



Registration of a Charge

Company name: **YORK POTASH LTD**

Company number: **07251600**



X7EJ36EY

Received for Electronic Filing: **15/09/2018**

Details of Charge

Date of creation: **14/09/2018**

Charge code: **0725 1600 0003**

Persons entitled: **HANCOCK BRITISH HOLDINGS LTD**

Brief description: **THE SECURITY DOCUMENT INCLUDES FIXED SECURITY OVER INTEREST IN FREEHOLD PROPERTY AT AND AROUND DOVES NEST FARM, SNEATONTHORPE, WHITBY BEARING TITLE NO. NYK217353; FREEHOLD LAND ADJOINING DOVES NEST FARM, SNEATONTHORPE, WHITBY BEARING TITLE NO. NYK211933. PLEASE REFER TO SCHEDULE 1 OF THE SECURITY INSTRUMENT FOR ADDITIONAL LISTINGS AND DETAILS.**

Contains fixed charge(s).

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

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **DANIEL DAVIES**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7251600

Charge code: 0725 1600 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th September 2018 and created by YORK POTASH LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th September 2018 .

Given at Companies House, Cardiff on 19th September 2018

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



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

14 September 2018

**YORK POTASH LTD
YORK POTASH PROCESSING & PORTS
LIMITED
(as "Chargors")**

and

**HANCOCK BRITISH HOLDINGS LTD
(as "Chargee")**

DEBENTURE

LATHAM & WATKINS

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

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

Signature: *Daniel Davies* (Daniel Davies, Latham & Watkins)
Date: 19.09.18

CONTENTS

Clause	Page
1. INTERPRETATION.....	2
2. COVENANT TO PAY	5
3. CHARGING PROVISIONS	5
4. FURTHER ASSURANCE	6
5. PROTECTION OF SECURITY	7
6. UNDERTAKINGS	8
7. CONTINUING SECURITY	8
8. ENFORCEMENT OF SECURITY	9
9. RECEIVERS	10
10. APPLICATION OF PROCEEDS.....	12
11. PROTECTION OF CHARGE AND RECEIVER.....	13
12. POWER OF ATTORNEY	13
13. PROTECTION FOR THIRD PARTIES	14
14. COSTS AND EXPENSES	14
15. REINSTATEMENT AND RELEASE	15
16. CURRENCY CLAUSES	15
17. NO SET-OFF.....	16
18. REDEMPTION OF PRIOR CHARGES.....	16
19. NOTICES	16
20. CHANGES TO PARTIES.....	17
21. MISCELLANEOUS	17
22. GOVERNING LAW AND JURISDICTION.....	18
Schedule	
1. Properties	19
2. Form of Counterparty Notice	22

THIS DEED is made on 14 September 2018

BETWEEN:

- (1) **YORK POTASH LTD**, a company incorporated in England and Wales with registered number 07251600 and **YORK POTASH PROCESSING & PORTS LIMITED**, a company incorporated in England and Wales with registered number 08270855 (each a “**Chargor**” and together the “**Chargors**”); and
- (2) **HANCOCK BRITISH HOLDINGS LTD**, a company incorporated in England and Wales with registered number 10427356 (the “**Chargee**”).

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this Debenture:

“**AfL Lease**” means the Lease (as defined in the Agreement for Lease);

“**Agreement for Lease**” means the Agreement for Lease dated 6 July 2018 between Redcar Bulk Terminal Limited, York Potash Processing & Ports Limited and Sirius Minerals Plc;

“**Assigned Agreements**” means:

- (a) the Agreement for Lease;
- (b) any AfL Lease;
- (c) any Option for Lease;
- (d) any OfL Lease;
- (e) the Materials Handling Agreement;
- (f) any other agreement designated as an Assigned Agreement by the Chargors and the Chargee; and
- (g) any amendment of the foregoing;

“**Burdened Property**” has the meaning given to it in the Minerals Royalty Deed;

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

“**Counterparty Notice**” means a notice substantially in the form set out in Schedule 2 (*Form of Counterparty Notice*);

“**Default Rate**” means 2 per cent. per annum;

“**Event of Default**” means the occurrence of any of the following in respect of a Chargor:

- (a) the issuance by the Chargee of a written notice to such Chargor for payment under and in accordance with clause 3.8 of the Minerals Royalty Deed;

- (b) the winding up or dissolution of a Chargor; or
- (c) the appointment of a liquidator or other similar officer in respect of a Chargor or any of its assets.

