

49732/13

In accordance with
Sections 859A and
859J of the Companies
Act 2006

MR01

Particulars of a charge

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where the
instrument Use form MR0



RCS 07/12/2015 #1
COMPANIES HOUSE
"R4LPTM68"
A16 01/12/2015 #296
COMPANIES HOUSE
"A4LB2PQJ"

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.



You must enclose a certified copy of the instrument with this form scanned and placed on the public record. **Do not send the original.**

MONDAY
TL

1 Company details

Company number 09816281

Company name in full Canadian Solar UK Parent Limited

For official use

→ Filling in this form

Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

2 Charge creation date

Charge creation date 30/11/2015

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge

Name The Royal Bank of Scotland plc (as Security Trustee)

Name

Name

Name

If there are more than four names, please supply any four of these names then tick the statement below

☐ I confirm that there are more than four persons, security agents or trustees entitled to the charge

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

The Chargor's right, title and interest from time to time in and to the Charged Portfolio and Related Assets For more details please refer to the instrument

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

¹ This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

No Image Available

X

Watson Farley + Williams LLP

X

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

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of public record.

Contact name Adam Blythe

Company name Watson Farley & Williams LLP

Address 15 Appold Street

Post town London

County/Region

Postcode E C 2 A 2 H B

Country UK

DX

Telephone 020 7814 8016



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy



Important information

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



How to pay

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

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

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

PROFORMA

Company Number 09816281

Company Name Canadian Solar UK Parent Limited

Contact Name/ Organisation Adam Blythe – Watson Farley & Williams LLP

Address 15 Appold Street, London EC2A 2HB

—The following details will need to be added to, amended or deleted from the Form MR01/LLMR01/MR08/LLMR08

Particulars of the charge to be added, amended or deleted (please tick as appropriate)

- ☐ Company /LLP number
- ☐ Company/LLP name
- ☐ Date of creation of charge
- ☐ Persons entitled to the charge
- ☐ Description of property
- ☐ Fixed charge tick box (applies only to MR01/LLMR01)
- ☒ Floating charge tick box (applies only to MR01/LLMR01)
- ☐ Negative pledge tick box (applies only to MR01/LLMR01)
- ☐ Nature of the charge
(applies only to MR08/LL MR08)
- ☐ Obligations secured by the charge
(applies only to MR08/LL MR08)

• **The following details will need to be added to, amended or deleted from the Form MR02/LLMR02/MR09/LLMR09**

Particulars of the charge to be added, amended or deleted (please tick as appropriate)

- ☐ Company /LLP number
- ☐ Company/LLP name
- ☐ Date of creation of charge
- ☐ Date that property or undertaking was acquired

- ☐ Persons entitled to the charge
- ☐ Description of property
- ☐ Fixed charge tick box (applies only to MR02/LLMR02)
- ☐ Floating charge tick box (applies only to MR02/LLMR02)
- ☐ Negative pledge tick box (applies only to MR02/LLMR02)
- ☐ Nature of the charge
(applies only to MR09/LL MR09)
- ☐ Obligations secured by the charge
(applies only to MR09/LL MR09)

- **The following details will need to be added to, amended or deleted from the Form MR03/MR10/LLMR03/LLMR10**

Particulars of the charge to be added, amended or deleted (please tick as appropriate)

- ☐ Company /LLP number
- ☐ Company/LLP name
- ☐ Date of creation of charge
- ☐ Date of resolution or determination
- ☐ Date of covering instrument
- ☐ Names of trustees for debenture holders
- ☐ Description of property
- ☐ Fixed charge tick box (applies only to MR03/LLMR03)
- ☐ Floating charge tick box (applies only to MR03/LLMR03)
- ☐ Negative pledge tick box (applies only to MR03/LLMR03)
- ☐ Nature of the charge
(applies only to MR10/LL MR10)
- ☐ Obligations secured by the charge
(applies only to MR10/LL MR10)

Please give the instructions in the box below)

Please amend box 6 in respect of the MR01 form submitted to Companies House relating to Canadian Solar UK Parent Limited (09816281) to tick the 'No' box denoting that the instrument does not create a floating charge.



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9816281

Charge code: 0981 6281 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th November 2015 and created by CANADIAN SOLAR UK PARENT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th December 2015.

Given at Companies House, Cardiff on 8th December 2015



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 30 November 2015

CANADIAN SOLAR UK PARENT LIMITED

as Chargor

and

THE ROYAL BANK OF SCOTLAND PLC

as Security Trustee

HOLDCO SECURITY AGREEMENT

We hereby certify this document to be a true
copy of the original

J. Etherington J. ETHERINGTON

Watson, Farley & Williams LLP, Solicitors
15 Abchurch Lane
London EC2A 2HB
United Kingdom

30/11/15

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THIS AGREEMENT is made on 30 November 2015

PARTIES

- (1) **CANADIAN SOLAR UK PARENT LIMITED**, a company incorporated in England with registered number 09816281 whose registered office is at 1 Lumley Street, Mayfair, London W1K 6TT as Chargor (the "**Chargor**"), and
- (2) **THE ROYAL BANK OF SCOTLAND PLC**, a company incorporated in Scotland with registration number SC090312 whose registered office is at St Andrew Square, Edinburgh, EH2 2YB as security trustee on behalf of the Secured Parties (the "**Security Trustee**")

BACKGROUND

- (A) Further to the Facility Agreement (as defined below) the Original Lender has agreed to make available to the Borrower the Facility
- (B) It is a condition precedent to the Facility being made available that the Chargor enters into this Agreement
- (C) It is intended by the parties to this Agreement that this document will take effect as a deed despite the fact that a party may only execute this Agreement under hand
- (D) The Security Trustee is acting under and holds the benefit of the rights conferred upon it in this Agreement on trust for the Secured Parties.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement

"**Charged Portfolio**" means the Shares and the Related Assets

"**Charged Property**" means all the assets and undertaking of a Chargor which from time to time are the subject of the Security created or expressed to be created in favour of the Security Trustee by or pursuant to this Agreement

"**Collateral Rights**" means all rights, powers and remedies of the Security Trustee provided by this Agreement or by law

"**Disputes**" has the meaning given to it in Clause 28 (*Jurisdiction and Enforcement*)

"**Facility Agreement**" means the facilities agreement dated on or about the date hereof between, amongst others, the Borrower, the Guarantors, the Arranger, the Original Lender, the Facility Agent and the Security Trustee, each as defined in such agreement as amended, varied, novated or supplemented from time to time

"**Notice of Assignment**" means a notice of assignment in substantially the form set out in Schedule 1 (*Form of Notice of Assignment of Specific Contract*)

"**Party**" means a party to this Agreement

"**Original Financial Statements**" means the Chargor's opening balance sheet

"Receiver" means a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Charged Property and that term will include any appointee made under a joint and/or several appointment

"Regulations" has the meaning given to it in Clause 10.3 (*Right of Appropriation*)

"Related Assets" means all dividends, interest and other monies at any time payable in respect of the Shares and all other rights, benefits and proceeds in respect of or derived from the Shares (whether by way of redemption, bonus, preference, option, substitution, conversion, compensation or otherwise) held by, to the order or on behalf of the Chargor at any time

"Related Rights" means, in relation to any asset

- (a) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (b) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset, and
- (c) any monies and proceeds paid or payable in respect of that asset, including pursuant to any sale

"Specific Contracts" means

- (a) any HoldCo Loan Agreement; and
- (b) any other intra-company loans from the Chargor as lender to the Borrower as amended, varied, novated, supplemented or replaced from time to time

"Shares" means all of the ordinary shares in the capital of the Borrower held by, to the order or on behalf of the Chargor at any time

1.2 Terms defined in other Finance Documents

Unless defined in this Agreement, or the context otherwise requires, a term defined in the Facility Agreement or in any other Finance Document has the same meaning in this Agreement or any notice given under or in connection with this Agreement, as if all references in those defined terms to the Facility Agreement or other Finance Documents were a reference to this Agreement or that notice

1.3 Construction

In this Agreement the rules of interpretation contained in clause 1.2 (*Construction*) of the Facility Agreement shall apply to the construction of this Agreement or any notice given under or in connection with this Agreement

1.4 Third Party Rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement

1.5 Present and future assets

The absence of or incomplete details of any Charged Property in any Schedule shall not affect the validity or enforceability of any Security under this Agreement

1.6 Security

Clause 3 (*Assignments*) shall be construed as creating a separate and distinct assignment by way of security over each relevant asset within any particular class of assets defined under this Agreement and the failure to create an effective assignment by way of security (whether arising out of this Agreement or any act or omission by any party) on any one asset shall not affect the nature of any assignment imposed on any other asset whether within that same class of assets or not

1.7 No obligation

The Security Trustee shall not be under any obligation in relation to the Charged Property as a consequence of this Agreement and the Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Charged Property

2 PAYMENT OF SECURED OBLIGATIONS

2.1 Covenant to Pay

The Chargor covenants with the Security Trustee as trustee for the Secured Parties that it shall discharge all Secured Obligations on their due date in accordance with their respective terms and the Chargor shall pay to the Security Trustee when due and payable every sum at any time owing, due or incurred by the Chargor to the Security Trustee (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties in respect of any such Secured Obligations. Provided that neither such covenant nor the Security constituted by this Agreement shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or Security to be unlawful or prohibited by any applicable law

2.2 Interest on Demands

If the Chargor fails to pay any sum on the due date for payment of that sum the Chargor shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the date of demand until the date of payment calculated on a daily basis at the rate determined in accordance with the provisions of clause 8.3 (*Default Interest*) of the Facility Agreement

3 ASSIGNMENTS

3.1 Assignments

- (a) The Chargor, to the extent permitted by applicable law, assigns and agrees to assign absolutely with full title guarantee to the Security Trustee as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations all the Chargor's right, title and interest from time to time in and to (subject to obtaining any necessary consent to that assignment from any third party) the Specific Contracts, all proceeds paid or payable thereunder and all Related Rights, subject to the right of the Chargor to redeem such assignment upon the full payment or discharge of the Secured Obligations
- (b) For the avoidance of doubt, prior to the occurrence of an Event of Default (which is continuing) the Chargor shall be permitted to continue to exercise its rights, powers and discretions in relation to the Specific Contracts and retain payments of receivables assigned hereunder, subject always to the provisions of the Finance Documents and this Agreement.

3.2 Fixed charges

The Chargor charges the Specific Contracts by way of first fixed charge, to the extent not effectively assigned by under Clause 3.1 (*Assignments*).

