

MG01

Particulars of a mortgage or charge



231488-13

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, use
form MG01s

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24/12/2012

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COMPANIES HOUSE

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1 Company details

Company number 0 5 5 6 2 0 5 8

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

(13) For official use

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 d0 m1 m2 y2 y0 y1 y2

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 deed dated 20 December 2012 between, amongst others, the
Chargor, and Deutsche Bank AG, London Branch 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 owned
jointly or severally or in any other capacity
whatsoever) of each Chargor to any Secured Creditor
under any Senior Debt Document (including, for the
avoidance of doubt, in respect of any Refinancing
Senior Lender Debt which is designated by the
Company as "Senior Lender Debt" pursuant to the
terms of the Priority Deed) (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 Deutsche Bank AG, London Branch (the **Security Agent**)

Address Winchester House, 1 Winchester Street

London

Postcode E C 2 N 2 D B

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 attached 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 LLP on behalf of the chargee 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 Laura Lumley (BK 22419056)

Company name Allen & Overy LLP

Address One Bishops Square

Post town London

County/Region London

Postcode E 1 6 A D

Country United Kingdom

DX London 73

Telephone 020 3088 2529



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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| | | |
|----------------|--|--|
| 4 | Amount secured | |
| | Please give us details of the amount secured by the mortgage or charge | |
| Amount secured | <p>1. CONSTRUCTION</p> <p>In this Form MG01</p> <ul style="list-style-type: none"> (a) Any covenant of a Chargor under this Deed (other than a payment obligation) remains in force during the Security Period and is given for the benefit of each Secured Creditor (b) The terms of the other Senior Debt Documents and of any side letters between any parties in relation to any Senior Debt Document (as the case may be) are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989 (c) If the Security Agent considers (acting reasonably) that an amount paid to a Secured Creditor under a Senior Debt Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed (d) a Party or any other person includes its successors in title, permitted assigns and permitted transferees, (e) 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), (f) unless the context otherwise requires, a reference to a Security Asset includes <ul style="list-style-type: none"> (i) any part of that Security Asset, (ii) any proceeds of that Security Asset, and (iii) any present and future assets of that type, (g) references to, or to any specified provision of, the Deed, any other Senior Debt Document, or any other document ancillary or relevant to any Senior Debt Document shall in this Form MG01 be construed as references to the Deed, that Senior Debt Document, that provision or that document as in force for the time being and as amended which, as the Chargor specifically agrees and acknowledges in relation to the Senior Debt Documents may include, without limitation <ul style="list-style-type: none"> (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, | |

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Amount secured

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- (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,
- (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
- (h) 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 (a) for any Security Interests permitted under clause 23.5 (Negative pledge) of the Revolving Credit Facility Agreement and any equivalent provisions of any other Senior Debt Document, and (b) in relation to any assignment, fixed charge or mortgage for which a third party's consent has not been obtained as regards such third party. For the avoidance of doubt, the expressions full title guarantee shall not require any registrations in respect of Intellectual Property Rights other than pursuant to clause 7.1 (Preservation) and clause 19 (Further Assurances) of the Deed

2.2 Land

- (a) The Chargor 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

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agreement or document which gives the Chargor 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, 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 Chargor 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 Chargor, and
- (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property and any moneys paid or payable in respect of those covenants

2.3 Investments

- (a) The Chargor 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, commercial paper, certificates of deposit, debentures, loan stocks, interests in any investment fund, bonds, warrants, coupons or other securities and investments (including all cash equivalents and debt securities of any maturity whatsoever) (whether or not marketable) owned by it or held by any nominee on its behalf

- (b) a reference in the Deed to any share, stock, commercial paper, certificate of deposit, 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, commercial paper, certificate of deposit, debenture, bond, warrant, coupon or other security or investment

- (c) The Chargor 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 is held at the date of the Deed

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Amount secured

2.4 Plant and machinery

The Chargor 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 Chargor 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

- (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(a)(i) (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 a bank account with an Exchange and Clearing House, and
- (d) any amount standing to the credit of any deposit accounts held with an Acceptable Bank

2.6 Book debts etc.

The Chargor 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 all monetary claims against third parties, 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

2.7 Insurances

- (a) The Chargor 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 Chargor charges by way of first fixed charge all amounts and rights described in paragraph (a) above

2.8 Other contracts

- (a) The Chargor assigns absolutely, subject to a proviso for reassignment on redemption, all of its rights in respect of

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| 4 | Amount secured |
|----------------|--|
| | Please give us details of the amount secured by the mortgage or charge |
| Amount secured | <p>(i) its Relevant Contracts,</p> <p>(ii) any letter of credit issued in its favour, and</p> <p>(iii) any bill of exchange or other negotiable instrument held by it</p> <p>(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 Chargor may derive from that right or be awarded or entitled to in respect of that right</p> <p>(c) To the extent that they are not effectively assigned under paragraph (a) or (b) above, the Chargor 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</p> <p>(d) The assignments referred to above shall, in the case of any Hedging Document or Secured Trading Line Document, operate subject to, and without prejudice to, any Payment Netting or Close-out Netting</p> <p>2.9 Intellectual property</p> <p>(a) Except as provided below, the Chargor charged under the Deed by way of first fixed charge all of its rights in respect of any Intellectual Property Rights</p> <p>(b) Clause 2 1(B) of the Deed shall apply in relation to any Intellectual Property Rights of the Chargor to the extent that the charges created pursuant to (a) above would result in any third party which has assigned or licensed such Intellectual Property Right to the Chargor (or such third party's successor, estate or proper assignee) having the right to terminate, revoke or materially adversely amend the terms governing the Chargor's rights in respect of such Intellectual Property Right and to the extent that the consent of that third party to such charges has not been obtained</p> <p>2.10 Miscellaneous</p> <p>The Chargor charged under the Deed by way of a first fixed charge</p> <p>(a) any beneficial interest, claim or entitlement it has to any assets of any pension fund,</p> <p>(b) its goodwill,</p> <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> |