“Future Burdened Property” has the meaning give to it in the Minerals Royalty Deed;

“Materials Handling Agreement” means the materials handling agreement dated 6 July 2018 between York Potash Ltd and Redcar Bulk Terminal Limited;

“Minerals Royalty Deed” means a minerals royalty deed dated 25 October 2016 and made between Sirius Minerals Plc, York Potash Ltd, York Potash Processing & Ports Limited and Hancock British Holdings Ltd, as amended from time to time;

“OfL Lease” means the Lease (as defined in the Option for Lease);

“Option for Lease” means the option for a lease as may be entered into between Redcar Bulk Terminal Limited, Sirius Minerals Plc and York Potash Processing & Ports Limited pursuant, and substantially in the form annexed, to the Agreement for Lease;

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

“Property” means (a) the property specified in Schedule 1 (*Properties*), (b) all other Burdened Property which is owned by a Chargor in the future, and (c) all Future Burdened Property which is owned by a Chargor in the future, and shall include:

- (i) the proceeds of sale of all or any part of such property;
- (ii) all rights, benefits, privileges, warranties, covenants, easements, appurtenances and licences relating to such property;
- (iii) all money received by or payable to that Chargor in respect of such property; and
- (iv) all mines, tunnels, shafts, buildings, fixtures and fittings from time to time on such property;

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

“Secured Obligations” means all present and future money, obligations or liabilities due, owing or incurred to the Chargee by the Chargors and Sirius Minerals Plc under the Minerals Royalty Deed whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, except for any money, obligation or liability which, if it were so included, would cause the infringement of section 678 of the Companies Act 2006; and

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

1.2 Construction

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

- (a) an **“agreement”** includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written);

- (b) an **“amendment”** includes any amendment, supplement, variation, novation, modification, replacement or restatement and **“amend”**, **“amending”** and **“amended”** shall be construed accordingly;
- (c) **“assets”** includes present and future properties, revenues and rights of every description;
- (d) **“including”** means including without limitation and **“includes”** and **“included”** shall be construed accordingly;
- (e) **“losses”** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **“loss”** shall be construed accordingly;
- (f) a **“person”** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing;
- (g) a **“regulation”** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- (h) the Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.3 Other References

- (a) In this Debenture, unless a contrary intention appears, a reference to:
 - (i) the Chargee, Chargors or any other person is, where relevant, deemed to be a reference to or to include, as appropriate, that person’s successors in title, permitted assignees and transferees;
 - (ii) any agreement or instrument is to be construed as a reference to that agreement or instrument as amended (howsoever fundamentally and whether or not such amendment results in new and / or more onerous obligations and liabilities);
 - (iii) any clause or schedule is a reference to, respectively, a clause of and schedule to this Debenture and any reference to this Debenture includes its schedules; and
 - (iv) a provision of law is a reference to that provision as amended or re-enacted.
- (b) The index to and the headings in this Debenture are inserted for convenience only and are to be ignored in construing this Debenture.
- (c) Words importing the plural shall include the singular and vice versa.

1.4 Miscellaneous

- (a) The terms of the documents under which the Secured Obligations arise and of any side letters between any Chargor and the Chargee relating to the Secured Obligations are incorporated in this Debenture to the extent required for any purported disposition of the Charged Property contained in this Debenture to be a valid disposition in

accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

- (b) Notwithstanding any other provision of this Debenture, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Debenture to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by any Chargor or a ground for the appointment of a Receiver.
- (c) The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Debenture and no rights or benefits expressly or impliedly conferred by this Debenture shall be enforceable under that Act against the Parties by any other person.
- (d) The parties hereto intend that this Debenture shall take effect as a deed notwithstanding that any party may only execute this document under hand.

2. COVENANT TO PAY

Each of the Chargors as primary obligor, covenants, jointly and severally, with the Chargee that it will on demand pay the Secured Obligations when they fall due for payment.