4 CHARGE OVER SHARES

The Chargor charges the Charged Portfolio with full title guarantee and by way of first fixed charge, in favour of the Security Trustee as trustee for the Secured Parties, as continuing security for the payment and discharge of the Secured Obligations

4.1 Interest on Demand

If the Chargor fails to pay any sum on the due date for payment of that sum the Chargor shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the date of demand until the date of payment calculated on a daily basis at the rate determined in accordance with the provisions of clause 8.3 (*Default Interest*) of the Facility Agreement

5 PERFECTION OF SECURITY AND DELIVERY OF CERTIFICATES

5.1 Deposit of certificates

The Chargor will immediately upon the execution of this Agreement (or upon coming into possession of the Chargor at any time) deposit (or procure there to be deposited) with the Security Trustee all certificates and other documents of title to the Shares, and stock transfer forms (executed in blank by or on behalf of the Chargor) in respect of the Shares

5.2 Perfection of security

- (a) The Chargor shall, promptly upon the accrual, offer or issue of any Related Assets (in the form of stocks, shares, warrants or other securities) in which the Chargor has a beneficial interest, procure the delivery to the Security Trustee of (a) all certificates and other documents of title representing those Related Assets and (b) such duly executed blank stock transfer forms or other instruments of transfer in respect of those Related Assets as the Security Trustee may require
- (b) The Chargor shall deliver to the Security Trustee (or procure delivery of) Notices of Assignment duly executed by, or on behalf of, the Chargor:
 - (i) in respect of each Specific Contract entered into on or prior to the date of this Agreement, promptly after the date of this Agreement,
 - (ii) in respect of any Specific Contract entered into after the date of this Agreement, within three (3) Business Days of the date of such Specific Contract, and

and in each case shall use reasonable endeavours to procure that each notice is acknowledged by the obligor or debtor specified by the Security Trustee and shall retain and, if reasonably requested by the Security Trustee to do so, promptly deliver to the Security Trustee written evidence of the delivery of such Notices of Assignment to the relevant counterparties specified in such Notices of Assignment, provided that the obligation under this Clause 5.2 (*Related Assets*) shall not apply if such notices and acknowledgements have been incorporated into a Specific Contract or a Finance Document

6 VOTING RIGHTS AND DIVIDENDS

6.1 Voting rights and dividends prior to an Event of Default

Prior to the occurrence of an Event of Default (which is continuing), the Chargor shall

- (a) apply all dividends, interest and other monies arising from the Charged Portfolio in accordance with the terms of the Facility Agreement,

- (b) subject to Clause 7 2(e) (*Voting Rights*) be entitled to exercise all voting rights in relation to the Charged Portfolio

6.2 Voting rights and dividends after an Event of Default

Upon the occurrence of an Event of Default (which is continuing), the Security Trustee may, at its discretion, (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor)

- (a) exercise (or refrain from exercising) any voting rights in respect of the Charged Portfolio,
- (b) apply all dividends, interest and other monies arising from the Charged Portfolio as though they were the proceeds of sale under this Agreement,
- (c) transfer the Charged Portfolio into the name of the Security Trustee or such nominee(s) of the Security Trustee as it shall require, and
- (d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Charged Portfolio including the right, in relation to any company whose shares or other securities are included in the Charged Portfolio, to concur or participate in
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof),
 - (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities, and
 - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Trustee thinks fit, and the proceeds of any such action shall form part of the Charged Portfolio

7 CHARGOR'S REPRESENTATIONS AND UNDERTAKINGS

7.1 Representations

The Chargor makes the following representations and warranties to the Security Trustee and acknowledges that the Security Trustee has become a party to this Agreement in reliance on these representations and warranties.

- (a) **Status**
 - (i) It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation
 - (ii) It has the power to own its assets and carry on its business as it is being conducted
 - (iii) It is not a FATCA FFI or a US Tax Obligor
- (b) **Binding obligations**

Subject to the Legal Reservations

- (i) the obligations expressed to be assumed by it in each Finance Document to which it is a party and any HoldCo Loan Agreement are legal, valid, binding and enforceable obligations, and
- (ii) (without limiting the generality of paragraph (a) above), this Agreement creates the security interests which it purports to create and those security interests are valid and effective

(c) Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents to which it is a party, and any HoldCo Loan Agreement and the granting of the Transaction Security do not and will not conflict with

- (i) any law or regulation applicable to it,
- (ii) its or any of its Subsidiaries' constitutional documents, or
- (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument in each case, which has or is reasonably likely to have a Material Adverse Effect

(d) Power and authority

- (i) 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, the Finance Documents to which it is a party, any HoldCo Loan Agreement and the transactions contemplated by those documents
- (ii) No limit on its powers will be exceeded as a result of the borrowing, grant of Security or giving of guarantees or indemnities contemplated by the Finance Documents to which it is a party or any HoldCo Loan Agreement

(e) Validity and admissibility in evidence

All Authorisations required or desirable.

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party and any HoldCo Loan Agreement, and
- (ii) to make the Finance Documents to which it is a party and any HoldCo Loan Agreement admissible in evidence in its jurisdiction of incorporation,

have been or will be (when required) obtained or effected and are in full force and effect.

(f) Governing law and judgments

Subject to the Legal Reservations

- (i) the choice of English law as the governing law of the Finance Documents to which it is a party and any HoldCo Loan Agreement will be recognised and enforced in its jurisdiction of incorporation
- (ii) any judgment obtained in England in relation to a Finance Document to which it is a party and any HoldCo Loan Agreement will be recognised and enforced in its jurisdiction of incorporation.

(g) Insolvency

No.

- (i) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 22.6 (*Insolvency proceedings*) of the Facility Agreement, or
- (ii) creditors' process described in Clause 22.7 (*Creditors' process*) of the Facility Agreement,

has been taken or, to its knowledge, threatened in relation to it, and none of the circumstances described in Clause 22.5 (*Insolvency*) of the Facility Agreement applies to it

(h) Ownership

As at the date of this Agreement.

- (i) the Chargor is the legal and beneficial owner of all the entire issued share capital of the Borrower, and
- (ii) the Chargor is 100 per cent directly owned by Canadian Solar UK Holding Limited, and 100% indirectly owned by Canadian Solar Inc

(i) Unissued share capital and share options

It is not under any commitment or obligation to issue any of its unissued share capital and it has not entered into any commitment or arrangement to issue any or all of its authorised and unissued share capital, and no person has any right or option to call for or require the issuance of any share or security convertible into any share in its capital

(j) Other Documents

The Finance Documents, any HoldCo Loan Agreement and any intra-company loan agreement or loan note with Canadian Solar Energy Holding Company Limited, Canadian Solar UK Projects Limited or another member of the Canadian Solar Inc group which is not an Obligor constitute the only arrangements under which it has any material rights, obligations or liabilities

(k) Security

Subject to the Legal Reservations, this Agreement confers valid security, of the type which it purports to create, over the assets expressed to be subject to this Agreement and evidences each Security it is expressed to evidence and the Security created by this Agreement.

- (i) is enforceable in accordance with the terms of this Agreement and is not restricted or inhibited by the terms of its constitutional documents,
- (ii) has or will have first ranking priority and it is not subject to any prior ranking or *pari passu* Security, and
- (iii) is not subject to avoidance in the event of any winding-up, dissolution or administration involving the Borrower or the Chargor

(l) Ownership of Shares

It is the sole legal and beneficial owner of the Charged Portfolio free and clear of all security interests save as created by this Agreement and has not sold or disposed of or granted any options or pre-emption rights in respect of any of its right, title and interest, in the Charged

Portfolio (other than as permitted under the Finance Documents to which it is a party) and all of the Shares are validly issued, fully paid and are not subject to any options to purchase, pre-emption rights or similar rights or other restrictions upon disposal which would operate to restrict in any way their disposal by the Security Trustee should it come to enforce its Security over the Charged Portfolio contained in this Agreement

(m) Financial statements

- (i) Its Original Financial Statements were prepared in accordance with GAAP consistently applied
- (ii) Its Original Financial Statements give a true and fair view of (if audited) or fairly represent (if unaudited) its financial condition and results of operations for the period to which they relate
- (iii) There has been no material adverse change in its assets, business or consolidated financial condition since the date of its Original Financial Statements

(n) Pari passu

Its payment obligations under the Finance Documents to which it is a party rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally

(o) Deduction of Tax

It is not required to make any Tax Deduction from any payment it may make under any Finance Document to which it is a party to a Lender which is:

- (i) a Qualifying Lender:
 - (A) falling within paragraph (i)(A) of the definition of "Qualifying Lender", or
 - (B) except where a Direction has been given under section 931 of the ITA in relation to the payment concerned, falling within paragraph (i)(B) of the definition of "Qualifying Lender", or
 - (C) falling within paragraph (ii) of the definition of "Qualifying Lender" or,
- (ii) a Treaty Lender and the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488)

(p) No filing or stamp taxes

It is not necessary that the Finance Documents to which it is a party or any HoldCo Loan Agreement be filed, recorded or enrolled with any court or other authority or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents or any HoldCo Loan Agreement except for registration of particulars of this Agreement at the Companies Registration Office in England and Wales under section 859A of the Companies Act 2006 and payment of associated fees which registrations and fees will be made and paid promptly after the date of the relevant Finance Document

(q) Taxation

- (i) It has duly and punctually paid and discharged all Taxes imposed upon it or its assets within the time period allowed without incurring penalties (save to the extent that

(i) payment is being contested in good faith, (ii) it has maintained adequate reserves for those Taxes and (iii) payment can be lawfully withheld)

(ii) It is not materially overdue in the filing of any Tax returns

(iii) No claims or, as far as it is aware, investigations are being, or are (to the best of its knowledge and belief) reasonably likely to be, made or conducted against it with respect to Taxes

(iv) It is resident for Tax purposes only in its jurisdiction of incorporation

(p) Centre of main interests and establishments

(i) It has its "centre of main interests" (as that term is used in Article 3(1) of the Council of the European Union Regulation No 1346/2000 on Insolvency Proceedings (the "**Regulation**")) in England or Wales

(ii) It has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any jurisdictions other than the Relevant Jurisdiction

(q) No default

(i) No Event of Default is continuing or might reasonably be expected to result from the making of any HoldCo Loan or the entry into, the performance of, or any transaction contemplated by, any Finance Document to which it is a party or any HoldCo Loan Agreement

(ii) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which might have a Material Adverse Effect

(r) No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect has or have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries

(s) Compliance with laws

As of the date of this Agreement, it is in compliance with all laws to which it is subject in all material respects.

(t) Pari passu ranking

Its payment obligations under the Finance Documents to which it is a party rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally

(u) Liabilities

(i) It has no Financial Indebtedness other than under the Finance Documents to which it is a party, except for any Financial Indebtedness due from the Chargor to Canadian Solar Energy Holding Company Limited, Canadian Solar UK Projects Limited or another member of the Canadian Solar Inc group which is not an Obligor

(ii) It has no undisclosed material liabilities and it does not have any material obligation other than those which arise under the terms of the Finance Documents to which it is a party except as set out in paragraph (i) above

(iii) The constitutional documents of the Borrower and any HoldCo Loan Agreement contain all the material terms of all the arrangements between the Borrower and the Chargor

(v) **Holding Company**

The Chargor has not traded or incurred any liabilities or commitments (actual or contingent, present or future) other than acting as a holding company of the Borrower

(w) **Repetition**

The representations set out in this Clause 7.1 (*Representations*) are made by the Chargor on the date of this Agreement. With the exception of the representation stated to be given on the date of this Agreement, each other representation is deemed to be made by the Chargor by reference to the facts and circumstances then existing on the date of this Agreement, the date of each Utilisation Request and the first day of each Interest Period

7.2 Undertakings

(a) **Authorisations**

The Chargor shall promptly

(i) obtain, comply with and do all that is necessary to maintain in full force and effect, and

(ii) supply certified copies to the Security Trustee of,

any Authorisation required under any law or regulation of any relevant jurisdiction to enable it to perform its obligations under this Agreement and to ensure the legality, validity, enforceability or admissibility in evidence in any relevant jurisdiction of this Agreement

(b) **Compliance with laws**

The Chargor shall comply in all respects with all material laws to which it may be subject, if failure so to comply would impair its ability to perform its obligations under this Agreement

(c) **Disposals and Negative pledge**

(i) The Chargor shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntarily or involuntarily, to sell, lease, transfer or otherwise dispose of the whole or any part of the Charged Property

(ii) The Chargor shall not create or permit to subsist any Security over any of its present or future assets and will not create or permit to subsist any security interest on any part of the Charged Property or otherwise deal with any part of the Charged Property, other than pursuant to this Agreement or as otherwise permitted under the Finance Documents

(d) **Calls on Shares**

The Chargor undertakes to pay all calls or other payments when due in respect of any part of the Charged Portfolio. If the Chargor fails to make any such payment the Security Trustee may make that payment on behalf of the Chargor and any sums so paid by the Security

Trustee shall be reimbursed by the Chargor on demand together with interest on those sums. Such interest shall be calculated from the due date up to the actual date of payment (after, as well as before, judgment) in accordance with Clause 4.1 (*Interest on Demand*)

(e) Voting Rights

The Chargor shall not

- (i) exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights and powers in relation to the Charged Portfolio; or
- (ii) otherwise permit or agree to, or concur or participate in any (i) variation of the rights attaching to or conferred by all or any part of the Charged Portfolio (ii) increase in the issued share capital of any company whose shares are charged pursuant to this Agreement (iii) exercise, renunciation or assignment of any right to subscribe for any shares or securities or (iv) reconstruction, amalgamation, sale or other disposal of any company or any of the assets of any company (including the exchange, conversion or reissue of any shares or securities as a consequence thereof) whose shares are charged under this Agreement,

in each case in a manner which in the opinion of the Security Trustee (acting reasonably) would prejudice the value of, or the ability of the Security Trustee to realise, the Security created by this Agreement provided that the proceeds of any such action shall form part of the Charged Portfolio.

(f) No Disposal of Interests

The Chargor undertakes that it shall not (and shall not agree to) at any time during the subsistence of this Agreement, except as permitted pursuant to the Facility Agreement or by this Clause 5.2 (*Undertakings*)

- (i) execute any transfer or assignment of, or other right to use all or any part of the Charged Property,
- (ii) create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property, or
- (iii) allow any person any right to use or occupy or to become entitled to assert any proprietary interest in, or right over, the Charged Property, which may, in each case, adversely affect the value of any of the Charged Property or the ability of the Security Trustee to exercise any of the Collateral Rights

(g) Notify

The Chargor shall promptly notify the Security Trustee of any circumstances which give rise, or may reasonably be expected to give rise, to a claim on or in relation to the Charged Property

(h) No variation

The Chargor shall not vary, rescind or amend any Specific Contract except in accordance with the Facility Agreement or with the prior written consent of the Security Trustee

(i) Compliance with Contract

The Chargor shall comply in all material respects with its obligations under the Specific Contracts

(j) No set off etc.

The Chargor shall not take or omit to take any action which might result in

- (i) the alteration or impairment of any rights in the Charged Property except in accordance with the Facility Agreement,
- (ii) any default of any of its obligations in any material respect under any Specific Contract;
- (iii) any right to terminate a Specific Contract becoming exercisable by the counterparty to that Specific Contract, or
- (iv) any counterclaims or rights of set-off arising under a Specific Contract

8 FURTHER ASSURANCE**8.1 Covenant for Further Assurance for the Charged Portfolio**

The Chargor will promptly at its own cost do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may specify (and in such form as the Security Trustee may require in favour of the Security Trustee or its nominee(s)) for the purpose of perfecting the Security created or intended to be created in respect of the Charged Portfolio (which may include the execution by the Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, the Charged Portfolio) or for the exercise of the rights, powers and remedies of the Security Trustee provided by or pursuant to this Agreement or by law in each case in accordance with the rights vested in it under this Agreement

8.2 Consents

The Chargor shall use reasonable endeavours to obtain (in form and content reasonably satisfactory to the Security Trustee) as soon as possible any consents necessary to enable the assets of the Chargor to be the subject of an effective assignment pursuant to Clause 3 (*Assignments*) and, immediately upon obtaining any such consent, the asset concerned shall become subject to such Security and the Chargor shall promptly deliver a copy of each consent to the Security Trustee

8.3 Implied Covenants for Title

The obligations of the Chargor under this Agreement shall be in addition to the covenants for title deemed to be included in this Agreement by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994

8.4 Prescribed Wording

The following covenants shall be implied in respect of any action taken by the Chargor to comply with its obligations under Clause 8.1 (*Covenant for Further Assurance for the Charged Portfolio*):

- (a) the Chargor has the right to take such action in respect of the Charged Property, and
- (b) the Chargor will at its own cost do all that it reasonably can to give the Security Trustee or its nominee the title and/or rights that it purports to give.

9 GENERAL UNDERTAKINGS

9.1 Information and Access

The Chargor shall from time to time on request of the Security Trustee, furnish the Security Trustee with such information as the Security Trustee may reasonably require about the Chargor's business and affairs in relation to the Charged Property and its compliance with the terms of this Agreement

10 SECURITY ENFORCEMENT

10.1 Time for Enforcement

At any time after the occurrence of an Event of Default (which is continuing) or if the Chargor requests the Security Trustee to exercise any of its powers under this Agreement, the Security created by or pursuant to this Agreement is immediately enforceable and the Security Trustee may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion

- (a) secure and perfect its title to all or any part of the Charged Portfolio (including transferring the Charged Portfolio into the name of the Security Trustee or its nominees),
- (b) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold, sell or otherwise dispose of all or any part of the Charged Property (at the time, in the manner and on the terms it thinks fit),
- (c) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Agreement) on chargees and by this Agreement on any Receiver or otherwise conferred by law on chargees or Receivers

10.2 No Liability as Mortgagee in Possession

Neither the Security Trustee nor any Receiver shall be liable to account as mortgagee or mortgagee in possession in respect of all or part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission of any nature whatsoever in connection with the Charged Property for which a mortgagee or mortgagee in possession might otherwise be liable

10.3 Right of Appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Agreement and the obligations of the Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003 No 3226), as amended, (the "Regulations")) the Security Trustee shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Chargor. For this purpose, the Parties agree that the value of such financial collateral so appropriated shall be the market price determined by the Security Trustee by reference to such independent and impartial process as the Security Trustee may select, including independent valuation. In each case, the Parties agree that the method of valuation provided for in this Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations

10.4 Effect of Moratorium

The Security Trustee shall not be entitled to exercise its rights under Clause 10.1 (Time for Enforcement) where the right arises as a result of an Event of Default occurring solely due to

any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986

11 EXTENSION AND VARIATION OF THE LAW OF PROPERTY ACT 1925

11.1 Extension of Powers

The power of sale or other disposal conferred on the Security Trustee and on the Receiver by this Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Agreement

11.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Agreement or to the exercise by the Security Trustee of its right to consolidate all or any of the Security created by or pursuant to this Agreement with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Trustee without notice to the Chargor on or at any time after the occurrence of an Event of Default (which is continuing)

11.3 Statutory powers

The powers conferred by this Agreement on the Security Trustee are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise by law and in the case of any conflict between the powers contained in any such Act and those conferred by this Agreement the terms of this Agreement will prevail

12 APPOINTMENT OF RECEIVER

12.1 Appointment and Removal

At any time after having been requested to do so by the Chargor or after this Agreement becomes enforceable in accordance with Clause 10 (*Security Enforcement*), the Security Trustee may by deed or otherwise (acting through an authorised officer of the Security Trustee), without prior notice to the Chargor

- (a) appoint one or more persons to be a Receiver of the whole or any part of the Charged Property,
- (b) appoint two or more Receivers of separate parts of the Charged Property respectively,
- (c) remove (so far as it is lawfully able) any Receiver so appointed, and
- (d) appoint another person(s) as an additional or replacement Receiver(s)

12.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 12.1 (*Appointment and Removal*) shall be

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver,

- (b) for all purposes deemed to be the agent of the Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Trustee, and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925)

12.3 Statutory Powers of Appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the Law of Property Act 1925 (as extended by this Agreement) or otherwise and such powers shall remain exercisable from time to time by the Security Trustee in respect of any part of the Charged Property

13 POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor) have and be entitled to exercise, in relation to the Charged Property in respect of which he was appointed, and as varied and extended by the provisions of this Agreement (in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor)

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act,
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver),
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do, and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Chargor) which seem to the Receiver to be incidental or conducive to
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him,
 - (ii) the exercise of the Collateral Rights (including realisation of all or any part of the Charged Property), or
 - (iii) bringing to his hands any assets of the Chargor forming part of, or which when got in would be, Charged Property

14 APPLICATION OF MONIES

All moneys received or recovered by the Security Trustee or any Receiver pursuant to this Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Trustee (notwithstanding any purported appropriation by the Chargor) in accordance with clauses 27 3 (*Application of Receipts*) and 23 4 (*Insufficient Amounts*) of the Facility Agreement

15 PROTECTION OF PURCHASERS

15.1 Consideration

The receipt of the Security Trustee or any Receiver shall be a conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, the Security Trustee or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit

15.2 Protection of purchasers

No purchaser or other person dealing with the Security Trustee or any Receiver shall be bound to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee or such Receiver in such dealings

16 POWER OF ATTORNEY

16.1 Appointment and Powers

The Chargor by way of security irrevocably appoints the Security Trustee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for

- (a) carrying out any obligation imposed on the Chargor by this Agreement or any other agreement binding on the Chargor to which the Security Trustee is party (including the execution and delivery of any deeds, charges, assignments or other Security and any transfers of the Charged Property),
- (b) enabling the Security Trustee to exercise, or delegate the exercise of, all or any of the Collateral Rights, and
- (c) enabling any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Agreement or by law

16.2 Ratification

The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers

17 EFFECTIVENESS OF SECURITY

17.1 Continuing Security

- (a) The Security created by or pursuant to this Agreement shall remain in full force and effect as a continuing Security for the Secured Obligations unless and until discharged by the Security Trustee
- (b) No part of the Security from time to time intended to be constituted by this Agreement will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations

17.2 Tacking

Subject to the terms of the Facility Agreement, each Secured Party is under an obligation to make further advances to the Chargor and that obligation is a Secured Obligation under this Deed

17.3 Cumulative Rights

The Security created by or pursuant to this Agreement and the Collateral Rights shall be cumulative, in addition to and independent of every other Security which the Security Trustee or any other Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior Security held by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall merge into the Security constituted by this Agreement.

