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COMPANIES FORM No. 410(Scot)

Particulars of a charge created by a company registered in Scotland

410

COMPANIES HOUSE
FEE PAID £10
EDINBURGH

Please do not
write in
this margin

Pursuant to section 410 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

*
insert full name
of company

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

15

137656

Name of company

* Fife Energy Limited (the "Chargor")

Date of creation of the charge (note 1)

20th July 1999

Description of the instrument (if any) creating or evidencing the charge (note 1)

Floating Charge (the "Charge")

Amount secured by the charge

All present and future obligations and liabilities of (a) the Chargor to the Security Trustee and the Senior Creditors and Subordinated Creditors (or any of them) under the Charge and under each of the Finance Documents to which it is a party and (b) the Borrower under the Senior Facility Agreement and the other Finance Documents to which it is a party and (c) the Borrower under the Subordinated Facility Agreement and the other Finance Documents to which it is a party and (d) and/or, in any case, any deed or document supplemental thereto, whether actual, contingent, sole, joint and/or several or otherwise, including, without prejudice to the foregoing generality, all obligations to indemnify the Security Trustee, the Senior Creditors and the Subordinated Creditors (the "Secured Liabilities").

Names and addresses of the persons entitled to the charge

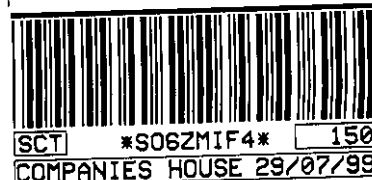
The Governor and Company of the Bank of Scotland, Corporate Banking (International) Division,
Orchard Brae House, 30 Queensferry Road, Edinburgh EH4 2UG for itself and as agent and security
trustee for the Senior Creditors and the Subordinated Creditors (the "Security Trustee").

Presentor's name address telephone
number and reference (if any):

Dundas & Wilson CS
Saltire Court
20 Castle Terrace
EDINBURGH EH1 2EN
Ref: NLR/MPS/BOS001.0497

For official Use
Charges Section

Post room



Short particulars of all the property charged.

Please do not
write in
this margin

The Chargor, as security for the payment and discharge of all the Secured Liabilities, grants in favour of the Security Trustee a first ranking floating charge over the whole of the Charged Assets.

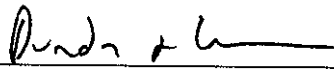
Please complete
legibly, preferably
in black type, or
bold block lettering

Statement, in the case of a floating charge, as to any restrictions on power to grant further securities and any ranking provision (note 2)

See Paper Apart

Particulars as to commission, allowance or discount paid (see section 413(3))

N/A

Signed  Date 22/7/99

On behalf of ~~[company]~~ [chargee]†

† delete as
appropriate

Notes

1. A description of the instrument e.g. "Standard Security" "Floating Charge" etc, should be given. For the date of creation of a charge see section 410(5) of the Act. (Examples - date of signing of an Instrument of Charge; date of recording/registration of a Standard Security; date of intimation of an Assignment.)
2. In the case of a floating charge a statement should be given of (1) the restrictions, if any, on the power of the company to grant further securities ranking in priority to, or pari passu with the floating charge; and/or (2) the provisions, if any, regulating the order in which the floating charge shall rank with any other subsisting or future floating charges or fixed securities over the property which is the subject of the floating charge or any part of it.
3. A certified copy of the instrument, if any, creating or evidencing the charge, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of the creation of the charge. In the case of a charge created out of the United Kingdom comprising property situated outside the U. K. , within 21 days after the date on which the copy of the instrument creating it could, in due course of post, and if despatched with due diligence, have been received in the U. K. . Certified copies of any other documents relevant to the charge should also be delivered.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. The address of the Registrar of Companies is:-
Companies Registration Office,
37 Castle Terrace,
Edinburgh EH1 2EB

Paper Apart applicable to the foregoing Companies Form 410 in respect of a Floating Charge executed by Fife Energy Limited in favour of The Governor and Company of the Bank of Scotland on 20th July 1999

The Charge shall, subject to Section 464(2) of the Act and to Clause 2.5 of the Charge, rank in priority to any fixed security which shall be created by the Chargor after execution of the Charge, other than a fixed security in favour of the Security Trustee, and to any other floating charge which shall be created by the Chargor on or after execution of the Charge and, subject as aforesaid, no such fixed security or other floating charge shall rank in priority to or equally with the floating charge created by the Charge.