3. CHARGING PROVISIONS

3.1 Specific Security

- (a) Each Chargor, as continuing security for the payment of the Secured Obligations, charges in favour of the Chargee with full title guarantee by way of first legal mortgage all of the Property owned by such Chargor.
- (b) To the extent not effectively assigned by Clause 3.2 (*Security Assignment*), each Chargor, as continuing security for the payment of the Secured Obligations, charges in favour of the Chargee with full title guarantee by way of first fixed charge, all its rights, title and interest (and proceeds and claims), both present and future, from time to time, in and under the Assigned Agreements, including, in respect of each Assigned Agreement (as appropriate), the benefit of any monies or income paid or payable in respect of such Assigned Agreement, any proceeds of the sale or transfer of such Assigned Agreement and any other property, rights or claims, accruing to or deriving from such Assigned Agreement.

3.2 Security Assignment

As further continuing security for the payment of the Secured Obligations, each Chargor assigns absolutely with full title guarantee to the Chargee all its rights, title and interest, both present and future, from time to time in the Assigned Agreements, subject to reassignment by the Chargee to the relevant Chargor of all such rights, title and interest upon payment or discharge in full of the Secured Obligations.

3.3 Floating Charge

- (a) As further continuing security for the payment of the Secured Obligations, each Chargor charges in favour of the Chargee by way of floating charge all its present and future assets, undertakings and rights.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Debenture.
- (c) The floating charge created under paragraph (a) above shall be subject to and subordinate to any other charge or other security interest created by any Chargor in favour of any Subsequent Financier (as such term is defined in the Minerals Royalty Deed) over all or any of its assets, whether before or after the date of this Debenture.

3.4 Conversion of Floating Charge

- (a) The Chargee may, by notice to the Chargors, convert the floating charge created under this Debenture into a fixed charge with immediate effect as regards those assets specified in the notice, if an Event of Default has occurred.
- (b) Upon the conversion of any floating charge pursuant to this Clause 3.4, the Chargors shall, at their own expense, immediately upon request by the Chargee execute a fixed charge or legal assignment in such form as the Chargee may require.

3.5 Subsequent Security

Notwithstanding any other provision of this Debenture, to the extent that the Chargors create subsequent security that conforms with the requirements of clause 11.7(a) of the Minerals Royalty Deed, the Chargee undertakes to the Chargors to observe its obligations set out in clause 11.7(b) of the Minerals Royalty Deed in respect of such subsequent security.

4. FURTHER ASSURANCE

- (a) The covenants set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in sub-clause 4 (b) and (c) below.
- (b) Each Chargor shall promptly (and at its own expense) do all such acts (including payment of all stamp duties or fees) or execute or re-execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions on terms equivalent or similar to those set out in this Debenture) as the Chargee may reasonably specify (and in such form as the Chargee may reasonably require) to perfect the Security over any Property created or intended to be created under or evidenced by this Debenture (which may include the execution or re-execution of a mortgage, charge, assignment or other Security over any Property) or for the exercise of any rights, powers and remedies of the Chargee or any Receiver provided by or pursuant to this Debenture or by law.
- (c) Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Chargee by or pursuant to this Debenture.

5. PROTECTION OF SECURITY

5.1 Title Documents

- (a) Except to the extent that a Chargor is required to deliver any of the documents in paragraphs (i) or (ii) of this Clause 5.1(a) to a Subsequent Financier, each Chargor will promptly deposit with the Chargee (or as it shall direct):
 - (i) all deeds and documents of title relating to all real property mortgaged or charged under this Debenture and, if those deeds and documents are with the Land Registry, will promptly deposit them with the Chargee (or as it shall direct) upon their release; and
 - (ii) following an Event of Default, all other documents relating to the Property which the Chargee may from time to time reasonably require.
- (b) The Chargee may retain any document delivered to it under this Clause 5.1 or otherwise until the security created under this Debenture is released and, if for any reason it ceases to hold any such document before that time, it may by notice to the Chargors require that the document be redelivered to it and the Chargors shall promptly comply (or procure compliance) with that notice.
- (c) Any document required to be delivered to the Chargee under Clause 5.1(a) which is for any reason not so delivered or which is released by the Chargee to the Chargors shall be held on trust by the Chargors for the Chargee.

5.2 The Land Registry

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

“No disposition of the registered estate by the proprietor of the registered estate is to be registered without a consent signed by the proprietor for the time being of the charge dated [●] in favour of [●] referred to in the charges register”.
- (b) If a Chargor fails to make the application set out in Clause 5.2(a) or if the Chargee gives notice to that Chargor that it will make such applications on its behalf, the relevant Chargor irrevocably consents to the Chargee making such application on its behalf and shall promptly provide the Chargee with all information and fees which the Chargee may request in connection with such application.
- (c) In respect of any of the real property mortgaged or charged under this Debenture, title to which is registered at the Land Registry, it is certified that the security created by this Debenture does not contravene any of the provisions of the articles of association of any Chargor.

