



Registration of a Charge

Company name: **BUDGET ENERGY LIMITED**

Company number: **NI073739**



X61QMMPM

Received for Electronic Filing: **07/03/2017**

Details of Charge

Date of creation: **15/02/2017**

Charge code: **NI07 3739 0003**

Persons entitled: **EIRGRID P.L.C
SONI LIMITED**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by:

TOM FINN, SOLICITOR, EIRGRID P.L.C



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: NI73739

Charge code: NI07 3739 0003

The Registrar of Companies for Northern Ireland hereby certifies that a charge dated 15th February 2017 and created by BUDGET ENERGY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th March 2017 .

Given at Companies House, Belfast on 7th March 2017

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



Companies House



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

DEED of CHARGE and ACCOUNT SECURITY

between

Budget Energy Limited

and

EirGrid p.l.c. and SONI Limited

Dated [15th] February 2017

I certify that, save for the material indicated
pursuant to section 859B of the Companies Act 2006,
this instrument is a correct copy of the original
instrument.

Certified as a true copy

**Tom Finn
Solicitor**

03 March 2017

Tom Finn

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DEED of CHARGE and ACCOUNT SECURITY dated the [15th] day of [Feb] 20[17] between:

- (1) Budget Energy Limited incorporated in Northern Ireland (Registered Number NI073739) whose registered office is at Energy House 30-32 Ballinska Road, Springtown Industrial Estate, Derry, BT48 0LY, Northern Ireland (the "Participant"); and
- (2) EirGrid p.l.c. incorporated in Ireland (Registered Number 338522) whose registered office is situated at Block 2, The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4 and SONI Limited incorporated in Northern Ireland (Registered Number NI038715) whose registered office is situated at Castlereagh House, 12 Manse Road, Belfast together trading as the Single Electricity Market Operator (the "Market Operator").

RECITALS

- (A) The Market Operator and the Participant are parties to the Single Electricity Market Trading and Settlement Code governing the wholesale sale and purchase of electricity on the island of Ireland (the "Code").
- (B) Pursuant to the Code, the Participant is obliged to put in place Required Credit Cover to secure the Participant's payment obligations under the Code and has elected as permitted by the Code to open SEM Collateral Reserve Account(s) within the meaning of the Code, being the Account(s) referred to in this Deed, to provide such security.
- (C) The parties hereby acknowledge and agree that the Market Operator is the legal account holder of the SEM Collateral Reserve Account(s) for the purposes of discharging any payment obligations of the Participant under the Code and subject to that on trust for the Participant beneficially.
- (D) Pursuant to paragraph 6.20.3 of the Code, the Participant has agreed to create in favour of the Market Operator a first fixed charge over its equitable and beneficial interest arising in the credit balances held in such Account(s) and all funds held to the credit thereof from time to time and has agreed to execute this Deed for that purpose.
- (E) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised terms or expressions defined in the Code shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed.

In addition, in this Deed:

"Account(s)" means the collateral bank account(s) specified in Schedule 1 (as any such account may from time to time be re-designated or re-numbered or replaced), including any successor or replacement account of any such account;

"Account Bank(s)" means the bank(s) with which the Account(s) are held being, as at the date of this Deed, as specified in Schedule 1, which shall include reference to any successor of any thereof;

"Credit Call" has the meaning given to this term under the Code;

"Credit Cover" means the credit cover required of and provided by the Participant in a form that meets the requirements of the Code;

"Debit Note" has the meaning given to this term under the Code;

"Debit Note Excess" has the meaning given to this term under the Code;

"Default Interest" has the meaning given to this term under the Code;

"Event of Default" has the meaning given to this term in Clause 7.1 of this Deed;

"Interest" has the meaning given to this term under the Code;

"Invoice Due Date" has the meaning given to this term under the Code;

"Irish Act" means the Land and Conveyancing Law Reform Act 2009 of Ireland;

"Law of Property Act" means the Law of Property Act 1925;

"parties" means the parties to this Deed and "party" means either of them;

"Regulatory Authorities" has the meaning given to this term under the Code;

"Required Credit Cover" means the Credit Cover calculated by the Market Operator in accordance with the Code;

"Rights" means all present and future right, equitable title and beneficial interest of the Participant in respect of the Account(s), including (without limitation):

- (i) the benefit of all covenants, undertakings, representations, warranties and indemnities;
- (ii) all powers and remedies of enforcement and/or protection;
- (iii) all rights to receive payment of all amounts assured or payable (or to become payable), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable; and
- (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof;

"Schedule(s)" means any one or more of the Schedules to this Deed;

"Secured Obligations" means all or any monies, liabilities and payment obligations, whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or otherwise, which are now or may at any time hereafter (whether before or at any time after demand) be or become due in any manner by the Participant to any SEM Creditor and/or to the Market Operator under the Code including interest which the Market Operator may in the course of its business charge or incur in respect of any of those matters in accordance with the Code as well as after as before any demand made or decree or judgement obtained under this Deed or the Security, and all or any monies, liabilities and payment obligations due under the Code or under this Deed;