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Particulars of a mortgage or charge

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|----------------|---|
| 4 | <p>Amount secured</p> <p>Please give us details of the amount secured by the mortgage or charge</p> |
| Amount secured | <p>2.11 Floating charge</p> <p>(a) The Chargor (without prejudice to the Share Mortgages) charged under the Deed by way of a first floating charge all of its assets whatsoever and wheresoever 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 Chargor convert the floating charge created by the Chargor under the Deed into a fixed charge as regards any of the Chargor's assets specified in that notice, if</p> <p>(i) pursuant to an instruction of the Majority Senior Creditors given in accordance with the terms of the Priority Deed if an Enforcement Event has occurred,</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 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 (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 Chargor'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> <p>(ii) on the convening of any meeting of the members of the Chargor to consider a resolution to wind the Chargor up (or not to wind the Chargor up), other than on a voluntary solvent basis where permitted under the terms of the Senior Debt Documents</p> <p>(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</p> <p>3. RESTRICTIONS ON DEALINGS</p> <p>The Chargor may not, prior to the Senior Lender Discharge Date</p> <p>(a) create or allow to exist any Security Interest on any of its assets, or</p> <p>(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,</p> |

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Particulars of a mortgage or charge

| 4 | Amount secured | |
|----------------|---|--|
| | Please give us details of the amount secured by the mortgage or charge | |
| Amount secured | <p>unless permitted under each Senior Facilities Agreement and not prohibited by any Overdraft Facility Agreement or Qualifying NSD Note Indenture (in each case prior to the Relevant Discharge Date for such Senior Facilities Agreement or, as applicable, Overdraft Facility Agreement or Qualifying NSD Note Indenture)</p> <p>4. VOTING RIGHTS</p> <p>Except as otherwise provided in the Share Mortgages</p> <p>(a) before the Security becomes enforceable in accordance with clause 12.1 of the Deed, the Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments,</p> <p>(b) before the Security becomes enforceable if for any reason 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 Chargor may direct in writing. The Security Agent (or that nominee) will execute any form of proxy or other document which the Chargor may reasonably require for this purpose,</p> <p>(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 Chargor. To achieve this, if for any reason the relevant Investments have been registered in the name of the Security Agent (or its nominee)</p> <p>(i) the Security Agent (or its nominee) will promptly execute any dividend mandate necessary to ensure that payment is made direct to the Chargor, or</p> <p>(ii) if payment is made directly to the Security Agent (or its nominee) before the Security becomes enforceable, the Security Agent (or that nominee) will promptly pay that amount to the Chargor,</p> <p>(d) before the Security becomes enforceable, the Security Agent shall use its reasonable endeavours to promptly forward to the Chargor 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,</p> <p>(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</p> <p>(i) any voting rights, and</p> <p>(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,</p> <p>in each case, in the name of the Chargor, the registered holder or otherwise and without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor,</p> | |

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Amount secured

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

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- (f) to the extent that the Investments remain registered in the name of the Chargor, the Chargor 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 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 Investments on the direction of the Chargor

5. DEFINITIONS

In this Form MG01

1992 ISDA Master Agreement means the 1992 Master Agreement (Multicurrency – Cross Border) as published by the International Swaps and Derivatives Association, Inc

2002 ISDA Master Agreement means the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc

2011 Security Agreement means the security agreement dated 28 July 2011 between, amongst others, the Chargors and the Security Agent 2011

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

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 rating from another internationally recognised credit rating agency, or
- (b) an Account Bank, or
- (c) any other bank or financial institution approved by the facility agent under each Senior Facilities Agreement (in each case prior to the Relevant Discharge Date for that Senior Facilities Agreement)

Account Bank means Barclays Bank PLC in its capacity as "Account Bank" under the Revolving Credit Facility Agreement, or any replacement "Account Bank" appointed pursuant to the terms of the Revolving Credit Facility Agreement and who accedes to the Priority Deed as "Account Bank" pursuant to clause 21.8 of the Priority Deed