5.3 Assigned Agreements

- (a) Each Chargor will:
 - (i) promptly following the entry by it into any Assigned Agreement after the date of this Debenture, provide the Chargee with a certified copy of such Assigned Agreement;

- (ii) promptly following execution of this Debenture (or in respect of any Assigned Agreement entered into or otherwise designated as an Assigned Agreement after the date of execution of this Debenture, promptly after the date of entry into such Assigned Agreement or the date of such designation) give a Counterparty Notice to the other party to each Assigned Agreement. Each relevant Chargor will use reasonable endeavours to procure that the relevant counterparty signs and delivers to the Chargor an acknowledgement substantially in the form of the Counterparty Notice within 14 days of the execution of this Debenture (or, as the case may be, of the entering into, or designation as an Assigned Agreement, of the relevant agreement); and
 - (iii) not make or agree to make any material amendments to the Assigned Agreements, waive any of its material rights under such agreements or exercise any right to terminate any Assigned Agreement, except with the prior consent of the Chargee.
- (b) The Chargee shall not be entitled to give any notice referred to in paragraph 2 of the Counterparty Notice unless and until the Security constituted by this Debenture has become enforceable in accordance with Clause 8.1.

6. UNDERTAKINGS

- 6.1 Each Chargor undertakes to the Chargee in the terms of this Clause 6 from the date of this Debenture and for so long as any of the Secured Obligations are outstanding.
- 6.2 Each Chargor will observe and perform all covenants and stipulations from time to time affecting the Property, make all payments, carry out all registrations or renewals and generally take all steps which are necessary to preserve, maintain and renew when necessary or desirable all of the Property.
- 6.3 The Chargors will keep all Property which forms part of the Charged Property in good and substantial repair (fair wear and tear excepted) and, where applicable, in good working order.
- 6.4 The Chargors will not grant any lease, tenancy, contractual licence or right to occupy in respect of the whole or any part of the Property or otherwise part with possession of the whole or any part of the Property (except with the prior consent of the Chargee; and *provided* that this Clause 6.4 shall not apply to: (i) the counterpart lease dated 16 July 2018 between York Potash Ltd and Northern Powergrid (Northeast) Limited or (ii) the counterpart lease dated 25 July 2018 between York Potash Ltd and Northern Powergrid (Northeast) Limited).
- 6.5 The Chargors will give immediate notice to the Chargee if it receives any notice under section 146 of the Law of Property Act 1925 or any proceedings are commenced against it for the forfeiture of any lease comprised in any Property.

7. CONTINUING SECURITY

7.1 Continuing Security

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

7.2 Other Security

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

8. ENFORCEMENT OF SECURITY

8.1 Enforcement

The Security constituted by this Debenture will become immediately enforceable upon the occurrence of an Event of Default which is continuing and the Chargee gives notice to the Chargors that the Security is enforceable.

8.2 Enforcement Powers

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

8.3 Statutory Powers

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

8.4 Exercise of Powers

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

8.5 Disapplication of Statutory Restrictions

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

8.6 Appropriation under the Financial Collateral Regulations

- (a) To the extent that any of the Charged Property constitutes “financial collateral” and this Deed and the obligations of any Chargor hereunder constitute “security financial collateral arrangement” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the “**Regulations**”)), the Chargee shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may

exercise that right to appropriate by giving notice to the relevant Chargor at any time after an Event of Default has occurred.

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

8.7 Fixtures

The Chargee may sever any fixtures from the property to which they are attached and sell them separately from that property at any time following an Event of Default which is continuing.