Except with the prior written consent of the Security Trustee the Chargor shall not during the Security Period create, incur, assume or permit to subsist any Encumbrance, save for any Permitted Encumbrance, on all or any part of the Fife Assets.

Except with the prior written consent of the Security Trustee or as expressly permitted by the terms of any Finance Document, the Chargor shall not sell, feu, transfer, lease, hire out, lend, discount, factor, charge or otherwise dispose of, deal in or remove all or any of the Fife Assets.

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Definitions applicable to the foregoing Companies Form 410 in respect of a Floating Charge executed by Fife Energy Limited in favour of The Governor and Company of the Bank of Scotland on 20th July 1999

the Act means the Companies Act 1985;

Agent means The Governor and Company of the Bank of Scotland;

Approved Hedging Agreement means hedging arrangements effected in compliance with Clause 18.3 of the Senior Facility Agreement;

Asset Transfer Agreement means the agreement dated 25th September 1998 between FEL and the Borrower relating (inter alia) to the transfer of certain assets and the grant of a feu disposition and includes the Disposition and the Deed of Conditions and the Deed of Servitude each granted thereunder;

Banks means each of the parties specified in Schedule 1 of the second part of the Senior Facility Agreement and each other bank or financial institution which becomes a New Bank under Clause 28 of the Senior Facility Agreement;

Borrower means Fife Power, registered number SC162872, whose registered office is at Westfield Development Centre, Cardenden, Fife KY5 0HP;

Charged Assets means the whole of the property (including uncalled capital) which is or may be from time to time while the Charge is in force comprised in the property and undertaking of the Chargor;

Debtor Party means the Borrower and each other party from time to time (other than the Agent or the Banks or any Hedging Counterparty) to a Finance Document;

Encumbrance includes fixed or floating security including, without limiting the generality, any standard security, assignation in security, pledge, floating charge, hypothecation, security interest, title retention or other preferential right having the effect of creating security;

Existing Bank is as defined in Clause 28.5 of the Senior Facility Agreement;

FEL means Fife Energy Limited, registered number SC137656, whose registered office is Westfield Development Centre, Cardenden, Fife KY5 0HP;

Fife Assets means the right, title and/or interest of the Chargor in Fife Limited (registered in Scotland number SC167286);

Finance Documents means the Senior Facility Agreement, the other Finance Documents referred to therein, the Subordinated Facility Agreement and the other Finance Documents referred to therein;

Finance Party means each of the Agent, each Bank, each Hedging Counterparty and the Security Trustee;

Hedging Agreement means each of the agreements made between the Borrower and a Hedging Counterparty wherein the Borrower assumes an obligation to make payment(s) to a Hedging Counterparty calculated by reference to a fixed rate of interest applied to a notional principal amount and such Hedging Counterparty assumes an obligation to make payments to the Borrower calculated by reference to a floating rate of interest applied to a notional principal amount in the Required Form;

Hedging Counterparty means the person in its capacity as hedging counterparty with whom the Borrower enters into an Approved Hedging Agreement;

Interest Period means, in relation to each Loan, each period ascertained in accordance with Clause 11 of the Senior Facility Agreement;

Loan means a Term Loan or, as the case may be, a Standby Loan and includes, in any such case, any part thereof having a separate Interest Period;

Majority Banks means, at any time, Banks whose Relevant Amounts then exceed $66\frac{2}{3}$ per cent of the Total Relevant Amounts at that time;