"Security" means all or any of the Security Interests now or at any time hereafter created by or pursuant to this Deed;

"Security Assets" means the Account(s) and the debt(s) thereby represented and all sums, whether principal or interest, accrued or accruing, which are now or may at any time hereafter be deposited in or otherwise standing to the credit of the Account(s), together with all the Rights in connection therewith;

"Security Interest" means any mortgage, charge, pledge, lien, retention of title arrangement (other than in respect of goods purchased in the ordinary course of business), hypothecation, encumbrance or security interest of any kind, or any agreement or arrangement having substantially the same economic or financial effect as any of the foregoing (including any "hold back" or "flawed asset" arrangement);

"SEM Creditor" has the meaning given to this term under the Code;

"Shortfall" has the meaning given to this term under the Code;

"this Deed" means these presents (including the Schedules) as amended, amended and restated, varied, supplemented, novated, extended or restated from time to time;

"Unsecured Bad Debt" has the meaning given to this term under the Code;

"Variable Market Operator Charge" has the meaning given to this term under the Code; and

"Working Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in:

- (a) for the purpose of clause 11.1, the place specified in the address for notice provided by the recipient; and
- (a) for all other purposes:
 - (i) insofar as the Security Assets are located in England or Northern Ireland, London and Belfast; or
 - (ii) insofar as the Security Assets are located in Ireland, Dublin.

1.2 Interpretation

In this Deed, unless the context requires otherwise:

- 1.2.1 words importing the singular shall include the plural and vice versa;
- 1.2.2 references to this Deed or any other document shall be construed as references to this Deed or such other document as amended, supplemented, novated, extended or restated from time to time;
- 1.2.3 references to any statute or statutory provision (including any subordinate legislation) shall include any statute or statutory provision for the time being in force which amends, extends, consolidates or replaces the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision;
- 1.2.4 references to a "person" shall include any individual, firm, company, corporation, body, trust or foundation, or any association, partnership or unincorporated body (whether or not having separate legal personality);
- 1.2.5 any reference to a party includes its permitted successors, transferees and assignees;
- 1.2.6 references to a document "in the agreed form" means a document in a form agreed by the Participant and the Market Operator and initialled by, or on behalf of, each of them for the purpose of identification as such; and
- 1.2.7 "tax" means all forms of taxation, duties, imposts and levies whatsoever in the nature of taxation whenever and wherever imposed, including (but without limitation) all stamp duties, imposts, duties, capital and revenue taxes and value added tax, and "taxes" and "taxation" shall be construed accordingly.

1.3 Headings

The table of contents and the headings in this Deed are included for convenience only and shall be ignored in construing this Deed.

1.4 Construction

The parties hereby acknowledge and agree that this Deed is entered into pursuant to section 6 of the Code. In the event that any of the defined terms used in this Deed are ambiguous, they must be construed in accordance with the Code.

2 CREATION OF SECURITY

2.1 Payment

The Participant undertakes to the Market Operator that it will pay and discharge the Secured Obligations on the due date therefor.

2.2 General

All the Security:

- (a) is created in favour of the Market Operator for itself as the Market Operator under the Code or as a security trustee on behalf of the other SEM Creditors, in both cases to secure the Participants' compliance and performance of their payment obligations under the Code;
- (b) is created over all the Participant's Security Assets; and
- (c) is security for the payment or discharge of the Secured Obligations.

2.3 Security

As continuing security for the payment and discharge of the Secured Obligations, the Participant as beneficial owner hereby charges by way of first fixed charge to the Market Operator the Security Assets (including, for the avoidance of doubt, all the Rights in connection therewith).

2.4 Notices

Immediately after delivery of this Deed, the Participant shall give notice to the Account Bank in the form set out in Part 1 of Schedule 2. The Market Operator shall procure the Account Bank's acknowledgement and agreement in the form set out in Part 2 of Schedule 2.

3 PROTECTION OF SECURITY

3.1 Continuing security

The Security shall be a continuing security notwithstanding any intermediate payment or satisfaction of the Secured Obligations and shall remain in force until the Secured Obligations have been fully and unconditionally paid and/or discharged (as appropriate) under the Code.

3.2 No prejudice

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

3.3 No waiver

Failure or delay on the part of the Market Operator in exercising any right, power or discretion under or pursuant to this Deed shall not operate as a waiver thereof, nor will any single or partial exercise of any such right, power or discretion preclude any other or further exercise thereof. The rights, powers and discretions contained in this Deed are in addition to and not substitution for any right of set-off, compensation, retention, combination of accounts, lien or other right or remedy provided by law.