9. RECEIVERS

9.1 Appointment of Receiver

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

9.2 Powers of Receiver

Each Receiver appointed under this Debenture shall have (subject to any limitations or restrictions which the Chargee may incorporate in the deed or instrument appointing it) all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Debenture), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of any Chargor, each Receiver shall have power to:

- (a) manage, develop, reconstruct, amalgamate or diversify any part of the business of any Chargor;
- (b) enter into or cancel any contracts on any terms or conditions;
- (c) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not;
- (d) let or lease or concur in letting or leasing, and vary the terms of, determine, surrender leases or tenancies of, or grant options and licences over, or otherwise deal with, all or any of the Charged Property, without being responsible for loss or damage;

- (e) establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions;
- (f) make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances;
- (g) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargors and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (h) appoint and discharge officers and others for any of the purposes of this Debenture and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit;
- (i) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of any Chargor or relating to any of the Charged Property;
- (j) implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on any real property comprised in the Charged Property;
- (k) purchase or acquire any land or any interest in or right over land;
- (l) exercise on behalf of any Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Property; and
- (m) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this Clause 9.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of that Chargor for all such purposes,

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

9.3 Receiver as Agent

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

9.4 Removal of Receiver

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

9.5 Remuneration of Receiver

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

9.6 Several Receivers

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

10. APPLICATION OF PROCEEDS

10.1 Order of Application

Subject to the provisions of the Minerals Royalty Deed, all moneys received or recovered by the Chargee or any Receiver pursuant to this Debenture shall (subject to the claims of any person having prior rights thereto) be applied as follows, notwithstanding any purported appropriation by any Chargor:

- (a) in or towards payment of any unpaid costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration;
- (b) in or towards payment and discharge of any outgoings paid and liabilities incurred by the Receiver in the exercise of any of his powers;
- (c) in or towards payment of unpaid costs, charges and expenses incurred by the Chargee under or in connection with this Debenture;
- (d) in or towards the satisfaction of the Secured Obligations in such order as the Chargee may conclusively determine; and
- (e) in payment of the surplus (if any) to a Chargor or other person entitled to it.

10.2 Insurance Proceeds

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

10.3 Section 109 Law of Property Act 1925

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

10.4 Application against Secured Obligations

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

10.5 Suspense Account

Until the Secured Obligations are paid in full, the Chargee or the Receiver (as applicable) may place and keep (for such time as it shall determine) any money received, recovered or realized pursuant to this Debenture or on account of a Chargor's liability in respect of the Secured Obligations in an interest bearing separate suspense account (to the credit of either a Chargor or the Chargee or the Receiver as the Chargee or the Receiver shall think fit) and the Chargee

or the Receiver may retain the same for the period which it considers expedient without having any obligation to apply all or any part of that money in or towards discharge of the Secured Obligations.

11. PROTECTION OF CHARGEES AND RECEIVER

11.1 No Liability

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

11.2 Possession of Charged Property

Without prejudice to Clause 11.1 above, if the Chargee or the Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

11.3 Primary liability of Chargor

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

11.4 Delegation

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

11.5 Cumulative Powers

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

12. POWER OF ATTORNEY

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

seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Debenture, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Chargee or any Receiver under this Debenture or otherwise for any of the purposes of this Debenture, and each Chargor covenants with the Chargee and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

13. PROTECTION FOR THIRD PARTIES

13.1 No Obligation to Enquire

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

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

13.2 Receipt Conclusive

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

14. COSTS AND EXPENSES

14.1 Enforcement Expenses

The Chargors shall, within three Business Days of demand, pay to each of the Chargee and any Receiver the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of this Debenture.

14.2 Stamp Duties, etc

The Chargors shall pay and, within three Business Days of demand, indemnify against any cost, loss or liability the Chargee or any Receiver incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Debenture.

14.3 Costs and Expenses on Subsequent Financing

The Chargors shall pay and, within three Business Days of demand, pay to the Chargee, the amount of all costs and expenses (including legal fees, stamp duty, registration and other similar Taxes) incurred by it in connection with any amendment or replacement of this Debenture agreed between the Chargors and the Chargee in respect of any financing provided by one or more Subsequent Financiers (as such term is defined in the Minerals Royalty Deed).

15. REINSTATEMENT AND RELEASE

15.1 Amounts Avoided

If any amount paid by any Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of any Chargor or otherwise, then for the purposes of this Debenture that amount shall not be considered to have been paid.

15.2 Discharge Conditional

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

15.3 Covenant To Release

Once all the Secured Obligations have been irrevocably paid in full, the Chargee shall, at the request and cost of each Chargor, execute any documents or take any action which may be necessary to release the Charged Property from the Security constituted by this Debenture.

16. CURRENCY CLAUSES

16.1 Conversion

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

16.2 No Discharge

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

17. NO SET-OFF

Each Chargor will pay all amounts payable under this Deed without any set-off, counterclaim or deduction whatsoever unless required by law, in which event the Chargors will pay an additional amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made.