New Bank means a bank or other financial institution to which an Existing Bank seeks to transfer all or part of its rights and obligations hereunder in accordance with Clause 28 of the Senior Facility Agreement;

Permitted Encumbrances means:

- (a) Encumbrances in favour of the Security Trustee and the Banks or any Subordinated Creditor or in favour of a Hedging Counterparty;
- (b) any lien arising solely by operation of law in the ordinary course of the business of the Borrower in respect of any obligation which is not overdue for settlement;
- (c) servitudes, wayleaves, reservations, conditions, burdens and other Encumbrances referred to in the updated certificate of title provided to the Agent and the Banks by the Borrower's solicitors or in the feu disposition granted by FEL to the Borrower pursuant to the Asset Transfer Agreement;
- (d) liens for taxes not yet delinquent or being contested in good faith by appropriate proceedings and with adequate reserves;
- (e) liens for mechanics or materialmen arising in the ordinary course of business or incident to the construction or improvement of the Project in respect of obligations not yet delinquent or being contested in good faith and for which adequate funds have been set aside;
- (f) liens for purchase money security interests in vehicles and equipment not essential to the Project and not in excess of £200,000;
- (g) Encumbrances arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired in the ordinary course of business; and
- (h) Encumbrances granted with the prior written consent of the Majority Banks;

Phase 1 means the construction at the Site of the PG6101 FA Combustion Gas Turbine Power Plant and ancillary equipment and **Phase 2** means the construction at the Site of the combined cycle add on;

Plant means the PG6101 FA Combustion gas Turbine Power Plant, the combined cycle add on and all ancillary equipment to be installed and commissioned under the Construction Agreement;

Project means the design, manufacture, supply, installation, commissioning and operation of Phase 1 and Phase 2;

Relevant Amounts means, in relation to a Bank, at any time the aggregate of each of its Term Facility Commitment and Standby Facility Commitment at that time or, if there are then any Term Loans or, as the case may be, Standby Loans then outstanding, the amount of the Term Loans or, as the case may be, Standby Loans attributable to it at that time (together for all the Banks, the "**Total Relevant Amounts**");

Required Form means, in relation to any document, as required in respect of both the form and substance thereof by the Agent;

Security Period means the period beginning on the date of execution of the Charge and ending on the date upon which all the Secured Liabilities (actual or contingent) which have arisen or which may arise have been irrevocably paid and discharged or the floating charge hereby created has been finally released and discharged;

Senior Creditors is as defined in the Senior Facility Agreement;

Senior Facility Agreement means the facility agreement dated 20th July 1999 between the Borrower, the Senior Creditors and the Security Trustee providing for credit facilities aggregating £55,000,000;

Site means that part of the site at Westfield Development Centre, Westfield, Fife, Scotland on which (inter alia) the Plant is constructed and is proposed to be constructed and operated as identified in the certificate of Title;

Standby Facility means the standby loan facility made available by the Banks under Clause 5.1 of the Senior Facility Agreement and referred to in Clause 2.1.2 of the Senior Facility Agreement;

Standby Facility Commitment means, in relation to each Bank, at any time, the principal amount set out alongside the name of such Bank in Schedule 1 of the Senior Facility Agreement or, as the case may be, in any relevant Transfer Agreement to the extent not cancelled under the Senior Facility Agreement;

Standby Loan means the principal amount of each Utilisation of the Standby Facility or, as the context requires, the principal amount thereof from time to time outstanding;

Subordinated Creditors is as defined in the Subordinated Facility Agreement;

Subordinated Facility Agreement means the facility agreement dated of even date herewith between the Borrower, the Subordinated Creditors and the Security Trustee providing for credit facilities aggregating £3,000,000;

Term Facility means the term loan facility made by the Banks available under Clause 5.1 of the Senior Facility Agreement and referred to in Clause 2.1.1 of the Senior Facility Agreement;