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

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| | Please give us details of the amount secured by the mortgage or charge | |
| Amount secured | <p>Royal Bank of Scotland Group plc and its Subsidiaries or subsidiary undertakings</p> <p>Borrower means the Drax Power Limited or an Obligor which becomes after the date of the Revolving Credit Facility Agreement in accordance with clause 32 of the Revolving Credit Facility Agreement</p> <p>Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business in London</p> <p>Cash Cover Account means any account of any Obligor which is held and funded for the purpose of providing cash cover for a Letter of Credit or cash collateral in favour of a Permitted Counterparty</p> <p>Chargors means the Original Chargors and any Additional Chargors</p> <p>Close-out Netting means, in relation to (all or any part of) any Hedging Transactions or Secured Trading Line Transactions terminated or closed-out under the same Hedging Master Agreement or Secured Trading Line Master Agreement (as the case may be) to the extent permitted under clause 14 4 or clause 15 4 of the Priority Deed (as applicable)</p> <p>(a) in the case of any such Hedging Master Agreement based on a 1992 ISDA Master Agreement and in the case of any such Secured Trading Line Master Agreement, any step involved in determining the amount payable in respect of such terminated or closed-out Hedging Transactions or (as the case may be) Secured Trading Line Transactions (or parts thereof) under section 6(e) (Payments on Early Termination) of the 1992 ISDA Master Agreement before the application of any subsequent Set-off (as defined in the 1992 ISDA Master Agreement), and</p> <p>(b) in the case of any Hedging Master Agreement based on a 2002 ISDA Master Agreement, any step involved in determining the Early Termination Amount (as defined in the 2002 ISDA Master Agreement) in respect of such terminated or closed-out Hedging Transactions (or parts thereof) under section 6(e) (Payments on Early Termination) of the 2002 ISDA Master Agreement before the application of any subsequent set-off pursuant to section 6(f) of the 2002 ISDA Master Agreement</p> <p>Counter-Indemnity Obligation means any guarantee entered into by the Company, Drax Finance Limited or (if the Qualifying Public Note Issuer incurred the relevant Financial Indebtedness) the Qualifying Public Note Issuer in favour of the Credit Wrap Provider in respect of such Credit Wrap Guarantee issued by it</p> <p>Deed of Accession means a deed in substantially the form of schedule 6 (Form of Deed of Accession) of the Deed</p> <p>Default Notice means a notice referred to in paragraph (a) or paragraph (b) of the definition of Enforcement Event</p> <p>Effective Date means the date on which the Security Agent 2011 has notified the RCF Agent, the Pru/M&G Agent, the GIB Agent, the Security Agent, the Facility Agent 2011 and Drax Finance Limited in writing, that it has received all of the documents and evidence set out in Schedule 3 of the English Deed of Release in form and substance satisfactory to it and the Security Agent 2011 must give this notice promptly upon being so satisfied</p> | |

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|----------------|--|
| | Please give us details of the amount secured by the mortgage or charge |
| Amount secured | <p>Enforcement Event means any of</p> <ul style="list-style-type: none"> (a) an Event of Default in respect of which a notice under clause 25 16(a) of the Revolving Credit Facility Agreement, or the equivalent provisions (if any) of any other Senior Facilities Agreement, Overdraft Facility Agreement or Qualifying NSD Note Indenture, has been served, or (b) any default by an Obligor in the payment to any Hedging Bank or Secured Trading Line Counterparty of any Hedging Debt or Secured Trading Line Debt comprising an amount payable under section 6(e) of the relevant Hedging Master Agreement or Secured Trading Line Master Agreement to which it is a party, in circumstances where all Hedging Transactions or (as applicable) Secured Trading Line Transactions of that Hedging Bank or (as applicable) Secured Trading Line Counterparty have been closed-out or terminated and in respect of which that Hedging Bank or (as applicable) Secured Trading Line Counterparty has delivered a notice in writing to the Security Agent and Drax Power Limited electing that such default shall constitute an "Enforcement Event" for the purposes of the Deed, provided that such notice electing an "Enforcement Event" for the purposes of the Deed is delivered after at least three Business Days have elapsed from the date of such default and that, unless that amount became payable by reason of that Hedging Bank or (as applicable) Secured Trading Line Counterparty having exercised a right to close-out or terminate which arose as a result of (i) an Obligor having failed to make a payment or delivery under the Hedging Documents or (as applicable) Secured Trading Line Documents to which it is a party, and (ii) that Hedging Bank or (as applicable) Secured Trading Line Counterparty having given 10 Business Days' written notice of that non-payment or non-delivery to the Security Agent and the Company (or, in the case of a Hedging Document, the relevant Obligor), then such notice from the Hedging Bank or (as applicable) Secured Trading Line Counterparty electing an "Enforcement Event" for the purposes of the Deed shall become effective only after 10 Business Days have elapsed from the later of the Company and the Security Agent's receipt of that notice and only if the default in the payment of that amount has not been remedied or waived by the end of that 10 Business Days' period, <p>provided that it shall not be</p> <ul style="list-style-type: none"> (i) an Enforcement Event in relation to a Default Notice under paragraph (a) above if the Event of Default has been remedied to the satisfaction of the Agent that served the Default Notice under the relevant Senior Debt Document, or (ii) an Enforcement Event in relation to a Default Notice under paragraph (b) above if the default has been remedied to the satisfaction of the Hedging Bank or Secured Line Trading Counterparty that served the Default Notice, <p>in each case prior to the time when the Security Agent determines that it has received an instruction from the Majority Senior Creditors to enforce the Security pursuant to the terms of clause 11 3 of the Priority Deed</p> <p>English Deed of Release means the deed of release governed by English law dated, amongst others, Drax Finance Limited and the Security Agent 2011</p> |

