British Ports, and</p> <p>(b) a second option deed dated 22 October 2008 relating to a lease over a strip of land giving access to land adjacent to Immingham Bulk Terminal Immingham Dock at Port of Immingham, Immingham entered into by Drax Power Limited with Associated British Ports</p> <p>Plant and Machinery means in relation to the Company any plant, machinery, computers, office equipment or vehicles from time to time owned by the Company</p> <p>Premises means, in relation to the Company, all buildings and erections from time to time owned by the Company on the Company's Mortgaged Property</p> <p>Priority Deed means the priority deed dated 22 July 2011 between, amongst others, the Company, the Senior Agent and the Security Agent</p> <p>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</p> <p>Qualifying NSD Creditor means 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 2.2 (Accession of Qualifying NSD Creditor) of the Priority Deed and each person who subsequently accedes to the Priority Deed as a Qualifying NSD Creditor in accordance with subclause 19.4 (New Creditors) of the Priority Deed</p> <p>Qualifying NSD Incurrence means the incurring of Financial Indebtedness by any Obligor which complies with the requirements of subclause 2.1 (Criteria for Qualifying NSD Incurrence) of the Priority Deed</p> <p>Qualifying NSD Representative means, in relation to a Secured Qualifying NSD Incurrence, the person named as such in any deed of</p>	

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

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Short particulars

accession relating thereto delivered in accordance with subclause 2 2 (Accession of Qualifying NSD Creditors) of the Priority Deed

Qualifying NSD Secured Documents means, 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 2 (Accession of Qualifying NSD Creditors) of the Priority Deed

RCF Creditor means each of

- (a) the persons named in schedule 2 (RCF Creditors) of the Priority Deed in their capacity as lenders and/or issuing bank under the Revolving Credit Facility Agreement,
- (b) each arranger under the Revolving Credit Facility Agreement, the Senior Agent and (until the Senior Debt Discharge Date) the Security Agent, and
- (c) each person who accedes to the Priority Deed as a RCF Creditor in accordance with subclause 19 4 (New Creditors) of the Priority Deed

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

RCF Discharge Date means the date on which the Senior Agent is satisfied (acting reasonably) that all of the RCF Debt has been irrevocably paid and discharged and all commitments of the RCF Creditors have been cancelled

RCF Finance Document means the Revolving Credit Facility Agreement, the Priority Deed, a Letter of Credit, a Security Document, a fee letter, a transfer certificate, an accession agreement, an issuing bank accession agreement, a resignation letter and any other document designated by the Senior Agent and the Company, but for these purposes, excluding the Hedging Documents

RCF Lender means a lender and/or an issuing bank under the Revolving Credit Facility Agreement

Relevant Contract means in relation to the Company

- (a) any agreement specified in Part 3 of Schedule 1 (Security Assets) of this Form MG01 opposite its name or in part 3 of the schedule to any Deed of Accession by which it became party to the Deed, and

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

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Short particulars

(b) any other agreement to which the Company is a party and which the Company and the Security Agent have designated a Relevant Contract

Revolving Credit Facility Agreement means the £310,000,000 revolving credit facility agreement dated 22 July 2011 between, amongst others, the Company, Barclays Capital, Lloyds TSB Bank plc and The Royal Bank of Scotland plc as arrangers and the Security Agent

Secured Creditor means a Senior Creditor, a Hedging Bank or the Trading Creditor as the context requires

Secured Debt means the Senior Debt, the Hedging Debt and the Trading Debt

Secured Debt Finance Documents means the RCF Finance Documents, the Hedging Documents, the Qualifying NSD Secured Documents and, other than for the purposes of (A) the definition of Adjusted Financing Costs under and as defined in the Revolving Credit Facility Agreement, and (B) the definition of Permitted Biomass Transaction, the Trading 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 2.2 (Accession of Qualifying NSD Creditors) of the Priority Deed

Security means any Security Interest created, evidenced or conferred by or under the Deed or any Deed of Accession