3.4 Severability

The provisions of this Deed shall be severable and distinct from one another and if at any time one or more of such provisions is or becomes or is declared void, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Deed shall not in any way be affected or impaired thereby.

3.5 Non impairment

The Participant agrees that none of its obligations or the Market Operator's rights, powers and discretions under this Deed shall be reduced, discharged or otherwise adversely affected by:

- (a) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any Security Interest or any right or remedy which the Market Operator or any other person may have now or in the future from or against the Participant or any other person in respect of any of the Secured Obligations; or
- (b) any failure, act or omission by the Market Operator or any other person in taking up, perfecting or enforcing any Security Interest or guarantee from or against the Participant or any other person in respect of the Secured Obligations; or
- (c) any increase in or waiver or discharge of any of the Secured Obligations or any termination, amendment, variation, supplement, restatement, novation or replacement of any deed, document or agreement relating thereto; or
- (d) any grant of time, indulgence, waiver or concession to the Participant or any other person; or
- (e) any of the administration, receivership, examinership, liquidation, winding-up, insolvency, bankruptcy, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name or style of the Participant or any other person; or
- (f) any invalidity, illegality, unenforceability, irregularity or frustration of any of the Secured Obligations; or
- (g) any renumbering, redesignation or replacement of the Account(s) or their being transferred to another branch or department of the Account Bank(s); or
- (h) anything done or omitted to be done by the Market Operator or any other person which but for this provision might operate to exonerate or discharge or otherwise reduce or extinguish the liability of the Participant under this Deed or the Security.

3.6 Further assurance

Without prejudice to the provisions of Clause 2 (*Creation of Security*), the Participant shall promptly after being requested to do so by the Market Operator, do all such acts and things, give such instructions (in material or dematerialised form) and sign, seal and execute and deliver all such deeds and other documents as the Market Operator may require for perfecting or protecting the Security in respect of the Security Assets or its priority or for facilitating the operation of the Account(s) and the realisation or application of the Security Assets and the exercise of the rights, powers and discretions conferred on the Market Operator under this Deed. The obligations of the Participant under this Deed shall be in addition to and not in substitution for the covenants for further assurance deemed to be included herein by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

4 POWER OF ATTORNEY

4.1 Appointment

The Participant by way of security hereby irrevocably appoints the Market Operator as its attorney on its behalf and in its name or otherwise, at such times and in such a manner as the Market Operator may think fit to do anything which the Participant is obliged to do (but has not done) under this Deed and/or the Code including, without limitation, to sign, seal, execute and deliver all deeds, documents, notices, further securities, transfers or assignments of and other instruments relating to, and give instructions (in material or dematerialised form) in respect of, the Security Assets.

4.2 Ratification

The Participant hereby ratifies and confirms and agrees to ratify and confirm whatever its attorney may do or purport to do in the exercise or purported exercise of the power of attorney given by the Participant under this Clause.

4.3 Exercise of power

The appointment effected under Clause 4.1 (*Appointment*) shall take effect immediately, but the powers conferred shall only become exercisable upon the Security becoming enforceable or if the Participant does not fulfil any of its obligations under Clause 3.6 (*Further assurance*) within two Working Days of notice from the Market Operator to do so.

5 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

5.1 Representations and warranties

The Participant represents and warrants to the Market Operator that:

- (a) it is duly incorporated and validly existing under the law of Northern Ireland;
- (b) it has the capacity and power to enter into this Deed and perform its obligations hereunder and to create the Security;
- (c) it has taken all necessary corporate action to authorise the execution and delivery of the Deed and the performance of its obligations hereunder and the creation of this Security;
- (d) its entering into this Deed and the performance of its obligations hereunder and the creation of the Security will not contravene any law, regulation, agreement or judicial or official order to which it is a party or by which it is bound, or cause any limitation on any of its powers however imposed, or the right or ability of its directors to exercise any of such powers, to be exceeded;
- (e) all actions, authorisations and consents required or advisable in connection with the creation, performance, validity and enforceability of this Deed and the Security and the transactions hereby contemplated and to ensure that (subject to all necessary registrations being made) the Security constitutes a valid, legal, binding and enforceable first fixed Security Interest over the Security Assets ranking in priority to the interests of any liquidator, administrator or creditor of the Participant have been obtained or effected and are and shall remain in full force and effect;
- (f) it is and will be the sole absolute unencumbered beneficial owner of the Security Assets free of any other Security Interest or third party claims or interests, other than any such Security Interest, claim or interest that has been or may from time to time be created in favour of the Market Operator and/or any other person pursuant to the Code;

- (g) it has not (otherwise than pursuant to this Deed or otherwise in favour of the Market Operator and/or any other person pursuant to the Code) granted or created any Security Interest over or sold, transferred, lent, assigned, parted with its interest in, disposed of, or granted or created any option or other right to purchase or otherwise acquire the Security Assets or any interest therein, or agreed, conditionally or unconditionally, to do so;
- (h) the Participant's obligations under this Deed and (subject to all necessary registrations being made) the Security are and until fully and unconditionally discharged will be valid, legal, binding and enforceable and the Security constitutes and will remain a valid, legal, binding and enforceable first fixed Security Interest over the Security Assets ranking in priority to the interests of any liquidator, administrator or creditor of the Participant; and
- (i) each of the above representations and warranties will be correct and complied with in all respects at all times during the continuance of the Security as if repeated by reference to the circumstances existing at such times.

5.2 Undertakings

The Participant undertakes to the Market Operator that it shall:

- (a) Not, save as permitted by paragraph 6.35 of the Code, make or attempt to make any withdrawal from the Account(s) or create, attempt to create or permit any Security Interest (other than the Security or any Security Interest in favour of the Market Operator and/or any other person created pursuant to the Code) to subsist over or in respect of any of the Security Assets;
- (b) not sell, transfer, lend or otherwise dispose of, or grant or create any other Security Interest over, or any option or other right to purchase or otherwise acquire, the Security Assets or any interest therein (other than any Security Interest in favour of the Market Operator and/or any other person created pursuant to the Code) or agree, conditionally or unconditionally, to do so;
- (c) not take or omit to take any action which would prejudice the Security or impair the Security Assets and shall, at its own cost, promptly take all action which is at any time necessary or which the Market Operator may request, to protect the interests of the Participant and the Market Operator in the Security Assets;
- (d) not vary or abrogate any of the rights attached to the Security Assets or take or omit to take any action which would have that result;
- (e) ensure that no monies or liabilities are outstanding in respect of any of the Security Assets;
- (f) take all action within its power to procure, maintain in effect and comply with all the terms and conditions of all approvals, authorisations, consents and registrations necessary or advisable under or in connection with this Deed and the Security; or
- (g) procure that the Security shall at all times be a valid, legal, binding and enforceable first fixed security interest over the Security Assets ranking in priority to the interests of any liquidator, administrator, examiner or creditor of the Participant.

6 OPERATION OF ACCOUNT(S)

Withdrawals

The Participant shall only be entitled to seek any withdrawals from the Account(s) provided that:

- (a) the Participant is not in default in respect of any amount owed to a SEM Creditor;

- (b) the other conditions as set out in paragraphs 6.34 and 6.35 of the Code apply; and
- (c) the Security under this Deed has not been enforced.

7 ENFORCEMENT

7.1 Event of Default

7.1.1 An "Event of Default" shall occur in the event that:

7.1.1.1 the Participant has not paid an Invoice in full on the Invoice Due Date, leading to:

- (a) the Participant having a Shortfall; and
- (b) the Market Operator becoming obliged to make a Credit Call in respect of the Shortfall in accordance with paragraph 6.51 of the Code; and/or

7.1.1.2 the Participant has not paid an amount set out in an overpayment notice as if it were an Invoice in accordance with paragraph 6.63.1 of the Code, leading to:

- (a) the Participant having a Shortfall; and
- (b) the Market Operator becoming obliged to make a Credit Call in respect of the Shortfall in accordance with paragraph 6.51 of the Code; and/or

7.1.1.3 the Participant has not paid the amount of a Debit Note Excess after the second Working Day following receipt of a relevant Debit Note in accordance with paragraph 6.58 of the Code, leading to:

- (a) the Participant having a Shortfall; and
- (b) the Market Operator becoming obliged to make a Credit Call in respect of the Shortfall in accordance with paragraph 6.55 of the Code; and/or

7.1.1.4 the Participant has not paid its Variable Market Operator Charge on the Working Day on which such charge becomes due in accordance with the Code, leading to the Market Operator becoming entitled to make a Credit Call, subject always to paragraph 6.53 of the Code.

7.2 Security enforceable

7.2.1 Upon or at any time after the occurrence of an Event of Default:

- (a) the Security shall become enforceable; and
- (b) the following power of sale and other powers, in each case as varied and extended by this Deed, shall be exercisable:
 - (i) in respect of Security Assets which are located in England, the power of sale and other powers conferred by Section 101 of the Law of Property Act;
 - (ii) in respect of Security Assets which are located in Northern Ireland, the power of sale and other powers conferred by Section 19 of the Conveyancing Act 1881 and Section 4 of the Conveyancing Act 1911;
 - (iii) in respect of Security Assets which are located in Ireland, power of sale and other powers conferred by the Irish Act.

7.2.2 For the avoidance of doubt, Clause 7.2.1 shall be without prejudice to the power and right of the Market Operator to:

- (a) in accordance with paragraph 6.55.2 of the Code, withhold, deduct or set off payment of any amount due to the Participant pursuant to the Code until the amount of any Unsecured Bad Debt and any applicable Default Interest has been recovered in full from the Participant; and/or
- (b) in accordance with paragraph 6.57 of the Code, in order to recover the amount of any Unsecured Bad Debt of the Participant, reduce the amount payable to each SEM Creditor affected by such Unsecured Bad Debt pro-rated in accordance with the individual respective proportionate entitlement of each such SEM Creditor (other than the Participant).

