



Registration of a Charge

Company name: **GILMOND HOLDINGS LIMITED**

Company number: **07952596**



X5YWB02X

Received for Electronic Filing: **26/01/2017**

Details of Charge

Date of creation: **26/01/2017**

Charge code: **0795 2596 0001**

Persons entitled: **VATTENFALL ENERGY TRADING GMBH, AMSTERDAM BRANCH**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

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: **WATSON FARLEY & WILLIAMS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7952596

Charge code: 0795 2596 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th January 2017 and created by GILMOND HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th January 2017 .

Given at Companies House, Cardiff on 27th January 2017

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

Dated 26 January 2017

GILMOND HOLDINGS LIMITED
as Chargor

and

I SUPPLY ENERGY LIMITED
as the Company

and

VATTENFALL ENERGY TRADING GMBH, AMSTERDAM BRANCH
as Chargee

I certify that save for material redacted
pursuant to s859G of the Companies Act
2006 this document is a correct copy
of the original.

J. Etherington

JENNIFER ETHERINGTON
Watson Farley & Williams LLP
15 Appold Street
London EC2A 2HB

PARENT SECURITY AGREEMENT
relating to a trading services agreement

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THIS DEED is made on 26 January 2017

PARTIES

- (1) **GILMOND HOLDINGS LIMITED**, a company incorporated in England with registered number 07952596 whose registered office address is at 37 Commercial Road, Poole, Dorset, BH14 0HU (the “**Chargor**”);
- (2) **I SUPPLY ENERGY LIMITED**, a company incorporated in England with registered number 06053905 whose registered office is at 37 Commercial Road, Poole, Dorset, BH14 0HU (the “**Company**”); and
- (3) **VATTENFALL ENERGY TRADING GMBH, AMSTERDAM BRANCH**, a company incorporated in Germany, acting via its Amsterdam branch registered in the Netherlands with registered number (*KvK*) 34159239 and establishment number (*Vestigingsnummer*) 000006642179 whose registered branch office address is at Hoekenrode 8, 1102BR, Amsterdam, The Netherlands (the “**Chargee**”).

OPERATIVE PROVISIONS

1 DEFINITIONS

1.1 Defined expressions

- (a) Words and expressions defined in the Trading Services Agreement shall have the same meanings when used in this Deed unless otherwise defined in this Deed or the context otherwise requires.
- (b) This is the Parent Security Agreement as referred to in the Trading Services Agreement.

1.2 Definitions

In this Deed unless a contrary intention appears:

“**Assigned Contract**” means each intercompany loan agreement (whether in writing or otherwise) between the Company (as borrower) and the Chargor (as lender) together with any agreement or instrument supplementing, amending or replacing such agreement or contract.

“**Authorisation**” means an authorisation, permission, consent, permit, licence, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Charged Property**” means the Assigned Contracts, the Derivative Assets and the Shares.

“**Creditors’ Process**” means any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Chargor.

“**Delegate**” means any delegate, agent, attorney or co-trustee appointed by the Chargee or by any Receiver.

“**Derivative Assets**” means all dividends, interest and other moneys paid or payable after the date of this Deed on all or any of the Shares and all rights accruing at any time to or in respect of all or any of the Shares (including, without limitation any warrants issued with the Shares, options, and any proceeds of sale or other realisation of all or any part of the Shares).

“Event of Default” means any event or circumstance specified in clauses:

- (a) 11.1(a) (*Events of Default*);
 - (b) 11.1(d) (Events of Default) with the exception of Close Out Events triggered by:
 - (i) Cross Default (as defined in the relevant Transaction Documents); or
 - (ii) Material Adverse Change as a result of breaching Financial Covenants (each as defined in the relevant Transaction Documents);
 - (iii) Decline in Tangible Net Worth (as defined in the relevant Transaction Documents);
 - (iv) Impaired Ability to Perform (as defined in the relevant Transaction Documents); and
 - (c) 11.1(e) (*Events of Default*),
- of the Trading Services Agreement.

“Insolvent” means in relation to the Chargor that:

- (a) it is unable or admits inability to pay its debts as they fall due or is deemed or declared to be unable to pay its debts under any applicable law, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities);
- (c) a moratorium is declared in respect of any of its indebtedness.

“Insolvency Proceedings” means any corporate action, legal proceedings or other procedure or step which is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the relevant party;
- (b) a composition, compromise, assignment or arrangement with any creditor of the relevant party;
- (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the relevant party or any of its assets;
- (d) the enforcement of any Security Interest over any assets of the relevant party; or
- (e) any analogous procedure or step which is taken in any other jurisdiction.

“Original Shares” means all the shares (in the Company) details of which are specified in Schedule 1.

“Party” means a party to this Deed.

“Receiver” means an administrative receiver, a receiver or a receiver and manager (and shall include any joint administrative receivers, joint receivers or joint receivers and managers) of the whole or any part of the Charged Property.

“Related Rights” means, in relation to any asset:

- (a) the proceeds of sale of that asset or any part of it;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset.

“Relevant Jurisdiction” means, in relation to the Chargor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to a Security Interest under this Deed is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of the Security Interests created by this Deed.

“Secured Obligations” means all present and future liabilities and obligations at any time of the Company and the Chargor to the Chargee under the Transaction Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity and whether as principal, surety or otherwise and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

“Security Interest” means (i) any mortgage, pledge, lien, charge (whether fixed or floating), assignment or other security interest of any kind, or any set-off or trust arrangement for the purpose of creating security, (ii) any reservation of title or other interest securing any obligation of any person; or (iii) any other agreement or arrangement having a similar effect to any of the above.

“Security Period” means the period beginning on the date of this Deed and ending when the Chargee has confirmed in writing that it is satisfied that the Secured Obligations have been irrevocably and unconditionally paid or discharged in full or have otherwise been satisfied in accordance with the Trading Services Agreement.

“Shares” means:

- (a) the Original Shares; and
- (b) all other shares in the Company from time to time owned by the Chargor in any capacity (or held by any trustee, nominee, depositary, custodian or clearing house, system or agent on its behalf);

(and includes all stocks, shares and other securities offered or accruing at any time by way of redemption, bonus, rights, preference or otherwise to the Chargor in respect of all or any of the Shares or offered in substitution or exchange for all or any of the Shares).

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Third Parties Act**” means the Contracts (Rights of Third Parties) Act 1999.

“**Trading Services Agreement**” means the trading services agreement between the Company and the Chargee dated on or around the date of this Deed.

“**Transaction Documents**” means:

- (a) the Trading Services Agreement;
- (b) this Deed;
- (c) the Debenture;
- (d) the Power Master Agreement;
- (e) the Gas Master Agreement;
- (f) the ROC Master Agreement; and
- (g) the Cross-Product Master Agreements.

“**VAT**” means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

1.3 Construction

- (a) Unless a contrary indication appears, a reference in this Deed to:
 - (i) the “**Chargee**”, the “**Chargor**” and any “**Party**” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) a document in “**agreed form**” is a document which is previously agreed in writing by or on behalf of the Parties or, if not so agreed, is in the form specified by the Chargee;
 - (iii) “**assets**” includes present and future properties, revenues and rights of every description;
 - (iv) references to, or to a provision of, a “**Transaction Document**” or any other agreement or instrument are references to such document as amended, novated, supplemented, extended or restated with the consent of the relevant Parties, whether before the date of this Deed or otherwise, and references to the “**Secured Obligations**” shall be construed accordingly;
 - (v) “**guarantee**” means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

- (vi) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vii) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (viii) 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 of any regulatory, self-regulatory or other authority or organisation;
 - (ix) words importing the singular are to include the plural and vice versa;
 - (x) the words “**other**” and “**otherwise**” are not to be construed ejusdem generis with any foregoing words where a wider construction is possible;
 - (xi) references to liability are to include any liability or obligation whether actual, contingent, present or future and whether incurred solely or jointly;
 - (xii) a provision of law is a reference to that provision as amended or re-enacted; and
 - (xiii) a time of day is a reference to London time.
- (b) Section, Clause and Schedule headings are for ease of reference only.
 - (c) Unless defined in this Deed or the context otherwise requires, a term defined in the Trading Services Agreement or any other Transaction Document has the same meaning in this Deed or in any notice given under or in connection with this Deed.
 - (d) An Event of Default is “continuing” if it has not been remedied or waived.

1.4 Third party rights

- (a) Unless expressly provided to the contrary in this Deed a person who is not a Party has no right under the Third Parties Act to enforce or enjoy the benefit of any term of this Deed.
- (b) For the purpose of this Deed, “**Third Party Beneficiary**” shall mean:
 - (i) any affiliate of the Chargee;
 - (ii) each officer, employee and agent of the Chargee; or
 - (iii) any Receiver or Delegate appointed by the Chargee under the relevant Transaction Documents.
- (c) Subject to the remaining provisions of this Clause, the benefits passed to or expressed to be passed to persons falling within the definition of Third Party Beneficiary (other than or in addition to the Parties themselves) pursuant to the provisions of this Deed are intended to confer a benefit on and to be enforceable by that Third Party Beneficiary (individually or with other Third Party Beneficiaries) by virtue of the Third Parties Act.
- (d) Unless expressly provided to the contrary in this Deed, the consent of any person who is not a Party but who is entitled to enforce the terms of this Deed under the Third Parties Act is not required to rescind or vary this Deed at any time.

- (e) The rights of any Third Party Beneficiary under Clause 1.3(c) above shall be subject to the following:
- (i) any claim, or reliance on any term of this Deed by a Third Party Beneficiary against a Party shall be:
 - (A) made by the Chargee for and on behalf of a Third Party Beneficiary where the Third Party Beneficiary is an officer, employee or agent of the Chargee; and
 - (B) notified in writing by such Third Party Beneficiary to each Party as soon as such Third Party Beneficiary becomes aware that an event is likely to give rise to such a claim and such notification shall contain the following information as a minimum: the details of the occurrence giving rise to the claim and the right relied upon by the Third Party Beneficiary under this Deed, provided that if such Third Party Beneficiary is an officer, employee or agent of the Chargee, the Chargee rather than the Third Party Beneficiary shall notify the other Parties in accordance with the foregoing as soon as the Chargee becomes aware of the claim of that Third Party Beneficiary;
 - (ii) the provisions of Clause 23 (*Governing Law and Jurisdiction*) shall apply in respect of any claim by a Third Party Beneficiary mutatis mutandis.
- (f) A Third Party Beneficiary shall not be entitled to assign any benefit or right conferred on it under this Deed by virtue of the Third Parties Act.

1.5 Construction of certain terms

In this Deed references to:

- (a) “**full title guarantee**” shall be construed in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 but so that the covenants implied by the Law of Property (Miscellaneous Provisions) Act 1994 in respect of the Security Interests created or intended to be created under this Deed do not include:
- (i) the words “other than any charges, encumbrances or rights which that person does and could not reasonably be expected to know about” in section 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994; and
 - (ii) section 6 (2) of the Law of Property (Miscellaneous Provisions) Act 1994.

1.6 Perpetuity period

The perpetuity period under the rule against perpetuities, if applicable to trusts constituted by this Deed, shall be the period of one hundred and twenty five years from the date of this Deed.

1.7 Incomplete security details

The fact that no or incomplete details of any assets are inserted in the Schedules to this Deed will not affect the validity or enforceability of the Security Interests created by this Deed.

2 COVENANT TO PAY

2.1 Covenant to pay

The Chargor shall pay or discharge the Secured Obligations in the manner provided for in the Transaction Documents.

2.2 Limited Recourse

- (a) Subject to paragraph (c) below, the liability of the Chargor in respect of this Deed shall be limited to the amount recovered by the Chargee or Receiver (or agent acting on behalf of either) on enforcement of the Security Interests created under this Deed.
- (b) If, following enforcement of this Deed, the Chargee or Receiver fails to recover all of the Secured Obligations payable under a Transaction Document the Chargee shall not be entitled to recover any shortfall or commence proceedings to recover any shortfall, from the Chargor.
- (c) Nothing in this Clause 2.2 (*Limited Recourse*) shall:
 - (i) prevent the Chargee demanding or taking action to recover any Secured Obligations from the Chargor to the extent of the value of the Charged Property;
 - (ii) affect or limit the liability of the Company, or release or discharge the Company from liability, in respect of, or prevent the Chargee from taking any action or commencing any proceedings against the Company under or in respect of any Transaction Document;
 - (iii) affect or limit the liability of any person in respect of any fraudulent act by the Company or the Chargor or its officers, agents or employees; or
 - (iv) affect any right of the Chargee to seek equitable relief through court proceedings including an order for specific performance or an injunction.

3 CREATION OF SECURITY

3.1 General

Each Security Interest created or purported to be created by this Deed is:

- (a) in favour of the Chargee;
- (b) (unless otherwise stated) created over the present and future assets of the Chargor;
- (c) security for the payment and discharge of the Secured Obligations;
- (d) made with full title guarantee; and
- (e) inclusive of the Related Rights to each item of Charged Property.

3.2 Fixed charges

The Chargor charges by way of first fixed charge:

- (a) the Shares;
- (b) the Derivative Assets; and

- (c) the Assigned Contracts, to the extent not effectively assigned under Clause 3.3 (*Assignments*).

3.3 Assignments

The Chargor assigns absolutely (subject to a proviso for re-assignment on redemption) in favour of the Chargee, with first priority the Assigned Contracts.

4 PERFECTING THE SECURITY

4.1 Shares

The Chargor shall:

- (a) where applicable, deliver, or procure there to be delivered, to the Chargee or as it directs:
 - (i) all share certificates in respect of the Original Shares (unless such share certificates are held by third parties acceptable to the Chargee and who have undertaken directly with the Chargee to hold the same to the order of the Chargee);
 - (ii) undated stock transfer forms in respect of the Original Shares duly executed by the Chargor.
- (b) the Chargor will deliver, or procure there to be delivered, to the Chargee promptly upon (subject to Clause 6.4 (*No alteration in share capital etc*)) issue of any further Shares to it:
 - (i) all share certificates in respect of those further Shares; and
 - (ii) undated stock transfer forms in respect of such further Shares
- (c) promptly if so requested by the Chargee, deliver (or procure there to be delivered) to the Chargee an irrevocable power of attorney by way of security in such form as the Chargee requires which appoints the Chargee, each Receiver and each Delegate as the attorney of the Chargor (or of such other person in whose name the Shares are held) to act in respect of the Shares from the date that the Chargee enforces the Security Interests created by this Deed;
- (d) promptly give notice of the Security Interests created by this Deed to any custodian of the Shares in such form as the Chargee may require and shall use best endeavours to ensure that the custodian acknowledges that notice in such form as the Chargee may require; and
- (e) immediately upon the occurrence of an Event of Default which is continuing, use its best endeavours to procure that any instruments of transfer completed by the Chargee are forthwith registered in the relevant register of members and that share certificates in the name of the Chargee or any nominee are delivered to the Chargee as soon as reasonably practicable.

4.2 Assigned Contracts

- (a) The Company hereby consents to, acknowledges and agrees to the assignment of the Assigned Contracts.
- (b) In the case of any future Assigned Contract the Chargor shall promptly give notice to the Company of such further assignments.

5 REPRESENTATIONS AND WARRANTIES

The Chargor represents and warrants to the Chargee that:

5.1 General

- (a) As at the date of this Deed all of the representations set out in this Deed are true and correct.
- (b) Unless a representation or warranty is express to be given at a specific date, each representation and warranty under this Deed is deemed to be repeated by the Chargor on each date during the Security Period with reference to the facts and circumstances existing at the time of repetition.

5.2 Status

- (a) It is a limited liability company, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

5.3 Binding obligations

- (a) The obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations.
- (b) (Without limiting the generality of paragraph (a) above), this Deed creates the Security Interests which it purports to create and those Security Interests are valid and effective and are not liable to be amended, avoided or otherwise set aside on the Chargor's liquidation or administration or otherwise.
- (c) It has the right, without requiring the concurrence, consent or authority of any other person, to create all the Security Interests which this Deed purports to create.

5.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of the Security Interests by it do not and will not conflict with:

- (a) any law, regulation, order, direction or directive applicable to it;
- (b) its constitutional documents; or
- (c) any contract, agreement, mortgage, instrument or other undertaking binding upon it or any of its assets or constitute a default or termination event (however described) under any such contract, agreement, mortgage, instrument or other undertaking.

5.5 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.
- (b) No limit on its powers will be exceeded as a result of the borrowing, grant of Security Interests or giving of guarantees or indemnities contemplated by this Deed.

5.6 Validity and admissibility in evidence

All Authorisations required:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and

- (b) to make this Deed admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect except any Authorisation referred to in paragraph (b) of Clause 5.9 (*No filing or stamp taxes*) which Authorisation will be promptly obtained or effected after the date of this Deed.

5.7 Governing law and enforcement

- (a) The choice of governing law of this Deed will be recognised and enforced in the Relevant Jurisdictions.
- (b) Any judgment obtained in relation to this Deed in the jurisdiction of the governing law of this Deed will be recognised and enforced in the Relevant Jurisdictions.

5.8 Insolvency

- (a) It is not Insolvent.
- (b) It has no reason to believe that it may, in the future, become Insolvent.
- (c) No:
 - (i) Insolvency Proceedings; or
 - (ii) Creditors' Process,

have been taken or, to the knowledge of the Chargor, threatened in relation to it.

5.9 No filing or stamp taxes

Under the laws of each Relevant Jurisdiction it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the Security Interests contemplated by this Deed except registration of particulars of this Deed at the Companies Registration Office in England and Wales under section 860 of the Companies Act 2006 and payment of associated fees, which registration shall be made promptly after the date of this Deed.

5.10 Legal and beneficial ownership

It is and will be the sole, absolute, legal and beneficial owner of the Charged Property.

5.11 Adverse claims

At the date of this Deed, it has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it.

5.12 Ranking

The Security Interests have or will have the ranking in priority which they are expressed to have in this Deed and they are not subject to any prior ranking or *pari passu* ranking Security Interests.

5.13 Shares

- (a) The Original Shares are duly authorised, validly issued and fully paid and are not subject to any restrictions on transfer, pre-emption rights, options to purchase, or to any similar rights or restrictions on disposal.

- (b) As at the date of this Deed the Original Shares represent the whole of the issued share capital of the Company.

5.14 Assigned Contracts

It is not in breach of any provision of any of the Assigned Contracts nor is it aware of the existence of any circumstances which would entitle any party to any of the Assigned Contracts to terminate that Assigned Contract.

5.15 Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the “**Regulation**”), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no “establishment” (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

6 FURTHER CHARGOR UNDERTAKINGS

6.1 Scope

Each of the undertakings given by the Chargor in this Clause shall only apply to the Charged Property within the scope of this Deed.

6.2 Negative pledge

Except as expressly allowed under the Transaction Documents, the Chargor shall not create or allow to exist any Security Interest over any of the Charged Property.

6.3 Non disposal of Charged Property

The Chargor must not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, sub-let, license, assign, transfer, discount, factor or otherwise dispose of the whole or any part of the Charged Property or agree to do so (whether conditionally or not) other than any transfer to the Chargee.

6.4 No alteration in share capital etc

The Chargor will procure that there shall be:

- (a) no increase or reduction in the authorised share capital of the Company;
- (b) no issue of any further Shares (unless such shares are issued to the Chargor and are made subject to the terms of this Deed immediately upon the issue thereof in a manner satisfactory to the Chargee and the terms of Clause 4.1(b) are complied with);

in each case, without the prior consent in writing of the Chargee.

6.5 Exercise of voting rights etc

Unless and until an Event of Default has occurred and is continuing (and notwithstanding any registration of Charged Property in the name of the Chargee (or its nominee) pursuant to Clause 6.8 (*Registration of Charged Property in name of the Chargee*)):

- (a) the Chargor (or its nominee) shall be entitled to exercise all voting and/or consensual powers pertaining to the Charged Property or any part of them for all purposes not prejudicial to the Security Interests created by this Deed nor otherwise inconsistent with the terms of this Deed and the Transaction Documents; for the avoidance of doubt, the Chargor

shall not (without the prior written consent of the Chargee) be entitled to exercise any such powers to effect any amendment or revocation of the Company's constitutional documents; and

- (b) subject to Clause 6.6 (*No obligation on the Chargee in relation to Derivative Assets*), the Chargor shall be entitled to receive directly or, as the case may be, through payment over by the Chargee (or the nominee of the Chargee) and retain any Derivative Assets accruing on or in respect of the Shares which, once received, shall be promptly paid to the Chargor (or as it may direct) and which, once received by the Chargor, shall (for the avoidance of doubt) cease to be part of the Charged Property.

6.6 No obligation on the Chargee in relation to Derivative Assets

The Chargee shall not have any duty to ensure that any Derivative Assets receivable in respect of the Shares are duly and punctually paid, received or collected as and when they become due and payable or to ensure that the correct amounts (if any) are paid or received on or in respect of the Charged Property or to ensure the taking up of any (or any offer of any) Shares or Derivative Assets accruing or offered at any time by way of redemption, bonus, rights, preference, or otherwise on or in respect of, any of the Charged Property.

6.7 Payment of calls and discharge of other obligations by the Chargor

The Chargor shall be liable to pay all calls or other payments and to discharge all other obligations and meet all liabilities, which may become due for performance or payment in respect of any of the Charged Property (including, without limitation, in respect of any Shares registered in the name of the Chargee (or the nominee of the Chargee) pursuant to Clause 6.8 (*Registration of Charged Property in name of the Chargee*)).

6.8 Registration of Charged Property in name of the Chargee

The Chargor hereby authorises the Chargee to arrange at any time after occurrence of an Event of Default which is continuing for the Shares owned by it or any part thereof to be registered in the name of the Chargee (or its nominee).

6.9 Assigned Contracts

The Chargor shall:

- (a) take any action or refrain from taking any action, which the Chargee may specify in connection with any breach, or possible future breach, of an Assigned Contract by it or any other party or in connection with any other matter which arises or may later arise out of or in connection with an Assigned Contract;
- (b) not take any action which might jeopardise the existence or enforceability of the Assigned Contracts without the prior written consent of the Chargee or unless permitted by the terms of this Deed;
- (c) take any action which the Chargee may specify with a view to ensuring or protecting the validity, enforceability and/or priority of the interests or rights conferred by the Assigned Contracts;
- (d) not purport to vary or revoke any notice or instruction relating to this Deed which it has or may later give to any person;
- (e) use its best endeavours to ensure all interests and rights conferred by the Assigned Contracts remain valid and enforceable in all respects and retain the priority which they are intended to have; and

- (f) immediately upon the occurrence of an Event of Default which is continuing, cease to exercise or direct the exercise of the voting and other rights attached to any Assigned Contracts whereupon the Chargee or Receiver shall become entitled to exercise (or not as the case may be) or direct the exercise (or non-exercise) of such rights in such manner as it or he sees fit and the Chargor shall comply or use its best endeavours to procure the compliance with any such directions and shall promptly execute and/or deliver to the Chargee or Receiver such forms of proxy as it or he requires with a view to enabling such person as it or he selects to exercise those rights.

6.10 Further assurance

The Chargor shall, at its own cost, do all such acts (including the execution and delivery of all assignments, transfers, mortgages, conveyances, charges, powers of attorney, notices, instructions, proxies, corporate approvals and other documents and the effecting of all such registrations) as the Chargee may reasonably specify (and in such form and at such times as the Chargee may require):

- (a) to create, perfect, protect and maintain the Security Interests created or intended to be created under or evidenced by this Deed; or
- (b) to facilitate the realisation of the Charged Property where permitted in accordance with this Deed or the exercise of any rights, powers and remedies provided by or pursuant to this Deed or by law.

6.11 Information

The Chargor shall:

- (a) promptly notify the Chargee as soon as it becomes aware of any matter which might reasonably be expected to have an adverse effect on the Shares or the Derivative Assets, the Security Interests expressed to be created under this Deed or the compliance of the Chargor with its obligations under this Deed; and
- (b) make available promptly on request such other information about the Shares or the Derivative Assets, the Security Interests expressed to be created under this Deed and its compliance with its obligations under this Deed as the Chargee may reasonably request.

7 PRESERVATION AND RELEASE OF SECURITY

7.1 Continuing security

The obligations of the Chargor and each Security Interest created by or pursuant to this Deed will continue until the end of the Security Period, regardless of any intermediate payment, discharge or satisfaction in whole or in part.

7.2 New accounts

Upon:

- (a) the Chargee receiving notice (either actual or otherwise) of any subsequent Security Interest affecting the Charged Property or the proceeds of sale of the Charged Property; or
- (b) the presentation of a petition or the passing of a resolution in relation to the winding up of the Chargor,

the Chargee may open a new account in the name of the Chargor (whether or not it permits any existing account to continue) and if the Chargee does not open such new account, it shall nevertheless be treated as if it had done so when the relevant event occurred and no

moneys paid into any account, whether new or continuing, after that event shall discharge or reduce the Secured Obligations or the amount recoverable by the Chargee under any Transaction Document to which the Chargor is a party.

7.3 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired and, if any Security Interest intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other Security Interest.

7.4 Separate and independent Security Interests

Each asset intended to be comprised within the Charged Property shall be the subject of a separate Security Interest and each Security Interest created in respect of such asset by Clause 3.2 (*Fixed charges*) and 3.3 (*Assignments*) is a separate and independent Security Interest and if any one of them is construed and categorised as a floating charge, that construction and categorisation will not result in the others being so construed or categorised.

7.5 Additional rights

All rights (whether personal or proprietary) created by this Deed are in addition to any other rights of the Chargee against the Chargor or any other security provider under any other documentation, the general law or otherwise. They will not merge with or limit those other rights, and are not limited by them.

7.6 Immediate recourse

The Chargor waives any right it may have of first requiring the Chargee (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding-up or similar proceedings relative to any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.

7.7 Power to remedy

If the Chargor fails to perform any of its obligations under this Deed in relation to the Charged Property, the Chargee or any Delegate may, without prejudice to any other rights of the Chargee under this Deed take any action which the Chargee may consider to be necessary or desirable to ensure compliance with such obligation.

7.8 Payment of calls, etc.

Without limiting the generality of Clause 7.7 (*Power to remedy*), if the Chargor fails to comply with Clause 6.7 (*Payment of calls and discharge of other obligations by the Chargor*), the Chargee may if it thinks fit pay the calls or other payments, discharge the obligations and meet the liabilities of the Chargor under Clause 6.7 (*Payment of calls and discharge of other obligations by the Chargor*). Any sums so paid by the Chargee shall be repayable by the Chargor to the Chargee on demand and pending such repayment shall constitute part of the Secured Obligations.

7.9 Appropriations

Until the end of the Security Period, the Chargee (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other monies, security or rights held or received by the Chargee (or any trustee or agent on its behalf) in respect of amounts which may be or become payable by the Chargor or the Company under or in connection with the Transaction Documents, or apply and enforce those other monies or rights or that other security in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of them; and
- (b) hold in an interest bearing suspense account any monies received from the Chargor or on account of the Chargor's liability under this Deed.

7.10 Deferral of Chargor's rights

Until the end of the Security Period, and unless the Chargee otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it or a claim being made upon it, in respect of its obligations under the Transaction Documents or by reason of any amount being payable, or liability arising, under this Deed to:

- (a) be indemnified by the Company;
- (b) claim any contribution from any third party providing security for, or any guarantor of, the Company's obligations under the Transaction Documents; and/or
- (c) take the benefit (in whole or in part and whether or not by subrogation) of any rights of the Chargee;
- (d) bring legal or other proceedings for an order requiring the Company to make any payment, or perform any obligation, in respect of which the Chargor has given an undertaking under Clause 2.1 (*Covenant to pay*);
- (e) exercise any right of set-off against the Company; or
- (f) claim, rank, prove or vote as a creditor of the Company in competition with the Chargee.

7.11 Waiver of defences

Neither the obligations of the Chargor under this Deed nor the Security Interests created by this Deed will be affected by an act, omission, matter or thing which, but for this Clause 7.11 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or the Chargee) including:

- (a) any time, waiver or consent granted to, or composition with, the Chargor or the Company or other person;
- (b) the release of the Chargor or the Company or any other person under the terms of any composition or arrangement with any creditor of the Chargor or the Company;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Chargor or the Company or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security Interest;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or the Company or other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Transaction Document or any other document or security including, without limitation, any change in the purpose of, any

extension of or increase in any facility or the addition of any new facility under any Transaction Document or other document or security;

- (f) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Transaction Document or any other document or security; or
- (g) any insolvency or similar proceedings.

7.12 Release

Subject to Clause 7.13 (*Avoidance of security or payment*) and Clause 7.14 (*Retention*), upon expiry of the Security Period, the Chargee will, at the request and expense of the Chargor, release the Security Interests created by this Deed and re-assign (without any warranty, representation, covenant or other recourse) to the Chargor such rights, if any, as the Chargee then has to, or in connection with the Charged Property.

7.13 Avoidance of security or payment

- (a) If an amount paid to the Chargee under a Transaction Document is capable of being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (b) Any settlement, discharge or release between the Chargor and the Chargee (or any Receiver) will be conditional upon no security or payment granted or made to the Chargee (or any Receiver, as the case may be) by the Chargor or any other person being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force.
- (c) If any security or payment is avoided or reduced in the circumstances described in paragraphs (a) or (b) above, then the Chargee (or any Receiver, as the case may be) will be entitled to recover the value or amount of such security or payment from the Chargor as if the relevant settlement, discharge or release had not occurred.

7.14 Retention

- (a) If the Chargee has grounds for believing that the Chargor or the Company may be unable to pay its debts as they fall due as at the date of any payment made by the Chargor or the Company under the Transaction Documents to the Chargee, then the Chargee may retain the Security Interests created by this Deed until the expiry of a period of (subject to paragraph (b) below) one month plus the statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after the payment and discharge in full of all the Secured Obligations notwithstanding any release, settlement, discharge or arrangement which may be given or made by the Chargee on, or as a consequence of, such payment or discharge of liability.
- (b) If, at any time within the period referred to in paragraph (a) above, any person presents a petition, or files documents with a court or any registrar for the winding-up or administration of the Chargor or the Company or any analogous proceedings are commenced by or against that person, the Chargee may continue to retain the Security Interests created by this Deed for such further period as it may determine and the Security Interests created by this Deed will be deemed to continue to be held as security for the payment and discharge to the Chargee of all of the Secured Obligations.

8 ENFORCEMENT

8.1 When enforceable

If an Event of Default occurs and is continuing and without the necessity for the Chargee to serve any notice or take any other action the Security Interests created by this Deed shall immediately become enforceable for all purposes.

8.2 Chargee's enforcement powers

(a) The Chargee shall have the power:

- (i) if requested by the Chargor; or
- (ii) at any time after the Security Interests created by this Deed have become enforceable,

to appoint any one or more persons to be a Receiver of all or any part of the Charged Property as may be specified or described in the appointment.

(b) After the Security Interests created by this Deed have become enforceable the Chargee shall be entitled at any time or times to exercise the powers set out in this Clause 8 (*Enforcement*) and in any other Transaction Document (including those powers conferred upon a Receiver expressly) without first appointing a Receiver and irrespective of any such appointment.

8.3 Variation of statutory powers

(a) The statutory power of sale and the other statutory powers conferred on mortgagees by the Law of Property Act 1925 or otherwise by law, as varied and extended by this Deed, shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on the date of this Deed and shall be immediately exercisable if an Event of Default occurs and is continuing.

(b) Any restrictions or conditions imposed by law in relation to the Security Interests created by this Deed are hereby disapplied to the fullest extent permitted by law including, without limitation, those regarding:

- (i) consolidation of mortgages under section 93 of the Law of Property Act 1925;
- (ii) the power of sale under section 103 of the Law of Property Act 1925;
- (iii) the application of proceeds under sections 105, 107 (2), and 109 (8) of the Law of Property Act 1925; and
- (iv) the right of a mortgagee to appoint a Receiver under section 109 (1) of the Law of Property Act 1925.

8.4 Effect of moratorium on enforcement rights

For as long as such action is prohibited under schedule A1 to the Insolvency Act 1986 or otherwise at law, the Chargee is not entitled to exercise its rights under Clause 8.2 (*Chargee's enforcement powers*) solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 1986 except with the leave of the court.

8.5 Right of appropriation

To the extent that the Charged Property constitutes “financial collateral” and this Deed and the obligations of the Chargor under this Deed constitute a “security financial collateral arrangement” (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) (the “**Regulations**”), the Chargee shall have the right at any time after the Security Interests constituted by this Deed have become enforceable, to appropriate all or any part of such financial collateral in or towards the satisfaction of the Secured Obligations. For this purpose, the Parties agree that the value of the Shares so appropriated shall be their market price determined by the Chargee by reference to a public index or by such other process as the Chargee may select, including independent valuation. The parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

8.6 Powers of Receiver

Without prejudice to any other provision of this Deed, any Receiver is entitled (subject to any restrictions in the instrument appointing him):

- (a) to all the rights, powers, privileges and immunities conferred by law including, without limitation, those conferred on mortgagees and receivers under the Law of Property Act 1925 and those conferred on administrative receivers under section 42 of (and schedule 1 to) the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver and if a Receiver is appointed in relation to only part of the Charged Property, only in respect of that part); and
- (b) to do (in the name of or on behalf of the Chargor or in the Receiver’s own name and, in each case, at the cost of the Chargor), anything that the Chargor itself could have done, or omitted to do, if its assets were not the subject of a Security Interest and to do all acts and things which the Receiver may consider desirable or necessary for realising any of the Charged Property or incidental or conducive to the exercise of any of the rights, powers or discretions conferred on the Receiver under or by virtue of this Deed or law.

8.7 Supplementary provisions regarding Receivers

The following shall have effect as regards any Receiver appointed under this Clause 8 (*Enforcement*):

- (a) the appointment shall be by deed or, at the Chargee’s option, by a document signed by any of its officers;
- (b) an appointment in respect of some only of the Charged Property may later be extended to all or some of the other Charged Property;
- (c) to the fullest extent permitted by law, a Receiver shall be the Chargor’s agent, and the Chargor shall be responsible, to the exclusion of any liability on the part of the Chargee, for its remuneration, contracts, engagements, liabilities, acts, omissions, losses and defaults;
- (d) the remuneration of a Receiver and the other terms of its appointment shall be fixed and may be revised by the Chargee who shall not be bound by the maximum rate of remuneration imposed by section 109(6) of the Law of Property Act 1925 or otherwise by law;
- (e) if there is more than one Receiver holding office at the same time, each Receiver may exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver (unless the document appointing him states otherwise);

- (f) in the event that a Receiver is not an administrative receiver, the Chargee may remove him, with or without appointing another Receiver, and such a removal may be effected by a document signed by any of the Chargee's officers; and
- (g) the Chargee may appoint a Receiver to replace a Receiver who has resigned or for any other reason ceased to hold office.

8.8 No obligation to check payments

Neither the Chargee nor any Receiver nor any Delegate shall be obliged to check the nature or sufficiency of any payment received by it or him under this Deed.

8.9 Possession

Neither the Chargee nor any Receiver or Delegate will be liable, by reason of entering into possession of Charged Property, to account as mortgagee in possession or for any loss on realisation, howsoever arising, or for any default or omission for which a mortgagee in possession might be liable.

8.10 Exclusion of liability

- (a) None of the Chargee, any Receiver, any Delegate nor any officer, employee or agent of any of the Chargee, any Receiver or any Delegate will be liable for any losses (including, without limitation, for any shortfall which arises on the enforcement or realisation of the Charged Property) to any person or have any liability for any action taken by it or not taken by it at any time under, in connection with or in relation to, this Deed or the Charged Property or the transactions contemplated by this Deed (both before and after execution of this Deed) unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party (other than the Chargee, the relevant Receiver or the relevant Delegate) may take any proceedings against any officer, employee or agent of the Chargee, a Receiver or a Delegate in respect of any claim it might have against the Chargee, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent at any time under, in connection with, or in relation to this Deed or the transactions contemplated by this Deed (both before and after execution of this Deed) or any Charged Property and a Receiver, Delegate or officer, employee or agent of the Chargee, a Receiver or a Delegate may rely on this Clause subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

9 INDEMNITY

The Chargor shall on demand pay and promptly indemnify the Chargee and every Receiver and Delegate and any officer, employee or agent of such persons (the "**Indemnified Party**") against any cost, loss or liability (together with any applicable VAT) properly and reasonably incurred by any of them:

- (a) in relation to or as a result of:
 - (i) the protection or enforcement of the Security Interests created or intended to be created by this Deed;
 - (ii) the exercise of any of the rights, powers, discretions and remedies as vested in the Indemnified Party by this Deed or otherwise at law; or
 - (iii) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed; or

- (b) which otherwise relates to any of the Charged Property and any other existing or future Security Interests granted by the Chargor to the Chargee to secure the payment and discharge of the Secured Obligations or the performance of the terms of this Deed (otherwise than as a result of its gross negligence or wilful misconduct).

10 APPLICATION OF MONEYS

10.1 Application of proceeds

All sums received by the Chargee or by a Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security Interests created by this Deed shall, subject to any claims ranking in priority to the Security Interests created by this Deed, be held by the Chargee or by the Receiver upon trust and shall be applied in the order provided for in Clause 10.2 (*Order of distributions*).

10.2 Order of distributions

The order referred to in Clause 10.1 (*Application of proceeds*) is:

- (a) FIRSTLY, in or towards the payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver (or Delegate of the Receiver) and the exercise of any of his rights, including his remuneration and all outgoings paid by him;
- (b) SECONDLY, in payment of all costs and expenses incurred by the Chargee in connection with any realisation or enforcement of the Security Interests taken in accordance with the terms of this Deed and in discharge of the Secured Obligations;
- (c) THIRDLY, if the Chargor and the Company are not under any further actual or contingent liability under any Transaction Document, in payment to any person to whom the Chargee is obliged to pay in priority to the Chargor or the Company; and
- (d) FOURTHLY, the balance, if any, in payment to the Chargor or any other person entitled to it.

10.3 Chargor appropriations

Clauses 10.1 (*Application of proceeds*) and 10.2 (*Order of distributions*) will override any appropriation made by the Chargor.

11 POWER OF ATTORNEY

11.1 Appointment and scope

The Chargor irrevocably and by way of security appoints (with full power of substitution) the Chargee, every Receiver and every Delegate severally as its attorney:

- (a) to do anything which the Chargor is obliged to do under this Deed; and
- (b) to exercise any of the rights conferred on the Chargee, any Receiver or any Delegate in relation to the Charged Property by this Deed or by law.

11.2 Ratification of actions of attorney

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 11.1 (*Appointment and scope*).

12 PROTECTION OF THIRD PARTIES

12.1 No duty to enquire

No person dealing with the Chargee, any Receiver or any Delegate shall be concerned to enquire:

- (a) whether the rights conferred by or pursuant to this Deed are exercisable or have been properly exercised;
- (b) whether any laws, directions, restrictions, consents and/or, regulations affecting the rights of the Chargee have been obtained or complied with; or
- (c) as to the application of any monies received by the Chargee.

12.2 Protection of purchasers

All the protections for purchasers contained in sections 104 and 107 of the Law of Property Act 1925, section 42 (3) of the Insolvency Act 1986 or in any other applicable law or regulation shall apply to any person purchasing from or dealing with the Chargee, any Receiver or Delegate.

12.3 Redemption of prior Security Interests

At any time after the Security Interests created by this Deed have become enforceable, the Chargee may:

- (a) redeem any prior Security Interest against any part of the Charged Property; and/or
- (b) use its best endeavours to procure the transfer of that Security Interest to itself; and/or
- (c) settle the accounts of any prior mortgagee, chargee or encumbrancer and any accounts so settled will be, in the absence of manifest error, conclusive and binding on the Chargor; and/or
- (d) claim the costs and expenses incurred by it in connection with any such redemption and/or transfer including the payment of any principal or interest, which costs and expenses shall be payable by the Chargor to the Chargee immediately upon demand.

13 PAYMENTS

All payments by the Chargor under this Deed (including damages for its breach) shall be made in the currency in which the relevant indebtedness is denominated or, if different, is payable and to such account, with such financial institution and in such other manner as the Chargee may direct.

14 CHANGES TO THE PARTIES

Neither of the Parties may assign any of its rights or transfer any of its rights or obligations under this Deed without the prior written consent of the other Party.

15 CURRENCY INDEMNITY

- (a) If any sum due from the Chargor under this Deed (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:

- (i) making or filing a claim or proof against the Chargor; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Chargor shall as an independent obligation, within three business days of demand, indemnify the Chargee against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) The Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than that in which it is expressed to be payable.

16 NO IMPAIRMENT

If, at any time on or after the date of this Deed, any provision of this Deed is not binding on or enforceable in accordance with its terms against a person expressed to be a Party, neither the binding nature nor the enforceability of that provision or any other provision of it will be impaired as against any other Party.

17 REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Chargee, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law. The rights of the Chargee may be waived only in writing and specifically and no election to affirm this Deed shall be effective unless it is in writing.

18 COUNTERPARTS

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

19 COSTS AND EXPENSES

19.1 Establishment costs

The Parties shall bear their own costs and expenses in relation to the preparation, negotiation and execution of this Deed and the documents ancillary to it.

19.2 Stamp taxes

The Chargor shall pay and, within three business days of demand, indemnify the Chargee against any cost, loss or liability the Chargee incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Deed.

19.3 Interest on demand

If the Chargor fails to pay any amount payable by it under this Deed on its due date, interest shall accrue on the overdue amount (and be compounded with it) from the due date up to the date of actual payment (both before and after judgment and to the extent interest at a default rate is not otherwise being paid on that sum) at one per cent. per annum. Any interest accruing under this Clause 19.3 (*Interest on demand*) shall be immediately payable by the relevant Chargor on demand by the Chargee.

19.4 Enforcement and preservation costs

The Chargor shall, within three business days of demand, pay to the Chargee the amount of all costs and expenses (including legal fees and together with any applicable VAT) incurred by it in connection with the enforcement of or the preservation of any rights under this Deed and the Security Interests created by this Deed and any proceedings instituted by or against the Chargee as a consequence of taking or holding the Security Interests created by this Deed or enforcing these rights.

20 CURRENCY CONVERSION

- (a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Chargee may convert any moneys received or recovered by the Chargee from one currency to another, at the spot rate at which the Chargee is able to purchase the currency in which the Secured Obligations are due with the amount received.
- (b) The Secured Obligations shall only be satisfied to the extent of amount of the due currency purchased after deducting the costs of conversion.

21 NOTICES**21.1 Communications in writing**

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

21.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is to its registered office or any substitute address, fax number or department or officer as the Chargor and the Chargee may notify to each other by not less than five business days' notice.

21.3 Delivery

- (a) Subject to Clause 21.3(b) below, any communication or document made or delivered by one person to another under or in connection with this Deed 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 with 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 21.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Chargee will be effective only when actually received by the Chargee in legible form and then only if it is expressly marked for the attention of the department or officer identified with the Chargee's signature below (or any substitute department or officer the Chargee shall specify for this purpose).

22 SUPPLEMENTAL

22.1 Discretion

The Chargee may exercise all and any of the rights conferred on it by this Deed as it deems fit (provided such exercise is consistent with such rights) and without reference to the Chargor (unless expressly stated otherwise).

22.2 Delegation

- (a) Each of the Chargee and any Receiver may delegate in any manner to any person any rights exercisable by it under this Deed (including the power of attorney). Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Chargee thinks fit.
- (b) Neither the Chargee nor any Receiver will in any way be liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate or sub-Delegate.

22.3 Certificates and determinations

Any certificate or determination by the Chargee under the terms of this Deed will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

23 GOVERNING LAW AND JURISDICTION

23.1 English law

This Deed and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England.

23.2 Exclusive English jurisdiction

Each Party irrevocably agrees that the courts of England shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Deed or its subject matter or formation.

This Deed has been duly executed by or on behalf of the parties and has, on the date stated at the beginning of this Deed, been delivered as a deed.

SCHEDULE 1
ORIGINAL SHARES

Name of the Company	Company number	Issued share capital	Original Shares	Any identification marks
I Supply Energy Limited	06053905	100,002 Ordinary shares of £1.00	100% of the issued share capital of the Company	n/a

EXECUTION PAGES

CHARGOR

EXECUTED AS A DEED

by GILMOND HOLDINGS LIMITED
acting by R. G. GILBERT
being a director
in the presence of: [REDACTED]

Witness' signature: [REDACTED]

Witness' name: R. J. H. RICHMOND

Witness' address: 18 MORNIST RD
POOLE
BH13 7SZ

COMPANY

EXECUTED AS A DEED

by I SUPPLY ENERGY LIMITED
acting by R. G. GILBERT
being a director
in the presence of: [REDACTED]

Witness' signature: [REDACTED]

Witness' name: R. RICHMOND

Witness' address: 18 MORNIST RD
POOLE
BH13 7SZ

CHARGE

EXECUTED AS A DEED
by VATTENFALL ENERGY
TRADING GMBH, AMSTERDAM BRANCH
acting by JACHEN WINTER
an officer of the company expressly authorised in
accordance with the laws of Germany and
The Netherlands
in the presence of:

Witness' signature:

Witness' name: Ingrid Eriksson

Witness' address: Högvägen 20, 17550 Jönköping