17.4 No prejudice

The Security created by or pursuant to this Agreement and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Borrower or any other person, or the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Trustee holds the Security or by any other thing which might otherwise prejudice that Security or any Collateral Right.

17.5 Remedies and Waivers

No failure on the part of the Security Trustee to exercise, nor any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right or constitute an election to affirm this Agreement. No single or partial exercise of any Collateral Right shall preclude any further or other exercise of that or any other Collateral Right.

17.6 No Liability

None of the Security Trustee, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Agreement or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part.

17.7 Partial Invalidity

If, at any time, any provision of this Agreement 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 Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the Security intended to be created by or pursuant to this Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security.

17.8 Implied Covenants for Title

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Assignments*).
- (b) It shall be implied in respect of Clause 3 (*Assignments*) that the Chargor is charging the Charged Property free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

17.9 Waiver of defences

The obligations of the Chargor under this Agreement, the Security created pursuant to this Agreement and the Collateral Rights will not be affected by any act, omission, matter or thing which, but for this Clause 17.9 (*Waiver of defences*), would reduce, release or prejudice

any of its obligations under this Agreement and the Security constituted by or pursuant to this Agreement (without limitation and whether or not known to it or any Secured Party) including

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person,
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor,
- (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, any Obligor or other person or any non-presentment 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,
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person,
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or Security or of the Secured Obligations (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or the addition of any new facility under any Finance Document or other document);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations, or
- (g) any insolvency or similar proceedings

17.10 Immediate recourse

The Chargor waives any right it may have of first requiring the Security Trustee or a Secured Party to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this Agreement. This waiver applies irrespective of any provision of this Agreement to the contrary

17.11 Deferral of Rights

Until such time as the Secured Obligations have been discharged in full, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Agreement

- (a) to be indemnified by any Obligor;
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Agreement or any other Finance Document, and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee under this Agreement or the Security Trustee or any other Secured Party under any other guarantee or other Finance Document or Security taken pursuant to, or in connection with, this Agreement or any other Finance Document by the Security Trustee or any Secured Party

17.12 Turnover Trust

- (a) The Chargor shall not accept or permit to subsist any collateral from any Obligor or any other person in respect of any rights the Chargor may have arising out of this Agreement. if,

despite this provision, any such collateral shall be accepted or subsisting the Chargor acknowledges that the Chargor's rights under such collateral shall be held on trust for the Security Trustee and the Secured Parties, to the extent necessary to enable all amounts which may be or become payable to the Security Trustee and the Secured Parties by the Obligors under or in connection with the Finance Documents to be repaid in full, and the Chargor shall if requested promptly transfer the same to the Security Trustee or as it may direct for application in accordance with clause 27.3 (*Application of Receipts*) and 23.4 (*Insufficient Amounts*) of the Facility Agreement

- (b) If the Chargor receives any benefit, payment or distribution relating to the rights mentioned in Clause 17.11 (*Deferral of Rights*) above, it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Security Trustee and the Secured Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Security Trustee and the Secured Parties and shall promptly pay or transfer the same to the Security Trustee or as it may direct for application in accordance with clause 27.3 (*Application of Receipts*) and 23.4 (*Insufficient Amounts*) of the Facility Agreement

18 RELEASE OF SECURITY

18.1 Release

Upon the Secured Obligations being discharged in full and none of the Secured Parties being under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor or any other person under any of the Finance Documents, the Security Trustee shall, at the request and cost of the Chargor, release and cancel the Security constituted by this Agreement and procure the reassignment to the Chargor of the property and assets assigned to the Security Trustee pursuant to this Agreement, in each case subject to Clause 18.2 (*Avoidance of Payments*) and without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees

18.2 Avoidance of Payments

If the Security Trustee considers that any amount paid or credited to it or any other Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Chargor under this Agreement and the Security constituted by this Agreement shall continue and such amount shall not be considered to have been irrevocably paid

19 SET-OFF

The Chargor authorises the Security Trustee (but the Security Trustee shall not be obliged to exercise such right), after the occurrence of an Event of Default (which is continuing), to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Trustee to the Chargor and apply any credit balance to which the Borrower is entitled on any account with the Security Trustee in accordance with Clause 14 (*Application of Monies*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account)

20 SUBSEQUENT SECURITY INTERESTS

If the Security Trustee (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Agreement or the Facility Agreement, all payments thereafter by or on behalf of the Chargor to the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties shall be

treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations as at the time when the Security Trustee received such notice

21 SUSPENSE ACCOUNTS AND CURRENCY CONVERSION

21.1 Suspense Accounts

All monies received, recovered or realised by the Security Trustee under this Agreement (including the proceeds of any conversion of currency) may in the discretion of the Security Trustee be credited to any interest bearing suspense or impersonal account maintained with the Security Trustee or any bank, building society or financial institution as it considers appropriate and may be held in such account for so long as the Security Trustee may think fit pending their application from time to time (as the Security Trustee is entitled to do in its discretion) in or towards the discharge of any of the Secured Obligations and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

21.2 Currency Conversion

For the purpose of or pending the discharge of any of the Secured Obligations the Security Trustee may convert any money received, recovered or realised or subject to application by it under this Agreement from one currency to another, as the Security Trustee thinks fit and any such conversion shall be effected at the Security Trustee's spot rate of exchange for the time being for obtaining such other currency with the first currency.

22 ASSIGNMENT

The Security Trustee may assign and transfer all or any of its rights and obligations under this Agreement to any person to whom it transfers its rights and/or obligations under the Facility Agreement. Subject to clause 37 (*Confidential information*) of the Facility Agreement, the Security Trustee shall be entitled to disclose such information concerning the Chargor (or any other person) and this Agreement as the Security Trustee considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

23 NOTICES

Each communication to be made under or in connection with this Agreement shall be made in writing and in accordance with clause 32 (*Notices*) of the Facility Agreement.