7.3 Law of Property Act, Conveyancing and Law of Property Acts and Irish Act

Insofar as the Security Assets are located in:

- (a) England, Clause 7.3.2 below in relation to the Law of Property Act shall apply;
- (b) Northern Ireland, Clause 7.3.3 below in relation to the Conveyancing and Law of Property Acts shall apply; and
- (c) Ireland, Clause 7.3.4 below in relation to the Irish Act shall apply.

7.3.2 Law of Property Act

The powers conferred by Section 101 of the Law of Property Act as varied and extended by this Deed, shall be deemed to have arisen immediately upon execution of this Deed, and Sections 93, 103 and 109 of the Law of Property Act shall not apply to this Deed.

7.3.3 Conveyancing and Law of Property Acts

The powers conferred by Section 19 of the Conveyancing Act 1881 and Section 4 of the Conveyancing Act 1911, as varied and extended by this Deed, shall be deemed to have arisen immediately upon execution of this Deed, and Sections 17, 20 and 24 of the Conveyancing Act 1881 shall not apply to this Deed.

7.3.4 Irish Act

7.3.4.1 In the event that:

- (a) the laws of Ireland apply to:
 - (i) the Security Assets or any of them; or
 - (ii) the Security or any of it; or
- (b) in the event of the appointment in Ireland of a liquidator, examiner or similar officer to the Participant or over any or all of its assets,

the provisions of Chapter 3 (Obligations, powers and rights of mortgagee) of Part 10 (Mortgages) of the Irish Act, save as specified in Clauses 7.3.4.2 to 7.3.4.4, inclusive, below, shall apply to this Deed notwithstanding anything to the contrary contained in this Deed.

7.3.4.2 The provisions of sections 96(1)(c) (Powers and rights generally), 97 (Taking possession), 99(1) (Mortgagee in possession), 101 (Applications under sections 97 and 100), 103(2) (Obligations on selling), 106(3) (Application of mortgagee's receipts), 107 (Application of proceeds of sale), 108(1) (Appointment of receiver), 108(7) (Remuneration of receiver), 109 (Application of money received by a receiver) and 110(2) (Insurance) of the Irish Act shall not apply to this Deed.

7.3.4.3 The restrictions and any requirements to give notice to the Participant contained in section 108(1) (Appointment of Receiver) of the Irish Act shall not apply to this Deed.

7.3.4.4 The Participant shall not be entitled to take any action in respect of the Security Assets pursuant to section 94 (Court order for sale) of the Irish Act.

7.3.4.5 The restrictions and any requirements to give notice to the Participant contained in section 100 (Power of sale) of the Irish Act shall not apply to this Deed.

7.4 Rights upon enforcement

7.4.1 Powers of Market Operator

At any time after the Security has become enforceable, the Market Operator shall be entitled, without any notice to, demand on or consent of the Participant, either in its own name or in name of the Participant or otherwise, and in such manner and on such terms and conditions as it thinks fit, to take possession of and realise the Security Assets and apply the proceeds of realisation in or towards payment or satisfaction of the Secured Obligations in accordance with Clause 7.5 (*Application of proceeds*), and in particular, without limiting the generality:

- (a) to call in and/or uplift or withdraw the sums standing to the credit of the Account(s) in whole or part (and whether or not any deposit period may be broken by so doing);
- (b) to do all things it may consider necessary or expedient for the realisation of the Security Assets or incidental to the exercise of any of the rights conferred on it under or in connection with this Deed, the Law of Property Act, the Conveyancing and Law of Property Acts or the Irish Act; and
- (c) generally to exercise all the rights powers and discretions in respect of the Security Assets it would be entitled to exercise if it were the absolute owner of the Security Assets, provided that any monies recovered under this Deed shall be applied in accordance with Clause 7.5.

7.5 Application of proceeds

All monies realised or otherwise arising from the enforcement of the Security shall be applied by the Market Operator in or towards payment of any Secured Obligations in accordance with the terms of the Code, and in particular:

- (a) firstly, towards payment of any Shortfall (excluding any Market Operator Charge) together with any applicable Interest or Default Interest;
- (b) secondly, towards payment of any Unsecured Bad Debt;
- (c) thirdly, towards payment of any Variable Market Operator Charges together with any applicable Interest; and
- (d) fourthly, towards payment of any surplus to the Participant;

provided that prior to the enforcement of the Security, any credit balances held in the Account(s) shall be applied in accordance with paragraphs 6.32 and 6.35 of the Code.

This Clause is subject to the settlement of any claims which have priority over the Security and shall not prejudice the Market Operator's right to recover any shortfall from the Participant in accordance with the provisions of the Code.