Security Assets means all assets of the Company the subject of the Security

Security Documents means a Security Document as defined in a Secured Debt Finance Document, PROVIDED THAT such document is in favour of the Security Agent and is expressed to secure all of the Secured Debt

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

Senior Agent means Barclays Bank PLC as facility agent for the lenders under the Revolving Credit Facility Agreement

Senior Creditor means a RCF Creditor or a Qualifying NSD Creditor

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

Senior Debt means the RCF Debt and/or the Qualifying New Senior Debt, as the context requires

Senior Debt Discharge Date means the date on which each of the Senior Agent, 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

Share Mortgages means each of

- (a) the share mortgage governed by the laws of the Cayman Islands dated 28 July 2011 between the Security Agent and the Company over the shares in Drax Holdings Limited,
- (b) the share mortgage governed by the laws of the Cayman Islands dated 28 July 2011 between the Security Agent and Drax Holdings Limited over the shares in Drax Limited,
- (c) the share mortgage governed by the laws of the Cayman Islands dated 28 July 2011 between the Security Agent and Drax Group Limited over the shares in Drax Intermediate Holdings Limited,
- (d) the share mortgage governed by the laws of the Cayman Islands dated 28 July 2011 between the Security Agent and the Company over the shares in Drax Group Limited, and
- (e) the share mortgage governed by the laws of the Cayman Islands dated 28 July 2011 between the Security Agent and Drax Intermediate Holdings Limited over the shares in Drax Holdings Limited

Shares means in relation to the Company, any shares in any member of the Group owned by it or any nominee on its behalf including those specified opposite its name in Part 2 of Schedule 1 (Security Assets) of this Form MG01 or in part 2 of the schedule to any Deed of Accession by which it became party to the Deed

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

S&P means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc, or any successor to its ratings agency function

Trading Creditor means Barclays Bank PLC

Trading Debt means all Liabilities of any Obligor to the Trading Creditor under or in connection with the Trading Documents

Trading Documents means the Novation and Trading Agreement, the Priority Deed, a Trading Security Document, an accession agreement, a fee letter, the Barclays/Drax Trading Agreements, a resignation letter or any other document designated as such by the Trading Creditor and Drax Power Limited

Trading Security Documents means

- (a) the Deed,
- (b) a third party charge dated 28 July 2011 between Drax PLC and the Security Agent,
- (c) each share mortgage dated 28 July 2011 in respect of the shares of any Obligor (as defined in the Novation and Trading Agreement) incorporated in the Cayman Islands, and
- (d) any other document evidencing or creating security over any asset of an Obligor (as defined in the Novation and Trading Agreement) to secure any obligation of any Obligor (as defined in the Novation and Trading Agreement) to a Senior Creditor under the Secured Debt Finance Documents

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

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Short particulars

SCHEDULE 1

SECURITY ASSETS

PART 1

REAL PROPERTY

Freehold/Leasehold	Description
None	

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Particulars of a mortgage or charge

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Short particulars

PART 2

SHARES

Name of company in which shares are held	Class of shares held	Number of shares held
Drax Group Limited	Ordinary	86,472,000 Ordinary
	Non-Voting	7,782,480 Non-Voting
Drax Holdings Limited	Ordinary	10,000,000

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

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Short particulars

PART 3

RELEVANT CONTRACTS

Description
Any agreements relating to Intercompany Debt
Drax PLC Shareholder Support Agreement
Each of the Group Relief Surrender Agreements
Hedging Documents in relation to the Senior Debt



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 869(5) & (6) of the Companies Act 2006

**COMPANY NO. 5562058
CHARGE NO. 10**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED 28
JULY 2011 AND CREATED BY DRAX FINANCE LIMITED FOR
SECURING ALL MONIES DUE OR TO BECOME DUE FROM
EACH CHARGOR 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 25 OF THE COMPANIES ACT 2006 ON THE 10 AUGUST
2011

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11 AUGUST 2011

20



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES