



Registration of a Charge

Company name: **GWYNT Y MOR OFTO INTERMEDIATE LIMITED**

Company number: **08796181**

Received for Electronic Filing: **17/02/2015**



X41E9PC0

Details of Charge

Date of creation: **12/02/2015**

Charge code: **0879 6181 0001**

Persons entitled: **DEUTSCHE TRUSTEE COMPANY LIMITED (AS SECURITY TRUSTEE)**

Brief description:

Contains fixed charge(s).

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

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:

PINSENT MASONS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8796181

Charge code: 0879 6181 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th February 2015 and created by GWYNT Y MOR OFTO INTERMEDIATE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th February 2015 .

Given at Companies House, Cardiff on 18th February 2015

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

SECURITY AGREEMENT

12 February 2015

(1) GWYNT Y MOR OFTO PLC
(2) GWYNT Y MOR OFTO INTERMEDIATE LIMITED
(3) GWYNT Y MOR OFTO HOLDINGS LIMITED
as the Chargors
and

DEUTSCHE TRUSTEE COMPANY LIMITED
as Security Trustee



Pinsent Masons

CONTENTS

Clause	Page
1	DEFINITIONS AND INTERPRETATION 3
2	CREATION OF SECURITY 5
3	EXERCISING RIGHTS BY THE CHARGORS 9
4	PERFECTION OF SECURITY 9
5	RESTRICTIONS ON DEALINGS 10
6	INVESTMENTS 10
7	WHEN SECURITY BECOMES ENFORCEABLE 12
8	ENFORCEMENT OF SECURITY 12
9	RECEIVER 13
10	POWERS OF RECEIVER 14
11	APPLICATION OF PROCEEDS 16
12	EXPENSES AND INDEMNITY 16
13	DELEGATION 17
14	FURTHER ASSURANCES 17
15	POWER OF ATTORNEY 18
16	GUARANTEE AND INDEMNITY 18
17	PRESERVATION OF SECURITY 18
18	MISCELLANEOUS 21
19	RELEASE 21
20	GOVERNING LAW 21
SCHEDULE 1	THE CHARGORS 22
SCHEDULE 2	FORM OF NOTICE OF ASSIGNMENT TO COUNTERPARTIES TO THE O&M AGREEMENT/O&M GUARANTEE/PROFESSIONAL SERVICES AGREEMENT 23
PART 1	FORM OF NOTICE OF ASSIGNMENT TO COUNTERPARTIES TO THE O&M AGREEMENT/O&M GUARANTEE/PROFESSIONAL SERVICES AGREEMENT 23
PART 2	FORM OF NOTICE OF ASSIGNMENT TO COUNTERPARTIES TO THE O&M AGREEMENT/O&M GUARANTEE/PROFESSIONAL SERVICES AGREEMENT 26
PART 3	FORM OF NOTICE OF ASSIGNMENT TO COUNTERPARTIES TO PROJECT DOCUMENTS (EXCLUDING THE TRANSMISSION LICENCE, THE O&M AGREEMENT,

THE O&M GUARANTEE AND THE PROFESSIONAL SERVICES AGREEMENT), ADVISOR REPORTS, ENGAGEMENT LETTER AND AGENCY AGREEMENT	29
PART 4 FORM OF ACKNOWLEDGEMENT TO THE PROJECT DOCUMENTS (EXCLUDING THE TRANSMISSION LICENCE, O&M AGREEMENT, O&M GUARANTEE AND PROFESSIONAL SERVICES AGREEMENT), ADVISER REPORTS, ENGAGEMENT LETTER AND AGENCY AGREEMENT	31
SCHEDULE 3 DETAILS OF SHARES	32
SIGNATORIES	33

THIS DEED is made on *12 February* 2015.

BETWEEN:

- (1) **THE COMPANIES** whose names and registered offices are set out in Schedule 1 (each a "Chargor" and together the "Chargors"); and
- (2) **DEUTSCHE TRUSTEE COMPANY LIMITED** in its capacity as the security trustee (the **Security Trustee**).

IT IS AGREED as follows:

- (A) The Secured Creditors are willing to enter into certain finance arrangements with the Obligor on the terms and conditions set out in the Finance Documents (as defined below). One of the conditions is that the Chargors enter into this Deed.
- (B) The board of directors of each Chargor is satisfied that entering into this Deed is for the purposes and to the benefit of each Chargor and its business.
- (C) The Security Trustee holds the benefit of this Deed on trust for the Secured Creditors on the terms of the Finance Documents.
- (D) This Deed is the Security Agreement as defined in the Master Definitions Agreement (as defined below).
- (E) This Deed shall take effect as a deed notwithstanding that any party may execute it under hand.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed

"Act"	means the Law of Property Act 1925.
"Book Debts"	means all book and other debts of any nature, and all other rights to receive money (excluding the Accounts), now or in the future due, owing or payable to each Chargor and the benefit of all related negotiable instruments, related rights, security, guarantees and indemnities of any kind.
"Collateral Regulations"	means the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003 No.3226).
"Common Terms Agreement"	means the Common Terms Agreement dated on or about the date of this Deed between, amongst others, the Chargors and the Security Trustee.
"Declared Default"	means an Event of Default in respect of which an Enforcement Notice has been served by the Security Trustee in accordance with the STID.
"Guarantor"	means Holdco and/or IntermediateCo.
"Investments"	shall have the meaning given to such term in Clause 6.1 (<i>General</i>).

"Master Definitions Agreement"	means master definitions agreement dated on or about the date of this Deed between, amongst others, the Chargors and the Security Trustee.
"Security Assets"	means all assets of the Chargors the subject of any security created by or pursuant to this Deed (or, in the case of any right of the Chargors under a document which cannot be secured in the manner envisaged by this Deed without the consent of a party to that document, prior to such consent being given, such right) but shall exclude such assets to the extent that, and for so long as, the taking of any such security would contravene the terms of any Transaction Authorisation, the Crown Estate Lease or any applicable law or regulation.
"Security Period"	means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.
"Shares"	means all the shares in the capital of each of the companies specified in Schedule 3 (<i>Details of Shares</i>) and any shares in the capital of any other company owned by any Chargor or held by any nominee on behalf of any Chargor at any time.

1.2 Construction

- 1.2.1 In this Deed, words and expressions defined (expressly or by reference) or interpreted in the Master Definitions Agreement shall, unless otherwise defined in this Deed, bear the same meaning in this Deed.
- 1.2.2 The provisions contained in part 2 (Construction) of schedule 1 (Common Definitions) of the Master Definitions Agreement apply to this Deed as though set out in full in this Deed.
- 1.2.3 In the event that any of the terms of this Deed conflict with the provisions of the Common Terms Agreement, the relevant provisions of the Common Terms Agreement shall prevail.
- 1.2.4 Any obligation of any party to do something shall include an obligation to procure the same to be done and any obligation not to do something shall include an obligation not knowingly to permit, suffer or allow the same.
- 1.2.5 The term **financial collateral** has the meaning given to it in the Collateral Regulations.
- 1.2.6 Any covenant of the Chargors under this Deed (other than a payment obligation) remains in force during the Security Period.
- 1.2.7 The terms of the Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.2.8 Any reference to an account shall include any sub-account of such account.
- 1.2.9 Unless the context otherwise requires, a reference to a Security Asset includes:
 - (a) any part of that Security Asset (including properties and revenues);
 - (b) the proceeds of sale of that Security Asset; and
 - (c) any present and future assets of that type.

1.3 Third Party Rights

Any person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of this Deed, except that a Receiver may enforce any term of this Deed that is expressed in its favour.

1.4 Security Trustee's Discretion

It is agreed that any liberty or power which may be exercised or any determination which may be made under this Deed by the Security Trustee unless otherwise provided, may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons thereof, but in any event in accordance with the STID. For the avoidance of doubt, the Security Trustee shall not be liable for any loss caused to any party for the failure to act as set out in this Deed, in the event it does not receive an instruction (in accordance with the STID) to so act.

2. CREATION OF SECURITY

2.1 General

2.1.1 All the security created under this Deed:

- (a) is created in favour of the Security Trustee;
- (b) is created over present and future assets of each Chargor;
- (c) is security for the payment of all the Secured Liabilities; and
- (d) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.1.2 If the rights of any Chargor under a document cannot be secured in the manner envisaged by this Deed without the consent of a party to that document:

- (a) such Chargor must notify the Security Trustee promptly;
- (b) this Security will secure all amounts which such Chargor may receive, or has received, under or in respect of that document but exclude the document itself; and
- (c) unless the Security Trustee otherwise requires, such Chargor must use all reasonable endeavours to obtain the consent of the relevant party to that document being secured under this Deed.

2.1.3 The Security Trustee holds the benefit of this Deed on trust for itself and for the other Secured Creditors.

2.2 Land

2.2.1 To the extent not prohibited by the Transaction Authorisations, the Crown Estate Lease or any applicable law or regulation, each Chargor charges:

- (a) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; and
- (b) (to the extent that they are not the subject of a mortgage under subparagraph (a) above) by way of first fixed charge all estates or interests in any freehold or leasehold property, and all estates or interests in any freehold or leasehold property acquired by any Chargor after the date of this Deed.

2.2.2 A reference in this Deed to any freehold or leasehold property includes:

- (a) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
- (b) the benefit of any covenants for title given or entered into by any predecessor in title of any Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Investments

2.3.1 To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation:

- (a) Holdco charges by way of a first fixed charge its interest in the Shares; and
- (b) each Chargor charges by way of a first fixed charge its interest in all other shares, stocks, debentures, bonds, warrants, coupons or other securities and investments owned by it or held by any nominee on its behalf (including all interests in Cash Equivalent Investments).

2.3.2 A reference in this Deed to the Shares or to any stock, share, debenture, bond, warrant, coupon or other security includes:

- (a) any dividend, interest or other distribution paid or payable;
- (b) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
- (c) any right against any clearance system; and
- (d) any right under any custodian or other agreement

in relation to the Shares or to that stock, share, debenture, bond, warrant, coupon or other security.

2.3.3 A clearance system means for the purposes of this Deed a person whose business is or includes the provision of clearance services or security accounts or any nominee or depositary for that person.

2.4 Plant and machinery

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of a first fixed charge all plant and machinery owned by that Chargor and its interest in any plant or machinery in its possession (except to the extent mortgaged or charged pursuant to Clause 2.2 (Land)).

2.5 Credit balances

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of a first fixed charge all of its rights in respect of all amounts standing to the credit of any account it has with any person and its interest in the debt represented by that account.

2.6 Book debts etc.

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of a first fixed charge:

2.6.1 all of its Book Debts and other debts;

2.6.2 all other moneys due and owing to it; and

2.6.3 the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 2.6.1 or 2.6.2 above.

2.7 Intellectual property

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of a first fixed charge all of its rights in respect of:

2.7.1 any know-how, patent, trademark, service mark, design, business name, topographical or similar right;

2.7.2 any copyright or other intellectual property monopoly right; and

2.7.3 any interest (including by way of licence) in any of the above

In each case whether registered or not and including all applications for the same.

2.8 Miscellaneous

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of first fixed charge:

2.8.1 any beneficial interest, claim or entitlement it has in or to any assets of any pension fund;

2.8.2 its goodwill;

2.8.3 the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any of its assets;

2.8.4 the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in Clause 2.8.3 above; and

2.8.5 its uncalled capital.

2.9 Project Documents, the Agency Agreement, the Adviser Reports, the Engagement Letters and other contracts

To the extent not prohibited by any Transaction Authorisation, the Crown Estate Lease or any applicable law or regulation, each Chargor assigns absolutely with full title guarantee and by way of security the benefit of and its whole present and future rights, title and interest in respect of:

2.9.1 any agreement to which it is a party (including but not limited to the Project Documents, the Agency Agreement, the Adviser Reports and the Engagement Letters) except to the extent that it is subject to any fixed security created under any other term of this Clause 2 (*Creation of Security*);

2.9.2 any letter of credit or bond issued in its favour; and

2.9.3 any bill of exchange or other negotiable instrument held by it

Including all money payable to any Chargor and any claims, awards and judgments in favour of any Chargor under or in connection with such documents.

2.10 Insurances

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor assigns absolutely by way of security the benefit of and its whole present and future

rights and claims under or in respect of (i) all Insurances (including without limitation all rights to submit, negotiate and settle claims, and all monies now or hereafter payable thereunder, including return of premiums), and (ii) any other contract or policy of Insurance taken out by it or on its behalf or in which it has an interest.

2.11 Floating charge

2.11.1 To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of a first floating charge all its assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause 2 (*Creation of Security*).

2.11.2 Except as provided below, the Security Trustee may by notice to a Chargor convert the floating charge created by that Chargor under this Clause 2.11 (*Floating charge*) into a fixed charge as regards any of that Chargor's assets specified in that notice, if:

- (a) a Declared Default has occurred;
- (b) the Security Trustee considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy and whether or not an Event of Default has occurred;
- (c) that Chargor fails to comply, or takes or threatens to take any action which in the reasonable opinion of the Security Trustee is likely to result in it failing to comply with its obligations under Clause 5 (*Restrictions on Dealings*); or
- (d) the Security Trustee has been advised by legal counsel that it is necessary in order to protect the priority of the security.

2.11.3 The floating charge created by this Clause 2.11 may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
- (b) anything done with a view to obtaining a moratorium

under section 1A of the Insolvency Act 1986.

2.11.4 The floating charge created under this Clause 2.11 (*Floating charge*) will (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge over all of a Chargor's assets if:

- (a) that Chargor creates or attempts to create any further security in breach of the Common Terms Agreement over any of its assets not subject to a fixed charge;
- (b) any person levies or attempts to levy any distress, execution or other process against any of that Chargor's assets;
- (c) an administrator of that Chargor is appointed or the Security Trustee receives notice of any intention to appoint an administrator of that Chargor;
- (d) unless permitted under the terms of the Finance Documents, that Chargor disposes of any assets otherwise than by way of sale in the ordinary course of its business for market value on an arms length basis and for consideration payable in cash on normal commercial terms or threatens or takes any steps to do so; or

- (e) a resolution is passed or an order is made or otherwise formal steps or proceedings are undertaken for the winding up, dissolution, administration or re-organisation of that Chargor.

2.11.5 In respect of Holdco and IntermediateCo only, the floating charge created by this Clause 2.11 (Floating charge) is a qualifying floating charge for the purposes of Paragraph 14 of Schedule B1 to the Insolvency Act 1986.

2.11.6 Where the floating charge created by Clause 2.11.1 has crystallised under Clause 2.11.2 or Clause 2.11.4, it may be reconverted into a floating charge by written notice given at any time by the Security Trustee to the Chargor in respect of whose assets the floating charge had crystallised, in respect of the assets specified in such notice.

3. EXERCISING RIGHTS BY THE CHARGORS

Except whilst a Declared Default is outstanding, a Chargor may exercise its rights under or in relation to the assets charged by Clauses 2.2 (*Land*), 2.3 (*Investments*), 2.4 (*Plant and machinery*), 2.5 (*Credit balances*), 2.6 (*Book debts etc.*), 2.7 (*Intellectual property*), 2.8 (*Miscellaneous*), 2.9 (*Project Documents, the Agency Agreement, the Adviser Reports, the Engagement Letters and other contracts*), and 2.10 (*Insurances*) provided that the exercise of those rights in the manner proposed would not breach the Finance Documents or result in an Event of Default.

4. PERFECTION OF SECURITY

4.1 General

4.1.1 Each Chargor's undertakings and obligations under this Clause 4 (*Perfection of Security*) shall remain in force from the date of this Deed until the Secured Liabilities have been fully and unconditionally paid or discharged or the Security has been fully and unconditionally released by the Security Trustee.

4.1.2 The omission in this Deed of details of any Security Assets or the incompleteness of any details which are so inserted shall not affect the validity or enforceability of the Security (including, without limitation, the Security Interests created by Clause 2.3 (*Investments*)).

4.2 Project Documents, the Adviser Reports, the Engagement Letters and the Agency Agreement

Each Chargor shall:

4.2.1 give notice:

- (a) In respect of the O&M Agreement, the O&M Guarantee and the Professional Services Agreement, immediately after execution of this Deed and/or on request from the Security Trustee at any time thereafter, substantially in the form set out in Part 1 of Schedule 2; and
- (b) in respect of the Project Documents (excluding the Transmission Licence, the O&M Agreement, the O&M Guarantee and the Professional Services Agreement), the Adviser Reports, the Engagement Letters and the Agency Agreement, on the Completion Date and/or on request from the Security Trustee at any time thereafter, substantially in the form set out in Part 3 of Schedule 2,

to each counterparty to the Project Documents, the Adviser Reports, the Engagement Letters and Agency Agreement (except in respect of a Project Document (other than the O&M Agreement, the O&M Guarantee and the Professional Services Agreement) which contains a notice and acknowledgement clause in respect of the Security created under the Security Documents); and

4.2.2 in respect of notices sent in accordance with:

- (a) Clause 4.2.1(a), procure that each such counterparty promptly delivers an executed acknowledgement of such notice substantially in the form set out in Part 2 of Schedule 2; or
- (b) Clause 4.2.1(b), use all reasonable endeavours to procure that each such counterparty promptly delivers an executed acknowledgement of such notice substantially in the form set out in Part 4 of Schedule 2, provided that, if the relevant Chargor has used all reasonable endeavours but has not been able to obtain the acknowledgement of any notice sent in accordance with Clause 4.2.1(b) from the relevant counterparty, its obligations to obtain such acknowledgement shall cease on the expiry of 30 days from the date on which the notice is sent.

4.3 Deposit of documents of title

Immediately after execution of this Deed and/or on request from the Security Trustee at any time thereafter, each Chargor shall, in relation to the Security Assets that are subject to a fixed charge:

- 4.3.1 deposit with the Security Trustee all certificates or documents of title or evidence of ownership of such Security Assets; and/or
- 4.3.2 execute and deliver to the Security Trustee such shares, transfers, assignments or other documents as the Security Trustee may (but for the avoidance of doubt, shall not be obliged to) request to perfect its security over such Security Assets or to have any such Security Assets registered in name of the Security Trustee or its nominee or otherwise obtain legal title to such Security Assets.

5. RESTRICTIONS ON DEALINGS

Each Chargor must not:

- 5.1 create or permit to subsist any Security Interest on any Security Asset; or
 - 5.2 sell, transfer, license, lease or otherwise dispose of any Security Asset
- except as expressly allowed under the Common Terms Agreement.

6. INVESTMENTS

6.1 General

In this Clause:

Investments means the Shares and all other shares, stocks, debentures, bonds or other securities and Investments included in the definition of **Security Assets** in Clause 1.1 (*Definitions*).

6.2 Changes to rights

No Chargor may take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered.

6.3 Calls

- 6.3.1 Each Chargor must pay all calls or other payments due and payable in respect of any Investment.
- 6.3.2 If any Chargor fails to do so, the Security Trustee may (but shall not be obliged to) pay the calls or other payments on behalf of such Chargor. Each Chargor must immediately

on request reimburse the Security Trustee for any payment made by the Security Trustee under this Clause 6.3 (Calls) together with interest payable in accordance with the provisions of clause 17.5 (Interest on demand) of the STID.

6.4 Other obligations in respect of Investments

6.4.1

- (a) Each Chargor must comply with all requests for information which is within its knowledge and which it is required by law or the constitutional documents relating to any of its Investments to comply with. If it fails to do so, the Security Trustee may elect to provide any information which it may have on behalf of any Chargor.
- (b) Each Chargor must promptly supply a copy to the Security Trustee of any information referred to in subparagraph (a) above.