18. REDEMPTION OF PRIOR CHARGES

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

19. NOTICES

19.1 Communications in writing

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

19.2 Addresses

The contact details (and the department or officer, if any, for whose attention the communication is to be made) of each party to this Debenture for any communication or document to be made or delivered under or in connection with this Debenture is:

- (a) as shown immediately after its name on the execution pages of this Debenture (in the case of any person who is a party as at the date of this Debenture); and
- (b) in the case of any person who becomes a party after the date of this Debenture, notified in writing to the Chargee on or prior to the date on which it becomes a party,

or any substitute contact details as a party may notify to the other party by not less than five Business Days' notice.

19.3 Delivery

- (a) Except as provided in Clause 19.4 (*Electronic communication*), any communication or document made or delivered by one person to another under or in connection with this Debenture will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 19.2 (*Addresses*), if addressed to that department or officer.

19.4 Electronic communication

- (a) Any communication to be made between any of the parties to this Debenture under or in connection with this Debenture may be made by electronic mail or other electronic

means (including, without limitation, by way of posting to a secure website), if the relevant parties:

- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their electronic mail address or any other such information supplied by them.
- (b) Any electronic communication as specified in paragraph (a) above to be made between a Chargor and the Chargee may only be made in that way to the extent that those two parties agree that, unless and until notified to the contrary, this is an accepted form of communication.
- (c) For the purposes of this Debenture, an electronic communication will be treated as being in writing.
- (d) Any electronic communication as specified in paragraph (a) above made between the parties to this Debenture will be effective only when actually received (or made available) in readable form.
- (e) Any electronic communication which would otherwise become effective on a day that is not a Business Day or after 5.00 pm in the place in which the party to whom the relevant communication is sent (or made available) has its address for the purposes of this Debenture will be deemed only to become effective on the next Business Day in that place.
- (f) Any reference in this Debenture to a communication being sent or received will be construed to include that communication being made available in accordance with this Clause 19.4 (*Electronic communication*).

20. CHANGES TO PARTIES

20.1 Assignment by the Chargee

The Chargee may at any time assign or otherwise transfer all or any part of its rights under this Debenture.

20.2 Assignment by Chargors

No Chargor may at any time assign or otherwise transfer all or any part of its rights under this Debenture without the prior written consent of the Chargee.

21. MISCELLANEOUS

21.1 Certificates Conclusive

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

21.2 Counterparts

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

21.3 Invalidity of any Provision

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

22. GOVERNING LAW AND JURISDICTION

- (a) This Debenture and any non-contractual claims arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) Subject to Clause 22(c) below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this Debenture) (a “**Dispute**”). The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- (c) The Parties agree that, for the benefit of the Chargee only, nothing in this Debenture shall limit the right of the Chargee to bring any legal action against any of the Chargors in any other court of competent jurisdiction.