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Particulars of a mortgage or charge

| 4 | Amount secured | |
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| | Please give us details of the amount secured by the mortgage or charge | |
| Amount secured | <p>Exchange and Clearing House means</p> <ul style="list-style-type: none"> (a) any commodity exchange located in the European Economic Area or the United States of America which the Chargor 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 United Kingdom) 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 (b) the central counterparty which clears trades executed on any such exchange <p>Event of Default means an event of default howsoever defined in any of the Senior Debt Documents</p> <p>Facility Agent 2011 means Barclays Bank plc</p> <p>Fitch means Fitch Ratings or any successor to its rating business</p> <p>Financial Indebtedness means any indebtedness (without double counting) for or in respect of</p> <ul style="list-style-type: none"> (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 IFRS and practices and financial reference periods applicable to Drax Group PLC's audited consolidated financial statements for the year ended 31 December 2011, (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 <ul style="list-style-type: none"> (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 benefitting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark to market | |

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Particulars of a mortgage or charge

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Amount secured

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

Amount secured

value of the derivative transaction (net of any collateral posted) 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 in respect of an underlying liability of an entity which is not a member of the Group and which would fall within one of the other paragraphs of this definition, 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

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

GIB Agent means UK Green Investment Bank plc in its capacity as facility agent for the lenders under the GIB Term Loan Agreement, or any replacement facility agent for the lenders under the GIB Term Loan Agreement appointed pursuant to the terms of the GIB Term Loan Agreement and who accedes to the Priority Deed as "GIB Agent" pursuant to clause 21.6 of the Priority Deed

GIB Term Loan Agreement means the £100,000,000 facility agreement dated 20 December 2012 between, among others, Drax Finance as borrower, UK Green Investment Bank plc as original lender and UK Green Investment Bank plc as facility agent

GIB Term Loan Creditor means each of

- (a) the persons named in part 3 of schedule 2 of the Priority Deed in their capacity as lenders under the GIB Term Loan Agreement,
- (b) the GIB Agent, and
- (c) each person who accedes to the Priority Deed as a GIB Term Loan Creditor in accordance with clause 21.4 of the Priority Deed

Group means Drax Finance Limited and its Subsidiaries from time to time

Hedging Bank means

- (A) in relation to a Hedging Transaction in respect of interest relating to RCF Debt, a person which has become or which becomes party to the Priority Deed as a Hedging Bank under paragraph (C) below or under clause 14.1 of the Priority Deed, in its capacity as provider of Hedging Transactions to any of the Obligor, provided that such person is a RCF Lender or an Affiliate of a RCF Lender on (i) the date that it enters into the Hedging Transaction in respect of interest relating to RCF Debt, and (ii) unless it has already become party to the Priority Deed as a Hedging Bank pursuant to any of paragraphs (B), (C) and (D) below, the date it accedes to the Priority Deed as a Hedging Bank,

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Particulars of a mortgage or charge

| 4 | Amount secured |
|----------------|---|
| | Please give us details of the amount secured by the mortgage or charge |
| Amount secured | <p>(B) in relation to a Hedging Transaction in respect of interest relating to Senior Lender Debt (other than RCF Debt) or to Unsecured Credit Wrapped Financial Indebtedness, a person which has become or which becomes party to the Priority Deed as a Hedging Bank under paragraph (C) below or under clause 14.1 of the Priority Deed, in its capacity as provider of Hedging Transactions to any of the Obligors, provided that such person is a Senior Lender under a Senior Facilities Agreement or an Affiliate of such a Senior Lender on (i) the date it enters into the Hedging Transaction in respect of interest relating to Senior Lender Debt (other than RCF Debt) or to Unsecured Credit Wrapped Financial Indebtedness, and (ii) unless it has already become party to the Priority Deed as a Hedging Bank pursuant to paragraph (A) above or either of paragraphs (C) and (D) below, the date it accedes to the Priority Deed as a Hedging Bank,</p> <p>(C) in relation to any foreign exchange Hedging Transaction entered into before the date of the Priority Deed under a master agreement referred to in schedule 3 of the Priority Deed, the relevant person listed as an “Existing Hedging Bank” in part 4 of schedule 2 of the Priority Deed, and</p> <p>(D) in relation to any other foreign exchange Hedging Transaction, a person which has become or which becomes party to the Priority Deed as a Hedging Bank under paragraph (C) above or under clause 14.1 of the Priority Deed, in its capacity as provider of Hedging Transactions to any of the Obligors, provided that such person is a Senior Lender under a Senior Facilities Agreement or an Affiliate of such a Senior Lender on (i) the date that it enters into the foreign exchange Hedging Transaction, and (ii) unless it has already become party to the Priority Deed as a Hedging Bank pursuant to any of paragraphs (A), (B) and (C) above, the date it accedes to the Priority Deed as a Hedging Bank</p> <p>Hedging Debt means all Liabilities of any Obligor to any Hedging Bank under or in connection with the Hedging Documents or the Priority Deed</p> <p>Hedging Document means each Hedging Master Agreement and each confirmation or other document evidencing any Hedging Transaction, in each case entered into between a Hedging Bank in relation thereto and an Obligor</p> <p>Hedging Master Agreement means</p> <p>(a) each master agreement (including any schedule and credit support annex thereto) referred to in schedule 3 of the Priority Deed, and</p> <p>(b) each other master agreement (including any schedule and credit support annex thereto) between an Obligor and a Hedging Bank or a person who becomes a party to the Priority Deed as a Hedging Bank under clause 14.1 of the Priority Deed and (in either case) which is designated as a “Hedging Master Agreement” by notice in writing from Drax Power Limited to the Security Agent (copied to that Hedging Bank or person who becomes a Hedging Bank)</p> <p>Hedging Transaction means any interest rate or foreign exchange hedging arrangement under a Hedging Master Agreement which is (i) entered into for the purpose of protecting an Obligor</p> |

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Particulars of a mortgage or charge

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Amount secured

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

Amount secured

from (x) the sale and purchase of commodities, or (y) other foreign currency denominated expenditure, such as capital expenditure, or (b) interest rates in relation to any Senior Lender Debt or Unsecured Credit Wrapped Financial Indebtedness, or (11) in existence as at the date of the Priority Deed under any agreement referred to in Schedule 3 of the Priority Deed

Insurances means all contracts and policies of insurance of any kind now or in the future taken out by or on behalf of the Chargor or (to the extent of its interest) in which the Chargor 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 Chargor

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

Investments means

- (a) the Shares, and
- (b) all other shares, stocks, commercial paper, certificates of deposit, debentures, loan stocks, interests in any investment fund, bonds, warrants, coupons and other securities and investments

which the Chargor purports to mortgage or charge under the Deed

Letter of Credit means a Letter of Credit Collateralised or a Letter of Credit Non-collateralised

Letter of Credit Collateralised means a letter of credit, substantially in the form of schedule 9 of the Revolving Credit Facility Agreement or in any other form agreed by the relevant Issuing Bank and Drax Power Limited, in relation to which cash cover (as defined in clause 7 1(c) of the Revolving Credit Facility Agreement) has been provided by the relevant Borrower prior to its date of issue

Letter of Credit Non-collateralised means a letter of credit, substantially in the form of schedule 9 of the Revolving Credit Facility Agreement or in any other form agreed by the relevant Issuing Bank and Drax Power Limited, in relation to which cash cover (as defined in clause 7 1(c) of the Revolving Credit Facility Agreement) has not been provided by the relevant Borrower prior to its date of issue

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,

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Particulars of a mortgage or charge

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Amount secured

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

Amount secured

- (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 a member of the Group that becomes an Obligor by the execution and delivery to the Security Agent of a duly completed Deed of Accession

Majority Senior Creditors means the “Majority Senior Creditors” as defined in, and determined in accordance with, clause 11.3 of the Priority Deed

Moody’s means Moody’s Investors Service Limited or any successor to its rating business

Mortgaged Property means all freehold and leasehold property which the Chargor purports to legally mortgage or charge under the Deed including any specified in Part 1 of Schedule 1 (Security Assets) of this Form MG01 or in part 1 of the schedule of any Deed of Accession by which it becomes a party to the Deed

Obligor means each Original Obligor and each New Obligor

Original Chargors means the persons listed in Schedule 1 of the Deed

Original Obligor means the persons named in part 1 of schedule 1 of the Priority Deed

Overdraft Facility Agreement means any agreement pursuant to which an overdraft facility is made available

Payment Netting means, in respect of a Hedging Document or a Secured Trading Line Document, netting under section 2(c) of the relevant Hedging Master Agreement or Secured Trading Line Master Agreement in respect of any amounts otherwise payable under any Hedging Transaction governed by that Hedging Master Agreement or Secured Trading Line Transaction governed by that Secured Trading Line Master Agreement (as the case may be)

Party means a party to the Deed

Permitted Counterparty means

- (a) any counterparty in relation to any electricity, coal, biomass, gas, emissions, freight, oil or other commodity trading or procurement contract either on a bi-lateral basis, over the counter or through exchanges or brokerages, provided that, in each case it is in the ordinary course of the Company's or Haven Power's trading activities,

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Particulars of a mortgage or charge