6.4.2 Each Chargor must comply with all other conditions and obligations assumed by it in respect of any Investment.

6.4.3 None of the Secured Creditors is obliged to:

- (a) perform any obligation of any Chargor;
- (b) make any payment;
- (c) make any enquiry as to the nature or sufficiency of any payment received by it or any Chargor; or
- (d) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed

in respect of any Investment.

6.5 Enforcement

After the Security has become enforceable, the Security Trustee shall be entitled, without any notice to or consent or authority of a Chargor either in its own name or in name of that Chargor or otherwise, without prejudice to the other provisions of this Clause 6 (*Investments*), to exercise all the rights, powers and discretions in respect of the Investments it would be entitled to exercise if it were the absolute owner of the Investments.

6.6 Clearance systems

Each Chargor must instruct any clearance system to transfer any Investment held by it for such Chargor or its nominee to an account of the Security Trustee, the Account Bank or its nominee with that clearance system.

6.7 Custodian arrangements

Each Chargor must:

- 6.7.1** as soon as reasonably practicable, give notice to any custodian of any agreement with that custodian in respect of any Investment; and
- 6.7.2** use reasonable endeavours to ensure that the custodian acknowledges that notice.

6.8 Notices etc

Where any of the Investments remain registered in name of any Chargor or its nominee, it shall promptly deliver to the Security Trustee a copy of every circular, notice, report, set of accounts or other document it may receive in respect of or relating to any such Investments.

7. WHEN SECURITY BECOMES ENFORCEABLE

7.1 Event of Default

This Security will become immediately enforceable following the occurrence of a Declared Default.

7.2 Enforcement

After this Security has become enforceable, the Security Trustee may in its absolute discretion enforce all or any part of this Security in any manner it sees fit, but in any event in accordance with the STID.

8. ENFORCEMENT OF SECURITY

8.1 General

8.1.1 The power of sale and any other power conferred on a mortgagee by law (including under section 101 of the Act and the power to appoint an administrator) will be immediately exercisable at any time after this Security has become enforceable.

8.1.2 For the purposes of all powers implied by law, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.

8.1.3 Any restriction on the power of sale (including under section 103 of the Act) or the right of a mortgagee to consolidate mortgages conferred by law (including under section 93 of the Act) does not apply to this Security.

8.1.4 For the purposes of the Collateral Regulations, after this Security is enforceable the Security Trustee may appropriate all or any part of any financial collateral which is subject to a legal or equitable mortgage created under or pursuant to this Deed in or towards satisfaction of the Secured Liabilities. Where it does so, the value of the financial collateral so appropriated shall be such amount as the Security Trustee so determines having taken into account advice obtained by it from an independent firm of accountants.

8.1.5 Any powers of leasing conferred on the Security Trustee by law are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any restrictions conferred by law (including under section 99 or 100 of the Act).

8.2 No liability as mortgagee in possession

Neither the Security Trustee nor any Receiver will be liable, by reason of entering into possession of a Security Asset:

8.2.1 to account as mortgagee in possession or for any loss on realisation; or

8.2.2 for any default or omission for which a mortgagee in possession might be liable.

8.3 No liability

Neither the Security Trustee nor any Receiver will be liable for any loss on realisation of any Charged Property or arising from the manner in which the Security Trustee or any Receiver enforces or refrains from enforcing the Security created under this Deed.

8.4 Privileges

Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by law (including the Act) on mortgagees and receivers duly appointed under any law (including the Act).

8.5 Protection of third parties

No person (including a purchaser) dealing with the Security Trustee or a Receiver or its or his agents will be concerned to enquire:

- 8.5.1 whether the Secured Liabilities have become payable;
- 8.5.2 whether any power which the Security Trustee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- 8.5.3 whether any money remains due under the Finance Documents; or
- 8.5.4 how any money paid to the Security Trustee or to that Receiver is to be applied.

8.6 Redemption of prior mortgages

8.6.1 At any time after this Security has become enforceable, the Security Trustee may:

- (a) redeem any prior Security against any of its assets; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the relevant Chargor.

8.6.2 Each Chargor must pay to the Security Trustee, immediately on demand, the costs and expenses properly incurred by the Security Trustee in connection with any such redemption and/or transfer, including the payment of any principal or interest.

8.7 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Trustee (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

9. RECEIVER

9.1 Appointment of Receiver

9.1.1 Except as provided below, the Security Trustee may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:

- (a) this Security has become enforceable; or
 - (b) a Chargor so requests the Security Trustee in writing at any time,
- provided that such appointment is effect in accordance with law and regulation.

9.1.2 Any appointment under Clause 9.1.1 above may be by deed, under seal or in writing under its hand.

- 9.1.3 Any restriction on the right of a mortgagee to appoint a Receiver conferred by law (including under section 109(1) of the Act) does not apply to this Deed.
- 9.1.4 The Security Trustee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with the leave of the court.
- 9.1.5 The Security Trustee may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Trustee is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.
- 9.2 Removal**
- The Security Trustee may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.
- 9.3 Remuneration**
- The Security Trustee may fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the Act) will not apply.
- 9.4 Agent of the Chargers**
- 9.4.1 A Receiver will be deemed to be the agent of the relevant Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The relevant Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- 9.4.2 No Secured Creditor will incur any liability (either to the relevant Chargor or to any other person) by reason of the appointment of a Receiver or by reason of any action or inaction of a Receiver.
- 9.5 Relationship with Security Trustee**
- To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Trustee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.
- 10. POWERS OF RECEIVER**
- 10.1 General**
- 10.1.1 A Receiver has all of the rights, powers and discretions set out below in this Clause 10 in addition to those conferred on it by any law, including all the rights, powers and discretions conferred on a receiver under the Act and a receiver or an administrative receiver under the Insolvency Act 1986.
- 10.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.
- 10.2 Possession**
- A Receiver may take immediate possession of, get in and collect any Security Asset.

10.3 Carry on business

A Receiver may carry on the business of a Chargor in any manner he thinks fit.

10.4 Employees

10.4.1 A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.

10.4.2 A Receiver may discharge any person appointed by a Chargor.

10.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

10.6 Sale of assets

10.6.1 A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.

10.6.2 The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.

10.6.3 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

10.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

10.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset.

10.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit.

10.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

10.11 Subsidiaries

A Receiver may form a Subsidiary of a Chargor and transfer to that Subsidiary any Security Asset.

10.12 Delegation

A Receiver may delegate his powers in accordance with this Deed.

10.13 Lending

A Receiver may lend money or advance credit to any customer of a Chargor.

10.14 Protection of assets

A Receiver may:

10.14.1 effect any repair or insurance and do any other act which the relevant Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;

10.14.2 commence and/or complete any building operation; and

10.14.3 apply for and maintain any planning permission, building regulation approval or any other authorisation

in each case as he thinks fit.

10.15 Other powers

A Receiver may:

10.15.1 do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;

10.15.2 exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and

10.15.3 use the name of the relevant Chargor for any of the above purposes.

11. APPLICATION OF PROCEEDS

Any moneys received by the Security Trustee or any Receiver after this Security has become enforceable must be applied in accordance with the STID.

12. EXPENSES AND INDEMNITY

Each Chargor must:

12.1 immediately on demand pay all costs, liabilities and expenses (including legal fees and any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise) incurred in connection with this Deed by any Secured Creditor, Receiver, attorney, manager, agent or other person appointed by the Security Trustee under this Deed on a full indemnity basis, together with VAT; and

12.2 keep each of them indemnified against any failure or delay in paying those costs or expenses; this includes any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise

save to extent that such costs, liabilities and expenses are caused by such indemnified party's own gross negligence, wilful default or fraud.

12.3 Each Chargor shall indemnify the Security Trustee and any other person duly appointed by the Security Trustee under this Deed immediately on demand against:

12.3.1 any losses, liabilities, costs and expenses (including legal fees) and any VAT thereon incurred, directly or indirectly, by any of them:

- (a) In the exercise or purported exercise of any power, right, authority or discretion vested in them under this Deed (whether acting on the instructions of any Chargor or otherwise);
- (b) in the creation or performance of, or otherwise in connection with this Deed (including the remuneration of any Receiver) or in connection with the Security created under this Deed or any Charged Property;
- (c) in connection with the holding, protection, perfection, preservation or enforcement (or attempted protection, perfection, preservation or enforcement) of the Security or other rights created under this Deed or obtaining or attempting to obtain payment of any Secured Liabilities;
- (d) as a result of or in connection with any default or delay by any Chargor in performing any of its obligations under this Deed; and
- (e) all claims, actions and proceedings in respect of any matter or thing done or omitted by any person in connection with this Deed or in any other way relating to this Deed, any Charged Property or the Security granted under this Deed,

and the Security Trustee may, subject to the provisions of the STID, retain and pay all sums in respect of the same out of any moneys received under this Deed.

13. DELEGATION

13.1 Power of Attorney

The Security Trustee or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

13.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Security Trustee or any Receiver may think fit.

13.3 Liability

Neither the Security Trustee nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate or sub-Delegate.

14. FURTHER ASSURANCES

14.1 Each Chargor must, at its own expense, take whatever action the Security Trustee or a Receiver may reasonably require for:

- 14.1.1** creating, perfecting or protecting any security intended to be created by this Deed; or
- 14.1.2** facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its Delegates or sub-Delegates in respect of any Security Asset.

This includes:

- (a) the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Security Trustee or to its nominee; or
- (b) the giving of any notice, order or direction and the making of any filing or registration

which, in any such case, the Security Trustee may think expedient.

15. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Trustee, any Receiver and any of its Delegates or sub-Delegates to be its attorney to take any action which such Chargor is obliged but has failed to take under this Deed. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 15.

16. GUARANTEE AND INDEMNITY

16.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

- 16.1.1 guarantees to each Secured Creditor punctual performance by each Obligor of the Secured Liabilities;
- 16.1.2 undertakes with each Secured Creditor that whenever an Obligor does not pay any amount of the Secured Liabilities, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- 16.1.3 agrees with each Secured Creditor that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Creditor immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 16 if the amount claimed had been recoverable on the basis of a guarantee.

16.2 Guarantor Intent

Without prejudice to the generality of Clause 17.3 (Waiver of defences), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

17. PRESERVATION OF SECURITY

17.1 Continuing security

This Security is continuing and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

17.2 Reinstatement

- 17.2.1 If any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of each Chargor under this Deed will continue as if the discharge or arrangement had not occurred.
- 17.2.2 Each Secured Creditor may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

17.3 Waiver of defences

Neither the obligations of each Chargor under this Deed nor this Security will be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of those obligations or this Security (whether or not known to any Chargor or any Secured Creditor). This includes:

- 17.3.1 any time or waiver granted to, or composition with, any person;
- 17.3.2 the release of any person under the terms of any composition or arrangement;
- 17.3.3 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, any person;
- 17.3.4 any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any security;
- 17.3.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- 17.3.6 any amendment (however fundamental) of a Finance Document or any other document or security; or
- 17.3.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security; or
- 17.3.8 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any Security Interest or any right or remedy which the Security Trustee or any other Secured Creditor or any other person may have now or in the future from or against any Chargor or any other person in respect of any of the Secured Liabilities; or
- 17.3.9 any failure, act or omission by the Security Trustee or any Secured Creditor or any other person in taking up, perfecting or enforcing any Security Interest or guarantee, surety or indemnity from or against any Chargor or any other person in respect of the Secured Liabilities; or
- 17.3.10 any increase in or waiver or discharge of any of the Secured Liabilities; or
- 17.3.11 any of the administration, receivership, liquidation, winding-up, insolvency, bankruptcy, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name or style of any Chargor or any other person; or
- 17.3.12 any renumbering or redesignation of any Account or its being transferred to another branch or department of the relevant Account Bank.

17.4 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Creditor (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Chargor under this Deed.

17.5 Appropriations

Each Secured Creditor (or any trustee or agent on its behalf) may at any time during the Security Period without affecting the liability of any Chargor under this Deed:

- 17.5.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Creditor (or any trustee or agent on its behalf) in respect of those amounts; or
- 17.5.2 apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise); or
- 17.5.3 hold in an interest bearing suspense account any moneys received from any Chargor or on account of the liability of any Chargor under this Deed.

17.6 Non-competition

Unless:

- 17.6.1 the Security Period has expired;
- 17.6.2 permitted to do so in accordance with the STID; or
- 17.6.3 the Security Trustee otherwise directs

no Chargor will, after a claim has been made under this Deed or any Security enforced or by virtue of any payment or performance by it under this Deed:

- (a) be subrogated to any rights, security or moneys held, received or receivable by any Secured Creditor (or any trustee or agent on its behalf);
- (b) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of any Chargor's liability under this Deed;
- (c) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with any Secured Creditor (or any trustee or agent on its behalf); or
- (d) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor.

Each Chargor must hold in trust for and immediately pay or transfer to the Security Trustee for the Secured Creditors any payment or distribution or benefit of security received by it contrary to this Clause 17.6 or in accordance with any directions given by the Security Trustee under this Clause 17.6.

17.7 Additional security

This Security is in addition to and is not in any way prejudiced by any other security now or subsequently held by any Secured Creditor.

17.8 No prejudice

The Security shall be in addition to and shall not in any way prejudice or be prejudiced by any other security, right or remedy which the Security Trustee or any other Secured Creditor may now or at any time hereafter hold for all or any part of the Secured Liabilities.

18. MISCELLANEOUS

18.1 Covenant to pay

Each Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

18.2 Tacking

Each Secured Creditor must perform its obligations under the Finance Documents (including any obligation to make available further advances).

18.3 New Accounts

18.3.1 If any subsequent charge or other interest affects any Security Asset, any Secured Creditor may open a new account with the relevant Chargor.

18.3.2 If a Secured Creditor does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.

18.3.3 As from that time all payments made to that Secured Creditor will be credited or be treated as having been credited to the new account and will not operate to reduce any of the Secured Liabilities.

18.4 Time deposits

Without prejudice to any right of set-off any Secured Creditor may have under any other Finance Document or otherwise, if any time deposit matures on any account any Chargor has with any Secured Creditor within the Security Period when:

18.4.1 this Security has become enforceable; and

18.4.2 no Secured Liabilities are due and payable

that time deposit will automatically be renewed for any further maturity which that Secured Creditor considers appropriate.

19. RELEASE

19.1 At the end of the Security Period but not otherwise (except in accordance with paragraph 6.4 (Secretary of State) of schedule 5 (Cash Management) to the Common Terms Agreement), the Secured Creditors must, at the request and cost of the Chargors, take whatever action is necessary to release the Security Assets from this Security.

20. GOVERNING LAW

This Deed, and any non-contractual obligations arising under or in connection with it, are governed by English law.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1

THE CHARGORS

Company name	Company Number	Registered address
Gwynt y Mor OFTO plc	08796159	6th Floor, 350 Euston Road, London, NW1 3AX
Gwynt y Mor OFTO Intermediate Limited	08796181	6th Floor, 350 Euston Road, London, NW1 3AX
Gwynt y Mor OFTO Holdings Limited	08796189	6th Floor, 350 Euston Road, London, NW1 3AX

SCHEDULE 2

PART 1

[On letterhead of the OFTO]

To: [Name of counterparty to the O&M Agreement/O&M Guarantee/Professional Services Agreement]

Address: []

Attention: []

Date: []

Dear Sirs

[Specify relevant Project Document[s] (the "Project Document[s])"]

1. We hereby give notice that by a Security Agreement between us and Deutsche Trustee Company Limited as Security Trustee therein specified (the "**Security Trustee**") dated the [] day of [] 2015 the ("**Security Agreement**") we have assigned absolutely by way of security to the Security Trustee the benefit of and our whole present and future rights under the Project Document[s] and the proceeds of all payments, claims, awards and other sums (including liquidated and ascertained damages) paid or payable to us under or in respect thereof and all our present and future claims, rights, remedies and causes of action thereunder (the "**Connected Rights**").
2. We irrevocably instruct and authorise you without further reference to or enquiry or permission from us:
 - 2.1 to disclose to the Security Trustee any information about the Project Document[s] and Connected Rights which it may hereafter request or any time and from time to time provided that the Security Trustee has confirmed that a Default has occurred and is continuing;
 - 2.2 notwithstanding the assignment referred to, we shall remain liable to fulfil all obligations and liabilities under or in respect of the Project Document[s], and neither the Security Trustee nor any receiver appointed by it shall have any such obligation or liability to you (but may elect to fulfil same).
 - 2.3 unless and until the Security Trustee gives you written notice that the Security Agreement has become enforceable (an "**Enforcement Notice**"):
 - 2.3.1 we remain entitled to exercise all rights, powers and discretions conferred by the Project Document[s]; and
 - 2.3.2 you should send all notices and other communications under and in respect of the Project Document[s] and Connected Rights to us and make all payments under and in accordance with the provisions of the Project Document[s].
 - 2.4 Upon the delivery to you by the Security Trustee of an Enforcement Notice:
 - 2.4.1 the Security Trustee shall be entitled immediately or at any time thereafter to exercise all the rights, powers and discretions conferred under or available at law or in equity in respect of the Project Document[s] and Connected Rights; and
 - 2.4.2 you should hold all present and future rights, interests and benefits arising under or in respect of the Project Document[s] and the Connected Rights to the order of the Security Trustee and make all further payments in respect thereof to such account or accounts (if any) or otherwise as the Security Trustee may direct.

- 2.5 We irrevocably agree that you shall be entitled to rely and act on any Enforcement Notice without enquiry.
3. Please confirm that you will not:
- 3.1 demand, claim, sue for, recover, retain or receive any amount from us (including by way of set off, counterclaim or retention) except and only to the extent that we are expressly obliged to pay such amount to you under the Project Document[s];
- 3.2 receive or permit any guarantee, surety, indemnity or other assurance against loss to subsist in your favour in respect of any of our obligations under the Project Document[s] (except to the extent contemplated by the terms of the Project Document[s]);
- 3.3 initiate, support or take any action in relation or with a view to:
- 3.3.1 any suspension of payments, moratorium of any indebtedness, winding-up, administration, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or dissolution of us;
- 3.3.2 any composition, assignment or arrangement with any of our creditors; or
- 3.3.3 the appointment of a receiver, liquidator, administrator, compulsory manager or similar official in respect of any of our assets,
- unless the Security Trustee has provided its prior written consent (in accordance with the STID Decision Making Protocol) to such action;
- 3.4 take or omit to take any action which might impair the subordination achieved or intended to be achieved by this notice; and
- 3.5 if any of the events specified in paragraph 3.3 above occurs:
- 3.5.1 be entitled to any right of contribution or indemnity in respect of any moneys or other distributions received or payments made on account of our obligations under the Project Document[s] or be subrogated to any interest, moneys or other rights held, received or receivable by the Security Trustee;
- 3.5.2 claim, rank, prove or vote as a creditor of us whether in competition with the Security Trustee or otherwise; or
- 3.5.3 receive, claim or have the benefit of any payment, distribution or interest from us or on account of us;
- unless the Security Trustee has provided its prior written consent (in accordance with the STID Decision Making Protocol) to such action.
4. Please confirm that, if you receive any amount (including by way of set off, counterclaim or retention) in contravention of the provisions of paragraph 3 above, you shall immediately notify the Security Trustee and turn the same over to the Security Trustee and pending such payment shall hold the same on trust for the Security Trustee.
5. Please confirm that you have not received notice or are otherwise aware of any other assignment, charge, encumbrance or third party interest in respect of [any of] the Project Document[s] or Connected Rights and that you have not claimed or exercised and will not claim or exercise any right of set-off, counterclaim, deduction, retention or security interest in respect thereof (except to the extent permitted under the terms of the Project Document[s]).
6. Please confirm that you will not terminate, rescind or repudiate [any of] the Project Document[s] without giving the Security Trustee 30 days prior written notice of such proposed termination, rescission or repudiation specifying the action required to avoid the same: and in particular where

any breach or default on the part of any Chargor of the terms of [any of] the Project Document[s] would entitle you to terminate, rescind or repudiate same, you shall not exercise such right without first giving the Security Trustee 30 days prior written notice specifying such breach or default, and the action required to rectify same, and affording it the opportunity to effect such rectification.

7. Please also confirm that at the date of your acknowledgement no breach or default on our part or any other ground or circumstance exists which would entitle you to terminate, rescind or repudiate [any of] the Project Document[s].
8. The instructions and authorisations in this letter may not be revoked or amended without the prior written consent of the Security Trustee.
9. This notice and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
10. Please acknowledge receipt and confirm your agreement to the terms of this letter by sending the attached acknowledgement to the Security Trustee with a copy to us.

Yours faithfully

For and on behalf of GWYNT Y MOR OFTO PLC

Director/Authorised Signatory

PART 2

Form of acknowledgement to the O&M Agreement/O&M Guarantee/Professional Services Agreement

[On letterhead of each counterparty to the O&M Agreement/O&M Guarantee/Professional Services Agreement]

To: [●]
[as Security Trustee specified in the Security Agreement]
Address: []
Attention: []

Copied to: Gwynt y Mor OFTO plc
Address: []
Attention: []

Date: []

Dear Sirs

[O&M Agreement/O&M Guarantee/Professional Services Agreement](the "Project Document[s])"

1. We hereby acknowledge receipt from Gwynt y Mor OFTO plc (the "Company") of a notice of [assignment] dated [•] of the benefit of its whole present and future rights under the Project Document[s], and the proceeds of all payments, claims, awards and other sums (including liquidated and ascertained damages) paid or payable to the Company under or in respect thereof and all its present and future claims, rights, remedies and causes of action thereunder (the "Connected Rights").
2. We confirm that we accept the instructions and authorisations contained in paragraph 2 of the said notice and undertake to comply with their terms.
3. We confirm that we shall not:
 - 3.1 demand, claim, sue for, recover, retain or receive any amount from the Company (including by way of set off, counterclaim or retention) except and only to the extent that the Company is expressly obliged to pay such amount to us under the Project Document[s];
 - 3.2 receive or permit any guarantee, surety, indemnity or other assurance against loss to subsist in our favour in respect of any of the Company's obligations under the Project Document[s] (except to the extent contemplated by the terms of the Project Document[s]);
 - 3.3 initiate, support or take any action in relation or with a view to:
 - 3.3.1 any suspension of payments, moratorium of any indebtedness, winding-up, administration, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or dissolution of the Company;
 - 3.3.2 any composition, assignment or arrangement with any of the creditors of the Company; or
 - 3.3.3 the appointment of a receiver, liquidator, administrator, compulsory manager or similar official in respect of any of the assets of the Company,

unless you have provided your prior written consent (in accordance with the STID Decision Making Protocol) to such action;

- 3.4 take or omit to take any action which might impair the subordination achieved or intended to be achieved by the Company's notice and this acknowledgement; and
- 3.5 if any of the events specified in paragraph 3.3 above occurs:

3.5.1 be entitled to any right of contribution or indemnity in respect of any moneys or other distributions received or payments made on account of the Company's obligations under the Project Document[s] or be subrogated to any interest, moneys or other rights held, received or receivable by the Security Trustee;

3.5.2 claim, rank, prove or vote as a creditor of the Company whether in competition with the Security Trustee or otherwise; or

3.5.3 receive, claim or have the benefit of any payment, distribution or interest from the Company or on account of the Company;

unless you have provided your prior written consent (in accordance with the STID Decision Making Protocol) to such action.

4. We confirm that, if we receive any amount (including by way of set off, counterclaim or retention) in contravention of the provisions of paragraph 3 above, we shall immediately notify the Security Trustee and turn the same over to the Security Trustee and pending such payment shall hold the same on trust for the Security Trustee (except to the extent permitted under the terms of the Project Document[s]).
5. We have not received notice nor are we aware of any other assignment, charge, encumbrance or third party interest in respect of the [any of] the Project Document[s] or the Connected Rights, and we have not claimed or exercised and will not claim or exercise, any right of set-off, counterclaim, deduction, retention or security interest in respect thereof.
6. We will not terminate, rescind or repudiate [any of] the Project Document[s] without giving you 30 days prior written notice of such proposed termination, rescission or repudiation specifying the action required to avoid the same: and in particular, where any breach or default on the part of the Company of the terms of [any of] the Project Document[s] would entitle us to terminate rescind or repudiate same we will not exercise such right without first giving you 30 days prior written notice specifying such breach or default and the action required to rectify same, and affording you the opportunity to effect such rectification.
7. At the date of this deed, no breach or default on the part of the Company or any other ground or circumstance exists which would entitle us to terminate, rescind or repudiate [any of] the Project Document[s].
8. We are aware that you will rely on this deed in respect of your rights under the Security Agreement dated [•] 2015 between you and the Company.
9. This deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Yours faithfully

Executed as a DEED for and on behalf of [Counterparty] Limited [plc]

..... Director/Authorised Signatory

..... Full Name

..... Director/Authorised Signatory

..... Full Name

PART 3

**Form of notice of assignment to counterparties to Project Documents (Excluding the Transmission Licence, the O&M Agreement, the O&M Guarantee and the Professional Services Agreement),
Advisory Reports, Engagement Letter and Agency Agreement**

[ON LETTERHEAD OF THE RELEVANT CHARGOR]

To: [Name of counterparty]

Address: []

Attention: []

Date: []

Dear Sirs

[Specify relevant Project Document[s] (the "Project Document[s]") / [the paying agency agreement dated on or about the date of this notice between Gwynt y Mor OFTO plc, [Bond Trustee] and [Principal Paying Agent] (the "Agency Agreement")/ [List Adviser Report[s] (the "Adviser Report[s]") / [List Engagement Letter] (the "Engagement Letter")]