7.6 Balance

The rights powers and discretions conferred on the Market Operator (subject to the terms of the Code) under this Deed are subject only to its obligation to account to the Participant for any balance of the Security Assets or their proceeds remaining in its hands after the Secured Obligations have been fully and unconditionally paid and discharged.

7.7 Third parties

7.7.1 No person dealing with the Market Operator in relation to the Security Assets shall be concerned to enquire whether any event has occurred upon which any of the rights, powers and discretions conferred under or in connection with this Deed or (in the case of Security Assets located in England) the Law of Property Act or (in the case of Security Assets located in Northern Ireland) the Conveyancing and Law of Property Acts or (in the case of Security Assets located in Ireland) the Irish Act is or may be exercisable, or whether any of the rights, powers and discretions exercised or purported to be exercised by it hereunder has otherwise become exercisable, whether any of the Secured Obligations remains outstanding, or generally as to the propriety or validity of the exercise or purported exercise of any right, power or discretion hereunder. All the protection to purchasers and other persons contained in Sections 104 and 107 of the Law of Property Act (in respect of Security Assets located in England), Sections 21 and 22 of the Conveyancing and Law of Property Act 1881 (in respect of Security Assets located in Northern Ireland) and sections 104, 105 and 106(1) of the Irish Act (in respect of Security Assets located in Ireland) shall apply to any person purchasing from or dealing with the Market Operator as if the Secured Obligations had become due and the statutory powers of sale in relation to the Security Assets had arisen on the date of this Deed.

7.7.2 The receipt or discharge of the Market Operator shall be an absolute discharge to any purchaser or other person dealing with the Market Operator in relation to the Security Assets and any such purchaser or other person shall not have any obligation to enquire after or see to the application of any payments made by it to the Market Operator or at its direction.

7.8 Redemption of prior securities

7.8.1 The Market Operator shall be entitled at any time:

- (a) to redeem any prior Security Interest over the Security Assets; and/or
- (b) to procure the transfer of such Security Interest to itself or its nominee; and/or
- (c) to settle and pass the accounts of the person or persons entitled to any such prior Security Interest and any accounts so settled and passed shall, save for manifest error, be conclusive and binding on the Participant.

7.8.2 The Participant shall pay the Market Operator, immediately on demand, the costs and expenses incurred by the Market Operator in connection with any such redemption and/or transfer, including the payment of any principal or interest, and these shall be subject to the terms of Clause 10 (*Miscellaneous*) and shall be Secured Obligations.

8 RELEASE

8.1 Release

When the Market Operator confirms in writing to the Participant that the Secured Obligations have been fully and unconditionally paid or discharged the Market Operator shall at the Participant's request, and at its expense, discharge the Security and retransfer to the Participant so much of the Security Assets as has not been realised or applied in or towards satisfaction of the Secured Obligations. Any payment or realisation in respect of the Secured Obligations which in the reasonable opinion of the Market Operator is liable to be avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, shall not be regarded as having been irrevocably effected until the expiry of the period during which it may be challenged on any such ground.

8.2 Avoidance of payments

The Market Operator's right to recover the Secured Obligations in full shall not be affected or prejudiced by any payment or realisation which is avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, or by any release or discharge given by the Market Operator on the faith of any such payment or realisation.

8.3 Retention of Security

If any payment or realisation in respect of the Secured Obligations is, in the Market Operator's reasonable opinion, liable to be avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, the Market Operator shall be entitled to retain this Deed and the Security undischarged and shall not be obliged to retransfer the Security Assets until the expiry of the period during which it may be challenged on any such ground.

9 LIABILITY OF MARKET OPERATOR

9.1 Liability

The Market Operator shall not in any circumstances be liable to the Participant or any other person as mortgagee in possession or otherwise for any losses, damages, liabilities or expenses arising from or in connection with the application or enforcement of the Security or any realisation, appropriation or application of the Security Assets or from any act, default or omission of the Market Operator in relation to the Security Assets or otherwise in connection with this Deed and the Security except to the extent caused by reckless or wilful misconduct.

10 MISCELLANEOUS

10.1 Assignment

10.1.1 The Market Operator may at any time, with the prior written consent of the Regulatory Authorities (but without notice to or consent of the Participant) assign or transfer the benefit of this Deed and the Security or any of its rights or obligations thereunder, provided that such assignment and transfer is in compliance with any applicable requirements of the Code. The Market Operator shall, with the prior written consent of the Regulatory Authorities, be entitled to impart any information concerning the Participant to any assignee, transferee or proposed assignee or transferee or to any person who may otherwise enter into contractual relations with the Market Operator in relation to this Deed, the Secured Assets or the Secured Obligations.

10.1.2 The Participant may not assign, transfer or otherwise deal with the benefit or burden of this Deed or the Security or any of its rights or obligations thereunder.