| 4 | Amount secured | |
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| | Please give us details of the amount secured by the mortgage or charge | |
| Amount secured | <p>(b) any counterparty in relation to the sale and purchase of renewable obligation certifications and/or levy exemption certificates (and any equivalent or substitute instruments including renewable energy guarantees of origin), in each case in the ordinary course of Drax Power's or Haven Power Limited's trading activities,</p> <p>(c) the National Grid Company plc (or any successors thereof) or Elexon Clear Limited (or any successors thereof),</p> <p>(d) the Environment Agency of England and Wales,</p> <p>(e) HM Revenue & Customs in relation to VAT liabilities,</p> <p>(f) any counterparty in relation to issuing Letters of Credit for the benefit of any of the Drax plc's or any of its Subsidiaries pension funds, or</p> <p>(g) any other counterparty approved by the Facility Agent (acting on the instructions of all lenders and any relevant Issuing Bank)</p> <p>Plant and Machinery means any plant, machinery, computers, office equipment or vehicles from time to time owned by the Chargor</p> <p>Premises means all buildings and erections from time to time owned by the Chargor on the Chargor's Mortgaged Property</p> <p>Priority Deed means the priority deed dated 20 December 2012 between, amongst others, Drax Power Limited, the Security Agent and the RCF Creditors, Pru/M&G Term Loan Creditors, GIB Term Loan Creditors, Hedging Banks and Secured Trading Line Counterparties referred to therein</p> <p>Pru/M&G Agent means M&G Investment Management Limited in its capacity as facility agent for the lenders under the Pru/M&G Term Loan Agreement, or any replacement facility agent for the lenders under the Pru/M&G Term Loan Agreement appointed pursuant to the terms of the Pru/M&G Term Loan Agreement and who accedes to the Priority Deed as "Pru/M&G Agent" pursuant to clause 21.6 of the Priority Deed</p> <p>Pru/M&G Term Loan Agreement means the £100,000,000 facility agreement dated 6 July 2012 between, among others, Drax Finance Limited as borrower, Prudential/M&G UK Companies Financing Fund LP as original lender and M&G Investment Management Limited as facility agent, as amended and restated on 20 December 2012</p> <p>Pru/M&G Term Loan Creditor means each of</p> <p>(a) the persons named in part 2 of schedule 2 of the Priority Deed in their capacity as lenders under the Pru/M&G Term Loan Agreement,</p> <p>(b) the Pru/M&G Agent, and</p> <p>(c) each person who accedes to the Priority Deed as a Pru/M&G Term Loan Creditor in accordance with clause 21.4 of the Priority Deed</p> | |

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Particulars of a mortgage or charge

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Amount secured

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

Amount secured

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

Qualifying NSD Creditor means

- (a) in the case of any Qualifying NSD Incurrence under the Pru/M&G Term Loan Agreement, each Pru/M&G Term Loan Creditor,
- (b) in the case of any Qualifying NSD Incurrence under the GIB Term Loan Agreement, each GIB Term Loan Creditor, and
- (c) in the case of any other Qualifying NSD Incurrence
 - (i) (if such Qualifying NSD Incurrence is not a Qualifying NSD Public Note Issuance) each person that is a party to a Qualifying NSD Document and that accedes to the Priority Deed as a Qualifying NSD Creditor or a Qualifying NSD Representative pursuant to any Deed of Accession relating thereto delivered in accordance with clause 2.2 of the Priority Deed and each person who subsequently accedes to the Priority Deed as a Qualifying NSD Creditor in accordance with clause 21.4 of the Priority Deed, and
 - (ii) (if such Qualifying NSD Incurrence is a Qualifying NSD Public Note Issuance) each Qualifying NSD Noteholder and Qualifying NSD Note Trustee, provided that the person appointed to act as trustee for and on behalf the Qualifying NSD Noteholders has acceded to the Priority Deed as a Qualifying NSD Representative (and, therefore, has become a Qualifying NSD Note Trustee under the Priority Deed) pursuant to any Deed of Accession relating thereto delivered in accordance with clause 2.2 of the Priority Deed

Qualifying NSD Discharge Date means, in relation to a Qualifying NSD Incurrence, the date on which the Qualifying NSD Representative in respect of that Qualifying NSD Incurrence is satisfied (acting reasonably) that all of the Qualifying New Senior Debt relating to that Qualifying NSD Incurrence has been irrevocably paid and discharged in full and all commitments of the Qualifying NSD Creditors in respect of that Qualifying NSD Incurrence have been cancelled

Qualifying NSD Documents means

- (a) in relation to any Qualifying NSD Incurrence under the Pru/M&G Term Loan Agreement, the Pru/M&G Term Loan Documents,
- (b) in relation to any Qualifying NSD Incurrence under the GIB Term Loan Agreement, the GIB Term Loan Documents, and
- (c) in relation to any other Qualifying NSD Incurrence, each document named as such in any Deed of Accession relating thereto delivered in accordance with clause 2.2 of the Priority Deed

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Particulars of a mortgage or charge

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Amount secured

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

Amount secured

Qualifying NSD Incurrence means the incurring of Financial Indebtedness by the Drax Power Limited, Drax Finance Limited or, in the case of Financial Indebtedness referred to in (and which satisfies the requirements of) clause 2 1(B)(iv) of the Priority Deed, a Qualifying Public Note Issuer

- (a) under the Pru/M&G Term Loan Agreement within the parameters referred to in paragraphs (B)(i) and (ii) of clause 2 1 of the Priority Deed,
- (b) under the GIB Term Loan Agreement within the parameters referred to in paragraphs(B)(i) and (ii) of clause 2 1 of the Priority Deed, or
- (c) which otherwise complies with the requirements of clause 2 1 of the Priority Deed (including, for the avoidance of doubt, the requirement to comply with clause 2 2(A)) or, in the case of any Counter-Indemnity Obligation or Credit Wrapped Financial Indebtedness, the requirements of clause 2 3 of the Priority Deed

Qualifying NSD Non-Public Note Issuance means any Qualifying NSD Incurrence (other than a Qualifying NSD Public Note Issuance) incurred pursuant to an issue of notes, bonds or other similar debt instruments and in respect of which a person has been appointed to act (including for the purposes this Deed) as trustee for and on behalf of the holders of such notes, bonds or other similar debt instruments (subject always, in respect of the relationship between the trustee and the holders only, to the terms of the Qualifying NSD Documents)

