

# MR01

## Particulars of a charge



Companies House

229348/13

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](http://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 there is no  
instrument. Use form MR01

For further information, please  
refer to our guidance at:  
[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

This form **must be delivered to the Registrar for registration** v  
**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.**

FRIDAY



SCT

\*S4Y6VLC1\*

08/01/2016

#545

COMPANIES HOUSE

### 1 Company details

Company number S C 3 0 1 1 8 8

Company name in full SPARK ENERGY 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 2 4 7 2 2 0 1 5

### 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 MACQUARIE BANK LIMITED

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

<b>4</b>	<b>Brief description</b> 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	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.
<b>5</b>	<b>Other charge or fixed security</b> 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. <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>	
<b>6</b>	<b>Floating charge</b> Is the instrument expressed to contain a floating charge? Please tick the appropriate box. <input checked="" type="checkbox"/> <b>Yes</b> Continue <input type="checkbox"/> <b>No</b> Go to <b>Section 7</b> Is the floating charge expressed to cover all the property and undertaking of the company? <input checked="" type="checkbox"/> <b>Yes</b>	
<b>7</b>	<b>Negative Pledge</b> 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. <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>	
<b>8</b>	<b>Trustee statement <sup>①</sup></b> 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. <input type="checkbox"/>	<b>①</b> This statement may be filed after the registration of the charge (use form MR06).
<b>9</b>	<b>Signature</b> Please sign the form here.  Signature  X <i>Feed Smith LLP.</i> 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 the public record.

Contact name OLGA NEWMAN

Company name REED SMITH LLP

Address THE BROADGATE TOWER

20 PRIMROSE STREET

Post town LONDON

County/Region

Postcode E C 2 A 2 R S

Country UNITED KINGDOM

DX

Telephone 02031163823



### 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](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.companieshouse.gov.uk)



**FILE COPY**

## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 301188

Charge code: SC30 1188 0006

The Registrar of Companies for Scotland hereby certifies that a charge dated 24th December 2015 and created by SPARK ENERGY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th January 2016.

Given at Companies House, Edinburgh on 19th January 2016



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

EXECUTION VERSION

24 December 2015

**MACQUARIE BANK LIMITED**

and

**SPARK ENERGY SUPPLY LTD**

**SPARK GAS SHIPPING LTD**

**SPARK ENERGY LIMITED**

**SPARK GENERATION LIMITED**

**DEBENTURE**

Certified as a true copy of the original instrument  
other than material redacted pursuant to s.859G of  
the Companies Act 2006

Reed Smith LLP

Reed Smith LLP

Date

7/01/2016

PROCESSED BY THE U.S. DEPARTMENT OF  
COMMERCE, BUREAU OF ECONOMIC ANALYSIS  
WASHINGTON, D.C. 20540

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

WASHINGTON, D.C. 20540

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THIS DEBENTURE (the "Deed") is made on 24 December 2015

**BETWEEN:**

- (1) **MACQUARIE BANK LIMITED**, London Branch, a company incorporated in Australia, and registered in England and Wales with company number FC018220, acting through its London Branch with registered number BR002678, whose registered office is at Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD ("MBL" or the "Chargee"); and
- (2) **SPARK ENERGY SUPPLY LTD**, registered in England with number 05857467 whose registered office is at Regent House, 316 Beulah Hill Upper Norwood, London, SE19 3HF ("SESL");
- (3) **SPARK GAS SHIPPING LTD**, registered in England with number 05857480 whose registered office is at Regent House, 316 Beulah Hill Upper Norwood, London, SE19 3HF ("SGSL");
- (4) **SPARK ENERGY LIMITED**, a company incorporated in Scotland, with company number SC301188 whose registered office is at 5th floor, 125 Princes Street, Edinburgh, EH2 4AD ("SEL"); and
- (5) **SPARK GENERATION LTD**, a company registered in Scotland, with company number SC362870, whose registered office is at 5th Floor, 125 Princes Street, Edinburgh EH2 4AD ("SGL")

(SESL, SGSL, SEL and SGL each being a "Chargor" and together being the "Chargors")

(each a "Party" and together the "Parties").

**WHEREAS:**

- A SESL is a licensed electricity and gas supplier for domestic customers in the United Kingdom and SGSL is a licensed gas shipper.
- B MBL and the Chargors are party to the Wholesale Energy Trading Agreement dated on or about the date of this Deed (the "WETA").
- C Spark Group shall source its electricity and gas requirements from MBL pursuant to the terms of the WETA, and SEL may from time to time trade certain quantities of electricity and gas with MBL under the terms of the WETA and the ISDA.
- D SEL and MBL are parties to the ISDA. Spark Group wishes to trade and MBL has agreed to trade certain quantities of wholesale electricity and gas with Spark Group under the terms of the WETA and the ISDA.
- E The Chargors have agreed to provide Security to MBL to secure the payment and discharge of the Secured Liabilities.



NOW IT IS HEREBY AGREED as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Unless the context otherwise requires or unless otherwise defined in this Deed, words and expressions defined in the WETA shall have the same meaning when used in this Deed.