10.1.3 This Deed shall be binding upon and inure to the benefit of each of the parties hereto and the Market Operator's respective permitted successors, transferees and assignees and references in this Deed to any of them shall be construed accordingly.

10.2 Entire agreement

This Deed constitutes the entire agreement and understanding of the parties in relation to the security interests created herein in furtherance of the provisions in Section 6 of the Code and supersedes any previous agreement between the parties relating to the subject matter of this Deed.

10.3 Non-reliance

Each of the parties acknowledges and agrees that in entering into this Deed it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or undertaking (whether negligently or innocently made) of any person (whether a party or not) other than as expressly set out in this Deed.

10.4 Amendments

No amendment or variation of this Deed shall be effective unless it is in writing and executed by or on behalf of each of the parties.

10.5 Third party rights

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Deed and only the parties hereto may enjoy its benefit or enforce its terms.

10.6 Counterparts

This Deed may be executed in any number of counterparts, and by one or more parties hereto in separate counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

10.7 Expenses

10.7.1 Each Party shall pay its own costs incurred in connection with the negotiation, preparation and execution of this Deed.

10.7.2 The Market Operator shall pay any costs incurred in connection with the registration of this Deed.

11 NOTICES

11.1 Notices and deemed receipt

Any demand or notice to be given under this Deed shall be in writing signed by or on behalf of the party giving it and shall be served by delivering it personally or sending it by pre-paid recorded delivery or registered post or by facsimile to the address and for the attention of the relevant party set out in Clause 11.2 (or as otherwise notified by that party thereunder). Any such notice shall be deemed to have been received:

- (a) if delivered personally, at the time of delivery or attempted delivery;
- (b) in the case of pre-paid recorded delivery or registered post, at the time of delivery or attempted delivery; and
- (c) in the case of facsimile, at the time of transmission, where in order to prove transmission it shall be sufficient to produce confirmation of uninterrupted transmission by a transmission report,

provided that if deemed receipt occurs before 9am on a Working Day the notice shall be deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm on a Working Day, or on a day which is not a Working Day, the notice shall be deemed to have been received at 9am on the next Working Day.

11.2 Addresses for notices

The addresses and facsimile numbers of the parties for the purposes of this Clause 11.2 are:

The Market Operator

Address: The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4.

For the attention of: SEMO Finance

Fax number: +353 (0)1 2370035

The Participant

Address: [30-32 Balliniska Road, Springtown
Industrial Estate, Derry BT48 0LY
For the attention of: [Accounts Payable

Fax number:

0044 2871 264444
[] ~~+353 1 6554744~~

or such other address or facsimile number as may be notified in writing from time to time by the relevant party to the other.

11.3 No electronic service

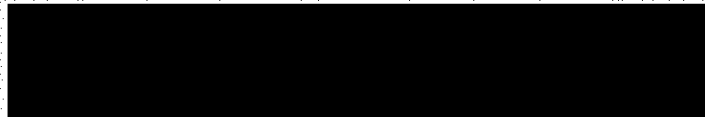
For the avoidance of doubt no demand or notice given under this Deed shall be validly given if sent by e-mail.

12 GOVERNING LAW AND JURISDICTION

12.1 This Deed (including any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with: (i) insofar as the Security Assets are located in England, the laws of England; insofar as the Security Assets are located in Northern Ireland, the laws of Northern Ireland; and (iii) insofar as the Security Assets are located in Ireland, the laws of Ireland.

12.2 The parties irrevocably submit: (i) insofar as the Security Assets are located in England, to the non-exclusive jurisdiction of the English Courts; (ii) insofar as the Security Assets are located in Northern Ireland, to the non-exclusive jurisdiction of the Northern Irish Courts; and (iii) insofar as the Security Assets are located in Ireland, to the non-exclusive jurisdiction of the Irish Courts.

EXECUTED AND DELIVERED as a deed on the date first above stated.

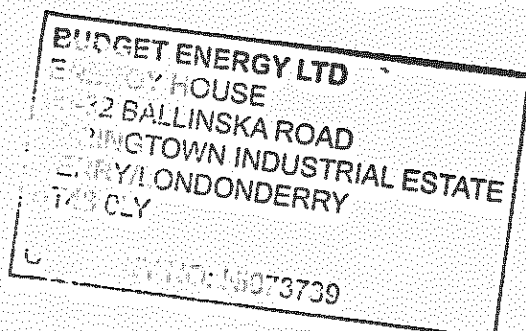


ELEANOR McEVoy
Director & CEO
BUDGET ENERGY LTD

Witness:



Maurice McHugh
Group Financial Controller
Budget Energy Ltd



SCHEDULES

SCHEDULE 1

The Account(s) and Account Bank(s)

Name of Account



Number of Account



BIC where account held



IBAN



SCHEDULE 2

Part 1: Notice of charge to Account Bank(s)

[On letterhead of Participant]

To: Name of Account Bank (the "Account Bank")

Branch: []

Address: []

Attention: []

Date: []

Dear Sirs

Account number(s):

(the "Account(s)")

We Budget Energy Limited (the "Participant") hereby give notice that by a Deed of Charge and Account Security between us and EirGrid p.l.c. and SONI Limited together trading as the Single Electricity Market Operator (the "Market Operator") dated the [] day of [] 200[] (the "Account Security") we have charged by way of first fixed charge to the Market Operator our whole right, equitable title and beneficial interest present and future in the Account(s), the debt(s) thereby represented, and all sums, whether principal or interest, now or hereafter deposited in or otherwise standing to the credit of the Account(s). A copy of the Account Security is annexed.