Qualifying NSD Note Indenture means, in relation to a Qualifying NSD Incurrence which is a Qualifying NSD Note Issuance, the indenture, trust deed or other principal document pursuant to which the Qualifying NSD Notes are issued

Qualifying NSD Note Issuance means a Qualifying NSD Non-Public Note Issuance or a Qualifying NSD Public Note Issuance

Qualifying NSD Notes means, in relation to a Qualifying NSD Note Issuance, the notes, bonds or other similar debt instruments issued by the relevant Obligor pursuant to that Qualifying NSD Note Issuance

Qualifying NSD Public Note Issuance means any Qualifying NSD Incurrence described in (and which satisfies the requirements of) clause 2 1 (B)(iv) of the Priority Deed

Qualifying NSD Representative means

- (a) in relation to the Pru/M&G Term Loan Agreement, the Pru/M&G Agent,
- (b) in relation to the GIB Term Loan Agreement, the GIB Agent, and
- (c) in relation to any other Qualifying NSD Incurrence, the person that accedes to the Priority Deed as a Qualifying NSD Representative pursuant to any Deed of Accession relating thereto delivered in accordance with clause 2 2 of the Priority Deed, or any replacement "Qualifying NSD Representative" appointed pursuant to the terms of the Qualifying NSD Documents relating to that Qualifying NSD Incurrence and who accedes to the Priority Deed pursuant to clause 2 1 6 of the Priority Deed

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Particulars of a mortgage or charge

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Amount secured

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

Amount secured

RCF Agent means Barclays Bank PLC in its capacity as facility agent for the RCF Lenders under the Revolving Credit Facility Agreement, or any replacement facility agent for the RCF Lenders appointed pursuant to the terms of the Revolving Credit Facility Agreement and who accedes to the Priority Deed as “RCF Agent” pursuant to clause 21.6 of the Priority Deed

RCF Arrangers means Banc of America Securities Limited, Barclays Bank PLC, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, ING Bank N V, Lloyds TSB Bank plc and The Royal Bank of Scotland plc, each in its capacity as mandated lead arranger in relation to the facilities under the Revolving Credit Facilities Agreement

RCF Creditor means each of

- (a) the persons named in part 1 of schedule 2 of the Priority Deed in their capacity as lenders and/or issuing bank under the Revolving Credit Facility Agreement;
- (b) each RCF Arranger, the RCF Agent and the Account Bank, and
- (c) each person who accedes to the Priority Deed as a RCF Creditor in accordance with clause 21.4 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 RCF Agent is satisfied (acting reasonably) that all of the RCF Debt has been irrevocably paid and discharged in full and all commitments of the RCF Creditors have been cancelled

RCF Finance Document means a finance document as defined in the Revolving Credit Facility Agreement, but for the purposes of this Form MG01 excludes 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 Chargor

- (a) any agreement specified in Part 3 of schedule 1 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
- (b) any other agreement to which the Chargor is a party and which the Chargor and the Security Agent have designated a Relevant Contract

Relevant Discharge Date means, in the case of the Revolving Credit Facility Agreement, the RCF Discharge Date and, in the case of any other Senior Facilities Agreement or any Overdraft Facility Agreement or Qualifying NSD Note Indenture, the Qualifying NSD Discharge Date in respect of the Qualifying NSD Incurrence under that other Senior Facilities Agreement or that Overdraft Facility Agreement or Qualifying NSD Note Indenture

Revolving Credit Facility Agreement means the £400,000,000 revolving credit facility

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Particulars of a mortgage or charge

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Amount secured

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

Amount secured

agreement dated 20 December 2012 between, among others, Drax Finance Limited as borrower, Barclays Bank PLC, Lloyds TSB Bank plc and The Royal Bank of Scotland plc as mandated lead arrangers and Barclays Bank PLC as facility agent

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

Secured Creditors means the Security Agent and the Senior Creditors

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 Chargor which are the subject of the Security

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

Secured Trading Line Counterparty means the relevant person named in part 5 of schedule 2 of the Priority Deed or a person which becomes a party to the Priority Deed as a Secured Trading Line Counterparty under clause 15.1 of the Priority Deed, in each case in its capacity as a counterparty to Secured Trading Line Documents entered into with Drax Power Limited

Secured Trading Line Debt means all Liabilities of any Obligor to any Secured Trading Line Counterparty under or in connection with the Secured Trading Line Documents or the Priority Deed

Secured Trading Line Documents means each Secured Trading Line Master Agreement, any fee letter entered into between a Secured Trading Line Counterparty and an Obligor in connection with a Secured Trading Line Master Agreement and each confirmation or other document evidencing any Secured Trading Line Transaction

Secured Trading Line Master Agreement means

- (a) each master agreement (including the schedule and the credit support annex thereto) referred to in schedule 4 of the Priority Deed, and
- (b) each other master agreement (including the schedule and the credit support annex thereto) between the Company and a Secured Trading Line Counterparty or a person who becomes a party to this Deed as a Secured Trading Line Counterparty under clause 15.1 of the Priority Deed and (in either case) which is designated as a "Secured Trading Line Master Agreement" by notice in writing from Drax Power Limited to the Security Agent (copied to that Secured Trading Line Counterparty or person who becomes a Secured Trading line Counterparty)