1. We hereby give notice that by a Security Agreement between us and Deutsche Trustee Company Limited as Security Trustee therein specified (the "**Security Trustee**") dated the [] day of [] 2015 the ("**Security Agreement**") we have [assigned absolutely by way of security] to the Security Trustee the benefit of and our whole present and future rights under the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter] and the proceeds of all payments, claims, awards and other sums (including liquidated and ascertained damages) paid or payable to us under or in respect thereof and all our present and future claims, rights, remedies and causes of action thereunder (the "**Connected Rights**").
2. We irrevocably instruct and authorise you without further reference to or enquiry or permission from us to disclose to the Security Trustee any information about the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter] and Connected Rights which it may hereafter request from time to time (provided that the Security Trustee has confirmed that a Default has occurred and is continuing).
3. Notwithstanding the assignment referred to, we shall remain liable to fulfil all obligations and liabilities under or in respect of the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter], and neither the Security Trustee nor any receiver appointed by it shall have any such obligation or liability to you (but may elect to fulfil same).
4. Unless and until the Security Trustee gives you written notice that the Security Agreement has become enforceable (an "**Enforcement Notice**"):
 - 4.1.1 we remain entitled to exercise all rights, powers and discretions conferred by the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter]; and
 - 4.1.2 you should send all notices and other communications under and in respect of the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter] and Connected Rights to us and make all payments under and in accordance with the provisions of the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter].
5. Upon the delivery to you by the Security Trustee of an Enforcement Notice:
 - 5.1.1 the Security Trustee shall be entitled immediately or at any time thereafter to exercise all the rights, powers and discretions conferred under or available at law or in equity in respect of the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter] and Connected Rights; and
 - 5.1.2 you should hold all present and future rights, interests and benefits arising under or in respect of the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter].

Engagement Letter] and the Connected Rights to the order of the Security Trustee and make all further payments in respect thereof to such account or accounts (if any) or otherwise as the Security Trustee may direct.

6. We Irrevocably agree that you shall be entitled to rely and act on any Enforcement Notice without enquiry.
7. Please confirm that you have not received notice or are otherwise aware of any other assignment, charge, encumbrance or third party interest in respect of [any of] the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter] or Connected Rights and that you have not claimed or exercised and will not claim or exercise any right of set-off, counterclaim, deduction, retention or security interest in respect thereof (except to the extent permitted under the terms of the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter]).
8. Please also confirm that at the date of your acknowledgement no breach or default on our part or any other ground or circumstance exists which would entitle you to terminate, rescind or repudiate [any of] the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter].
9. The instructions and authorisations in this letter may not be revoked or amended without the prior written consent of the Security Trustee.
10. This notice and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
11. Please acknowledge receipt and confirm your agreement to the terms of this letter by sending the attached acknowledgement to the Security Trustee with a copy to us.

Yours faithfully
For and on behalf of GWYNT Y MOR OFTO PLC

Director/Authorised Signatory

PART 4

Form of acknowledgement to the Project Documents (excluding the Transmission Licence, O&M Agreement, O&M Guarantee and Professional Services Agreement), Adviser Reports, Engagement Letter and Agency Agreement

[On letterhead of each counterparty to each Project Document/Agency Agreement/Adviser Report/Engagement Letter]

To: [●]
[as Security Trustee specified in the Security Agreement]
Address: []
Attention: []
Copied to: Gwynt y Mor OFTO plc
Address: []
Attention: []
Date: []

Dear Sirs

[Specify relevant Project Document(s) as per notice of assignment (the "Project Document[s]") / [the paying agency agreement dated on or about the date of this notice between Gwynt y Mor OFTO plc, [Bond Trustee] and [Principal Paying Agent] (the "Agency Agreement") / [List Adviser Report(s) (the "Adviser Report[s]") / [List Engagement Letter] (the "Engagement Letter")]

1. We hereby acknowledge receipt from Gwynt y Mor OFTO plc (the "Company") of a notice of [assignment/charge] dated [●] of the benefit of its whole present and future rights under the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter], and the proceeds of all payments, claims, awards and other sums (including liquidated and ascertained damages) paid or payable to the Company under or in respect thereof and all its present and future claims, rights, remedies and causes of action thereunder (the "Connected Rights").
2. We confirm that we accept the instructions and authorisations contained in paragraph 2 of the said notice and undertake to comply with their terms.
3. We have not received notice nor are we aware of any other assignment, charge, encumbrance or third party interest in respect of the [any of] the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter] or the Connected Rights, and we have not claimed or exercised and will not claim or exercise, any right of set-off, counterclaim, deduction, retention or security interest in respect thereof (except to the extent permitted under the terms of [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter]).
4. At the date of this letter, no breach or default on the part of the Company or any other ground or circumstance exists which would entitle us to terminate, rescind or repudiate [any of] the [Project Document[s] / Agency Agreement / Adviser Report[s] / Engagement Letter].
5. We are aware that you will rely on this letter in respect of your rights under the Security Agreement.
6. This letter and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Yours faithfully

For and on behalf of [Counterparty] Limited [plc]

..... Director/Authorised Signatory

..... Full Name

SCHEDULE 3

DETAILS OF SHARES

Name of Company	Description and Number of Shares	Name of Shareholder
Gwynt y Mor OFTO plc	50,999	Gwynt y Mor OFTO Holdings Limited
Gwynt y Mor OFTO Intermediate Limited	1	Gwynt y Mor OFTO Holdings Limited

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SIGNATORIES

OFTO

**EXECUTED as a deed by
GWYNT Y MOR OFTO PLC**

by:
in the presence of:

Director

Witness's Signature:

Name:

Address:

INTERMEDIATECO

RORY WHITE-ANDREW

ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD
www.allenoverly.com

EXECUTED as a deed by
**GWYNT Y MOR OFTO INTERMEDIATE
LIMITED**

by:
In the presence of:

1 Director

Witness's Signature:

Name: _____

Address:

HOLDCO

RORY WHITE-ANDREWS

ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD
www.allenoverly.com

**EXECUTED as a deed by
GWYNT Y MOR OFTO HOLDINGS LIMITED**

by:
in the presence of:

Director

Witness's Signature:

Name:

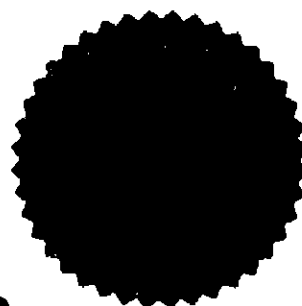
Address:

RORY WHITE-ANDREWS

ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD
www.allenoverly.com

Security Trustee

**EXECUTED as a DEED
by affixing THE COMMON SEAL
of DEUTSCHE TRUSTEE
COMPANY LIMITED**



) [Redacted]
) [Redacted]
) [Redacted]
) ~~Director~~/Associate Director

) [Redacted]
) [Redacted]
) ~~Director~~/Associate Director

[REDACTED]

[REDACTED]