We irrevocably instruct and authorise you, without further reference to, or enquiry or permission from, us:

- a. to disclose to the Market Operator any information about the Account(s) which it may request;
- b. to comply with the terms of any written notice or instruction relating to the Account(s) which you may receive from the Market Operator;
- c. to hold all sums standing at credit of the Account(s) to the order of the Market Operator;
- d. to pay or release any sum standing at credit of the Account(s) only in accordance with the written instructions or with the written consent of the Market Operator.

For the avoidance of doubt, any notice, instruction or authorisation from the Market Operator may validly be given by fax or email.

The instructions and authorisations in this letter may not be revoked or amended without the prior written consent of the Market Operator.

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 the Account(s) or the sums standing at credit of or any rights or benefits relating to the Account(s) and that you have not claimed or exercised, and will not claim or exercise any right of set-off, counterclaim, deduction, lien or combination of accounts or security interest in respect thereof.

In the absence of gross negligence or wilful misconduct on its part, the Account Bank shall not be liable to the Participant, Market Operator or any other person with respect to any act or omission in connection with the services provided. Provided that it has complied with the terms of the written acknowledgement by it of this notice and, to the extent not inconsistent with such acknowledgment, with the mandate relating to, and terms and conditions applicable to the Account(s), under no circumstances shall the Account Bank be liable to the Participant, Market Operator or any other person for indirect or

consequential damages and the Account Bank shall not in any event be liable for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Account Bank has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

This letter is governed by English law.

Please acknowledge receipt and confirm your agreement to the terms hereof by sending the attached acknowledgement to the Market Operator with a copy to us.

Yours faithfully

For and on behalf of Budget Energy Limited

.....
Authorised Signatory

SCHEDULE 2
Part 2: Acknowledgement from Account Bank(s)
[On letterhead of each Account Bank]

To: EirGrid p.l.c.
and SONI Limited
Address: The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4, Ireland
Attention: SEMO Registration

Date: []

Dear Sirs

Account number[s]: [specify] (the "Account[s])"

We hereby acknowledge receipt from [Participant] of a notice of charge dated [] (the "Notice") of its whole right, equitable title and beneficial interest, present and future, in and to the Account[s], the debt(s) thereby represented, and all sums, whether principal or interest, now or hereafter deposited in or otherwise standing to the credit of the Account[s]. We also acknowledge receipt of a copy of the Deed of Charge and Account Security dated [] 200[] between you and the Participant (the "Account Security").

We confirm that:

- a we accept the instructions contained in the Notice and undertake to comply with its terms;
- b we have not received nor are we aware of any other assignment, charge, encumbrance or third party interest in the Account[s] or the sums standing at credit of or, any rights and benefits relating to the Account[s];
- c we have not claimed or exercised, nor will we claim or exercise, any right of set-off, counterclaim, deduction, lien, combination of accounts or security interest in respect of the Account[s]; and
- d we will not permit any amount to be withdrawn from the Account[s] except on your written instructions or with your prior written consent in accordance with the provisions of Clause 6 (Withdrawals) of the Account Security (which instructions or consent appear on their face to be validly given and Danske Bank A/S has not nor is it required to verify or confirm with any person whether such notice or consent was actually given by any person authorised to do so or the circumstances which would entitle such notice to be given had actually occurred) or otherwise (to the extent not inconsistent with the foregoing) in accordance with any bank mandate in relation to the Accounts.

We are aware that you will rely on this letter in respect of your rights under the Account Security.

This letter is governed by [Irish/English] Law.

Yours faithfully

For and on behalf of [Account Bank]

.....
Authorised Signatory

Copied to: [Participant]
Address:
Attention:

THE COMMON SEAL of
EirGrid p.l.c.
was affixed hereto
and this Deed was delivered:

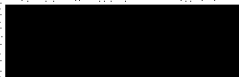
Director



~~Director/Secretary~~



EXECUTED and DELIVERED as a
DEED by SONI Limited
acting by:



Director

Full Name



Director *Secretary*

Full Name

Tom Finh

EXECUTED and DELIVERED as a
DEED by Budget Energy Limited
acting by:

Director

Full Name

Director

Full Name