Secured Trading Line Transaction means a transaction between Drax Power Limited and a Secured Trading Line Counterparty under a Secured Trading Line Master Agreement to which they are a party which comprises all of the following three elements

- (A) the sale by Drax Power Limited of UK baseload power,
- (B) the purchase by Drax Power Limited of financial coal, and

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Particulars of a mortgage or charge

| 4 | Amount secured |
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| | Please give us details of the amount secured by the mortgage or charge |
| Amount secured | <p>(C) the purchase by Drax Power Limited of EU emissions allowances for Phase 3,</p> <p>and, in the case of any transactions which are novated to become subject to a Secured Trading Line Master Agreement between the Drax Power Limited and a Secured Trading Line Counterparty on or about the date of the Deed, includes any combination of transactions between Drax Power Limited and that Secured Trading Line Counterparty which, when taken together, comprise all of the three elements referred to above</p> <p>Security Agent 2011 means Barclays Bank PLC in its capacity as security agent under the 2011 Security Agreement</p> <p>Security Documents means</p> <ul style="list-style-type: none"> (a) a composite debenture dated 20 December 2012 between the Security Agent and the Original Obligors, (b) a third party charge dated 20 December 2012 between Drax Group PLC and the Security Agent, (c) each share mortgage dated 20 December 2012 in respect of the shares of any Obligor incorporated in the Cayman Islands, and (d) any other document evidencing or creating a Security Interest over any asset of an Obligor to secure any obligation of any Obligor to a Senior Creditor under the Senior Debt Documents <p>Senior Creditors means the Senior Lender Creditors, the Hedging Banks and the Secured Trading Line Counterparties</p> <p>Senior Debt Documents means the Priority Deed, the Security Documents, the RCF Finance Documents, the Qualifying NSD Documents, the Hedging Documents and the Secured Trading Line Documents</p> <p>Senior Facilities Agreements means the Revolving Credit Facility Agreement, the Pru/M&G Term Loan Agreement, the GIB Term Loan Agreement and, in the case of any Qualifying NSD Incurrence (other than a Qualifying NSD Note Issuance) incurred other than under the Pru/M&G Term Loan Agreement, the GIB Term Loan Agreement or an Overdraft Facility Agreement, each agreement or other document under or pursuant to which such Qualifying NSD Incurrence is made available to the relevant Obligor</p> <p>Senior Lender Discharge Date means the latest of (x) the RCF Discharge Date, and (y) the first date on which the Qualifying NSD Discharge Date has occurred in respect of each Qualifying NSD Incurrence</p> <p>Senior Lender Debt means the RCF Debt and the Qualifying New Senior Debt</p> <p>Senior Lender means a RCF Lender and each Qualifying NSD Creditor which is a lender or provider (including each Qualifying NSD Noteholder, in the case of any Qualifying NSD Note Issuance) of Qualifying New Senior Debt</p> |

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Particulars of a mortgage or charge

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Amount secured

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

Amount secured

Senior Lender Creditors means the RCF Creditors and the Qualifying NSD Creditors

Share Mortgages means each of

- (a) the share mortgage governed by the laws of the Cayman Islands dated on or about the date of the Deed between the Security Agent and Drax Finance Limited over the shares in Drax Holdings Limited,
- (b) the share mortgage governed by the laws of the Cayman Islands dated on or about the date of the Deed 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 on or about the date of the Deed 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 on or about the date of this Deed between the Security Agent and Drax Finance Limited over the shares in Drax Group Limited, and
- (e) the share mortgage governed by the laws of the Cayman Islands dated on or about the date of this Deed between the Security Agent and Drax Intermediate Holdings Limited over the shares in Drax Holdings Limited

Shares means any shares in any member of the Group owned by the Chargor or any nominee on its behalf including those specified opposite its name in Part 2 of Schedule 1 (Shares) 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

Unsecured Credit Wrapped Financial Indebtedness means any Credit Wrapped Financial Indebtedness which does not constitute a Qualifying NSD Incurrence, provided that the Counter-Indemnity Obligation in relation to the Credit Wrap Guarantee in respect of such Unsecured Credit Wrapped Financial Indebtedness does constitute a Qualifying NSD Incurrence

MG01 – continuation page
Particulars of a mortgage or charge

4

Amount secured

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

Amount secured

SCHEDULE 1

SECURITY ASSETS

PART 1 – REAL PROPERTY

| Chargor | Freehold/Leasehold | Description |
|----------------|---------------------------|--------------------|
| | | |

PART 2 – SHARES

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

PART 3 – RELEVANT CONTRACTS

| Chargor | Description |
|----------------------|---|
| Drax Finance Limited | Any agreements relating to Intercompany Debt |
| Drax Finance Limited | Drax PLC Shareholder Support Agreement |
| Drax Finance Limited | Each of the Group Relief Surrender Agreements |
| Drax Finance Limited | Hedging Documents |



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. 13**

**THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SECURITY DEED DATED 20
DECEMBER 2012 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 24 DECEMBER
2012**

GIVEN AT COMPANIES HOUSE, CARDIFF THE 3 JANUARY 2013



Companies House



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