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

SCHEDULE 1

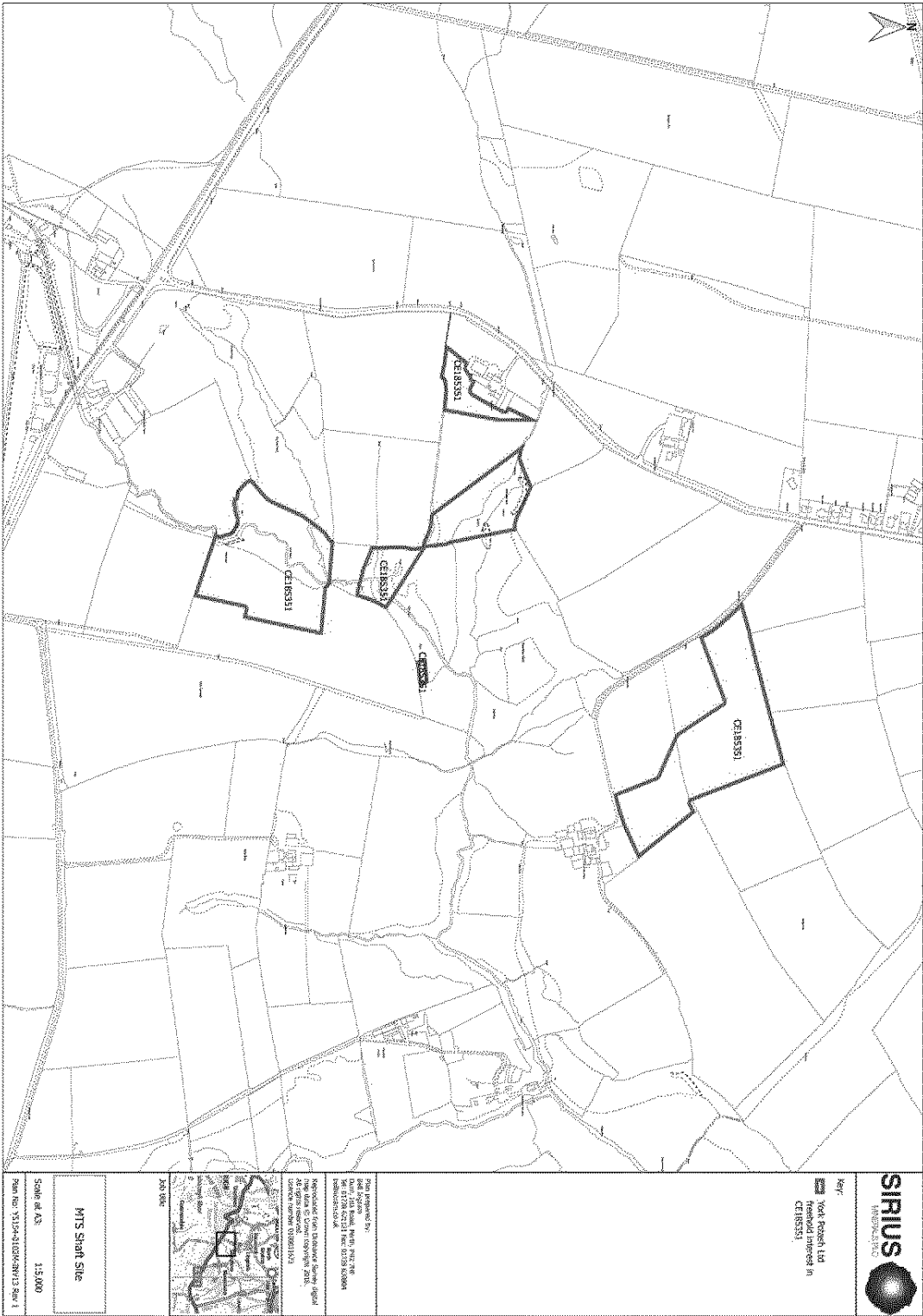
PROPERTIES

Registered Land

Name of Chargor	County and District (or London Borough)	Address or description	Freehold or Leasehold	Title No.
YORK POTASH LTD	NORTH YORKSHIRE SCARBOROUGH	Land adjoining Doves Nest Farm, Sneatonthorpe, Whitby.	Freehold	NYK217353
YORK POTASH LTD	NORTH YORKSHIRE SCARBOROUGH	Land adjoining Doves Nest Farm, Sneatonthorpe, Whitby.	Freehold	NYK211933
YORK POTASH LTD	NORTH YORKSHIRE SCARBOROUGH	Land lying to the north of Doves Nest, Sneaton Thorpe.	Freehold	NYK288512
YORK POTASH LTD	NORTH YORKSHIRE SCARBOROUGH	Doves Nest, Sneaton, Whitby (YO22 5HZ).	Freehold	NYK211934
YORK POTASH LTD	NORTH YORKSHIRE SCARBOROUGH	Doves Nest Farm House, Sneaton, Whitby (YO22 5HZ).	Freehold	NYK351074
YORK POTASH LTD	NORTH YORKSHIRE SCARBOROUGH	Land on the north side of Doves Nest Farm, Sneaton Thorpe, Whitby.	Freehold	NYK403401
YORK POTASH LTD	NORTH YORKSHIRE SCARBOROUGH	Land at Sneaton, Whitby and a drain.	Freehold	NYK441131
YORK POTASH LTD	NORTH YORKSHIRE SCARBOROUGH	Land lying to the west of Raikes Lane, Sneaton, Whitby	Freehold	NYK440715
YORK POTASH LTD	Redcar and Cleveland	Land on the east side of Stanghow Road, Lingdale, Saltburn-By-The-	Freehold	CE232825