Term Facility Commitment means, in relation to each Bank, at any time, the principal amount set out alongside the name of such Bank in Schedule 1 to the Senior Facility Agreement or, as the case may be, in any relevant Transfer Agreement, to the extent not cancelled under the Senior Facility Agreement;

Term Loan means the principal amount of each Utilisation of the Term Facility together with each Standby Loan converted into a Term Loan pursuant to Clause 3.3 of the Senior Facility Agreement or, as the context requires, the principal amount thereof from time to time outstanding;

Transfer Agreement means an agreement substantially in the form set out in Schedule 8 of the Senior Facility Agreement executed (inter alia) by an Existing Bank and a New Bank whereby:

- (a) such Existing Bank seeks to assign to such New Bank all or part of such transferor's rights and obligations hereunder subject to and upon the terms and conditions set out in Clause 28 of the Senior Facility Agreement; and
- (b) such New Bank undertakes to perform those obligations it will assume as a result of delivery of such Agreement to the Agent as contemplated in Clause 28 of the Senior Facility Agreement;

Utilisation means the drawing of a Loan under the Term Facility or the Standby Facility.

In this Paper Apart, unless the context or any express provision of this Paper Apart otherwise requires:-

- (a) words importing the singular shall include the plural and vice versa;
- (b) the term **assets** includes properties and rights of every kind, present, future and contingent (including uncalled share capital), and every kind of interest in an asset;
- (c) a reference to any Debtor Party and/or to any Finance Party shall, subject to Clause 28 of the Senior Facility Agreement, be deemed to be a reference to or include, as appropriate, their respective permitted successors and assignees or transferees;
- (d) a reference to the Senior Facility Agreement, the Subordinated Facility Agreement or to another agreement or document shall be construed as including a reference to all permitted amendments, variations or novations thereof or supplements thereto from time to time in force.

✓



**CERTIFICATE OF THE REGISTRATION
OF A CHARGE**

Company number 137656

I hereby certify that a charge created by

FIFE ENERGY LIMITED

on 20 JULY 1999

for securing ALL SUMS DUE, OR TO BECOME DUE

in favour of
THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND

was delivered pursuant to section 410 of the Companies Act, 1985,
on 29 JULY 1999

Given at Companies House, Edinburgh
2 AUGUST 1999



C O M P A N I E S H O U S E



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

N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

REGISTER of Charges, Alterations to Charges,

COMPANY: SC137656 CHARGE: 15

(1) Date of Registration	(2) Serial Number of Document on File	(3) Date of Creation of each Charge and Description thereof	(4) Date of the aquisition of the Property	(5) Amount secured by the Charge £	(6) Short Particulars of the Property Charged	(7) Names of the Persons entitled to the Charge
29/07/1999		20/ 7/99 FLOATING CHARGE		ALL SUMS DUE, OR TO BECOME DUE	UNDERTAKING AND ALL PROPERTY AND ASSETS PRESENT AND FUTURE OF THE COMPANY INCLUDING UNCALLED CAPITAL	THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND

Memoranda of Satisfaction and Appointments etc. of Receivers

N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

COMPANY: SC137656 CHARGE: 15

(8)	(9)	(10)	(11)	(12)		
				Receiver		
In the case of a floating charge, a statement of the provisions, if any, prohibiting or restricting the creation by the company of any fixed security or any other floating charge having priority over, or ranking <i>pari passu</i> with the floating charge.	In the case of a floating charge, a statement of the provisions if any regulating the order in which the floating charge shall rank with any other subsisting or future floating charges or fixed securities over the property the subject of the floating charge or any part of it.	Amount or rate per cent of the Commission Allowance or discount	Memoranda of Satisfaction	Name	Date of Appointment	Date of Ceasing to act
COMPANY ARE EXPRESSLY PROHIBITED FROM CREATING SUBSEQUENT FIXED SECURITY HAVING PRIORITY OVER OR RANKING EQUALLY WITH THE FLOATING CHARGE						