24 COSTS, EXPENSES, STAMP TAXES AND INDEMNITY

24.1 Costs and Expenses

Without double-counting, clauses 17.1 (*Transaction Expenses*) to 17.4 (*Security Trustee's management time*) of the Facility Agreement shall apply to this Agreement, *mutatis mutandis*, as if set out in full herein.

24.2 Stamp Taxes

The Chargor shall pay all stamp, registration and other taxes to which this Agreement, the Security constituted by or pursuant to this Agreement or any judgment given in connection with it is or at any time may be subject and shall, from time to time, indemnify the Security Trustee on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any such tax.

24.3 Indemnity

The Chargor shall, notwithstanding any release or discharge of all or any part of the Security, indemnify the Security Trustee, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by the Chargor of the provisions of this Agreement, the exercise or purported exercise of any of the rights and powers conferred on them by this Agreement or otherwise relating to the Charged Portfolio

25 DISCRETION AND DELEGATION

25.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Agreement by the Security Trustee or any Receiver may, subject to the terms and conditions of the Facility Agreement or except as otherwise provided under this Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons

25.2 Delegation

Each of the Security Trustee and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Agreement (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Trustee or the Receiver itself.

26 WAIVERS AND COUNTERPARTS

26.1 Waivers

No waiver by the Security Trustee of any of its rights under this Agreement shall be effective unless given in writing

26.2 Counterparts

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

27 GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law

28 JURISDICTION AND ENFORCEMENT

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement, the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Agreement) (a "Dispute")
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary
- (c) This Clause 28 (*Jurisdiction and Enforcement*) is for the benefit of the Security Trustee only. As a result, and notwithstanding paragraph (a) above, it does not prevent the Security Trustee from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions

THIS AGREEMENT has been signed on behalf of the Security Trustee and executed as a deed by the Chargor and is delivered by it on the date specified above

SCHEDULE 1 FORM OF NOTICE OF ASSIGNMENT OF SPECIFIC CONTRACT

To [●]

Date [●]

Dear Sirs,

We hereby give you notice that we have assigned to [●] (the "Security Trustee") pursuant to a Agreement (the "**Agreement**") entered into by us in favour of the Security Trustee dated [●] all our right, title and interest in and to [details of Specific Contract] (the "**Contract**") including all monies which may be payable in respect of the Contract

With effect from your receipt of this notice.

- (a) all remedies provided for in the Contract (including in respect of relevant warranties and indemnities) or available at law or in equity are exercisable by the Security Trustee although the Chargor may continue to exercise all rights and remedies granted to it under the Contract, subject to a further notice from the Security Trustee indicating otherwise,
- (b) we shall remain entitled to exercise all rights, powers and discretions under the Contract and you should give notices under the Contract to us, in each case, unless and until you receive a further notice from the Security Trustee indicating otherwise following which all rights to compel performance of the Contract (including in respect of relevant warranties and indemnities) are exercisable by the Security Trustee, although the Chargor shall continue to remain liable to perform all the obligations assumed by it under the Contract,
- (c) until such time as the Security Trustee reassigns all rights, title and interest in and to the Contract in accordance with the terms of the Agreement, all of our rights, title and interest from time to time in and to the Contract, all proceeds paid or payable under the Contract and all related rights shall be assigned to the Security Trustee and no changes may be made to the terms of the Contract nor may the Contract be terminated without the Security Trustee's consent (save to the extent required in order to ensure compliance with applicable law),
- (d) all payments by you to us under or arising from the Contract should be made in accordance with the Contract, and following notice from the Security Trustee, to the Security Trustee or to its order as it may specify in writing from time to time; and
- (e) you are authorised and instructed, without requiring further approval from us, to provide the Security Trustee with such information relating to the Contract as it may from time to time request and to send it copies of all notices issued by you under the Contract to the Security Trustee as well as to us

These instructions may not be revoked, nor may the terms of the Contract be amended, varied or waived without the prior written consent of the Security Trustee

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Trustee at [●] marked for the attention of [●]

Yours faithfully,

for and on behalf of
[●]

On copy only [●]

To **Security Trustee**

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the Contract and that we will comply with the terms of that notice

We confirm that no amendment, waiver or release of any of such rights, interests and benefits shall be effective without the prior written consent of the Security Trustee

For and on behalf of [*relevant contract counterparty*]

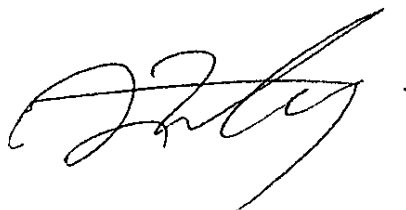
By

Dated.

EXECUTION PAGE

THE CHARGOR

EXECUTED as a DEED
by CANADIAN SOLAR UK PARENT LIMITED
in the presence of

) 

Signature of director

Name of director D. GIANNOULAKIS

Signature of witness J. Etherington

Name of Witness JENNIFER ETHERINGTON

Address of Witness . Watson Farley & Williams LLP
15 Appold Street
London EC2A 2HB

Occupation of witness . SOLICITOR

THE SECURITY TRUSTEE

SIGNED by
THE ROYAL BANK OF SCOTLAND PLC

} 

By

KEVIN MADDICK

Address

Fax

Attention

Signature of witness



Name of Witness
(in block capitals)

Address of Witness

Adam Blythe
Trainee Solicitor
15 Appold Street
London EC2A 2HB
.....

Occupation of witness