			Sea.			
YORK POTASH LTD	Redcar Cleveland	and	Land and buildings at Stanghow Farm, Lingdale, Saltburn-by-the-Sea.	Freehold		CE185351 (as to the part edged red on the plan set out in the annex to this Schedule)
YORK POTASH PROCESSING & PORTS LIMITED	Redcar Cleveland	and	Land at the Plastic Plant, Wilton, Redcar	Freehold		CE148387
YORK POTASH PROCESSING & PORTS LIMITED	Redcar Cleveland	and	Land at Wilton, Redcar	Freehold		CE169990
YORK POTASH PROCESSING & PORTS LIMITED	Redcar Cleveland	and	Land at Wilton, Redcar	Freehold		CE216413
YORK POTASH PROCESSING & PORTS LIMITED	Redcar Cleveland	and	Land at Bran Sands and Dabholme Gut	Freehold		CE148382

Annex to Schedule 1



SCHEDULE 2
FORM OF COUNTERPARTY NOTICE

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

Dated: [●]

Dear Sirs

Re: [*here identify the relevant Assigned Agreement[s]*] (the “**Agreement[s]**”)

We notify you that, [insert name of Chargor] (the “Chargor”) has [charged in favour of]/[assigned by way of security to] Hancock British Holdings Ltd (the “Chargee”) all its rights, title and interest in the Agreement[s] by way of a debenture dated [●] (the “Debenture”) as security for certain obligations owed by the Chargor to the Chargee.

We further notify you that:

1. the Chargor may not make or agree to make any material amendments to the Assigned Agreement[s], waive any of its material rights under such agreement[s] or exercise any right to terminate [any][the] Assigned Agreement[s], except with the prior written consent of the Chargee;
2. you may continue to deal with the Chargor in relation to the Agreement[s] unless and until you receive written notice to the contrary from the Chargee stating that the security under the Debenture has become enforceable. In this event the Chargor will cease to have any right to deal with you in relation to the Agreement[s] and therefore from that time you should deal only with the Chargee or as the Chargee directs. The contact details for the Chargee are set out below or as otherwise notified to you from time to time by it;
3. you are authorised to disclose information in relation to the Agreement[s] to the Chargee on request;
4. after receipt of written notice in accordance with paragraph 2 above, you must pay all monies to which the Chargor is entitled under the Agreement[s] direct to the Chargee (and not to the Chargor) unless the Chargee otherwise agrees in writing; and
5. the provisions of this notice may only be revoked with the written consent of the Chargee.

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

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions; and
- (b) you have not received notice that the Chargor has assigned its rights under the agreement to a third party or created any other interest (whether by way of security or otherwise) in the agreement in favour of a third party.

The provisions of this notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

.....

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

[On acknowledgement copy]

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

Copy to: [insert name and address of *Chargee*]

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

.....

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

Dated:

SIGNATORIES TO DEBENTURE

THE CHARGORS

EXECUTED as a DEED by
YORK POTASH LTD acting by:

Chris Fraser

(Director)

In the presence of:

Witness:

Name:

RACHEL DOUBY

Address:

Occupation:

SENIOR LEGAL COUNSEL

Notice Details

Address: 3rd Floor Greener House

66-68 Haymarket

London

SW1Y 4RF

Email: nick.king@siriusminerals.com;

chris.fraser@siriusminerals.com

Attention: Managing Director and CEO

with a copy to the Company Secretary

**EXECUTED as a DEED by
YORK POTASH PROCESSING & PORTS
LIMITED acting by:**

Chris Fraser

(Director)

In the presence of:

Witness:

Name:

RACHEL DOLBY

Address:

Occupation:

SENIOR LEGAL COUNSEL

Notice Details

Address:

3rd Floor Greener House

66-68 Haymarket

London

SW1Y 4RF

Email:

nick.king@siriusminerals.com;

chris.fraser@siriusminerals.com

Attention:

Managing Director and CEO

with a copy to the Company Secretary

THE CHARGE

EXECUTED as a DEED by

**HANCOCK BRITISH HOLDINGS
LTD acting by:** JAY NEWRI

In the presence of:

Witness:

Name:

ANDREW TSOLIS

Address:

Occupation:

Finance Manager

Notice Details

Address: Level 3, HPPL House
28-42 Ventnor Avenue
West Perth WA 6005 Australia
Email: mail@hancockprospecting.com.au
Facsimile: +61 8 9429 8266
Attention: Company Secretary