In this Deed:

**"Account"** means each account listed at Schedule 3 (*Accounts*) and any account established by or held by a Chargor from time to time, and any credit balance from time to time on any such account;

**"Account Bank"** means each bank with whom an Account is maintained by the Chargors;

**"Administrator"** means one or more administrators appointed, or to be appointed, under this Deed;

**"Assigned Contract"** means (i) each agreement between SESL or any Chargor and a customer or consumer relating to the supply of gas, electricity and other services, for commercial or domestic purposes, and (ii) each Lettings Partner Contract, and in each case all proceeds and monies due in respect of book debts related thereto, uncollected and collected;

**"Authorisation"** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

**"Assets"** means, in relation to a Chargor, all of its assets which are the subject of any Security created or to be created pursuant to this Deed;

**"Charged Assets"** means the Fixed Charge Assets and the Floating Charge Assets;

**"Debt"** means a monetary claim of any kind (whether present, future or contingent and whether originally owing to the person entitled to it or acquired by that person from someone else) and all Rights (including Security) connected with it;

**"Disposal"** means any transfer or other disposal of an asset or of an interest in an asset, or the creation of any Right over an asset in favour of another person, but not the creation of Security;

**"Environment"** means humans, animals, plants and all other living organisms including the ecological systems of which they form part and includes, but is not limited to:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters,

water under or within land and water in pipes, drains and sewers); and

- (c) land (including, without limitation, land under water) including buildings and other structures in, on or under it and any soil and anything below the surface of the land;

**"Environmental Law"** means any law, regulation, by law, code, guideline or judgment which relate to:

- (a) the pollution or protection of the Environment;
- (b) the condition of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste;

**"Environmental Permit"** means any permit and other Authorisation and the filing of any notification, report or assessment required under any applicable Environmental Law for the operation of the business of a Chargor;

**"Equipment"** means all plant, machinery, vehicles and other equipment used in a business, except equipment of a type which is disposed of in the ordinary course of trading and all warranties and other Rights relating to them;

**"Financial Collateral"** has the meaning given to it by the Regulations;

**"Fixed Charge Assets"** means those assets which are from time to time the subject of Clauses 3.2.2, 3.3, 3.4 and 3.6.1;

**"Floating Charge Assets"** means those assets which are from time to time the subject of Clause 3.6.2;

**"Insolvency Legislation"** means:

- (a) the Insolvency Act 1986 and secondary legislation made under it; and
- (b) any other primary or secondary legislation in England from time to time relating to insolvency or reorganisation;

**"Insurances"** means all contracts and policies of insurance of whatever nature which are from time to time taken out by or on behalf of a Chargor or (to the extent of such interest) in which a Chargor has an interest, but excluding any third party liability or public liability insurance and any directors or officers insurance;

**"Intellectual Property"** means all of the intellectual property rights owned (whether solely or jointly) by or licensed to the Chargors as at the date of this Deed and connected with the business of the Chargors, including the rights in or which relate to or are used in connection with the products of the Chargors or their exploitation, and including copyrights, registered designs, design rights, trade marks, domain names, patents, trade names, database rights and other forms of intellectual or industrial property (in each case in any part of the world, for all media for which such rights

exist and whether or not registered or registrable and for the full term of the rights, together with any extensions and renewals and applications for registration of or otherwise in connection with the foregoing), know-how, trade secrets, confidential information, goodwill, designations and rights under any international convention for protection of any of the foregoing; and the benefit (subject to the burden) of any licences, applications and consents (respectively) granted, applied for or given to the Chargors in respect of any of these rights;

**"Investment"** means:

- (a) the shares listed in Schedule 2 (*Shares*); and
- (b) in relation to the Chargors:
  - (i) all or any of their stocks, shares, bonds and securities of any kind (marketable or otherwise), negotiable instruments and warrants and any other financial instruments (as defined in the Regulations);
  - (ii) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise, which at any time accrue to or are offered or arise in respect of them;
  - (iii) any investment acquired after the date of this Deed which is designated as an Investment by a Chargor and MBL at or about the time of its acquisition; and
  - (iv) any other debt or equity security or any warrant or option to acquire or subscribe for any such security (whether it is held directly or through a custodian, clearing house or other person) unless it is of a type which is not held as an investment and is accordingly disposed of in the ordinary course of trading,

including all dividends, interest and other distributions paid or payable on or in respect of them;

**"ISDA"** means the ISDA Master Agreement (including the schedule thereto) between MBL and SEL dated as of a date on or about the date of this Deed;

**"Land"** means:

- (a) freehold, leasehold or commonhold land, including that set out in Schedule 1 (*Land*);
- (b) any estate or interest in, and any Rights attaching or relating to, that land; and
- (c) any buildings, fixtures and fittings (including trade fixtures and fittings) and other equipment attached to, situated on or forming part of that land;

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

**"Permitted Encumbrance"** means any Security granted in favour of MBL, any

Security, granted in favour of an Account Bank that is referred to in the Deed of Priority, and any Security that has been consented to by MBL in writing;

**"Planning Acts"** means all legislation from time to time regulating the development, use, safety and control of land and highways including but not limited to the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Local Government, Planning and Land Act 1980, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and any regulations made pursuant to any of the foregoing;

**"Receiver"** means a receiver, receiver and manager or, where permitted by law, an administrative receiver (as MBL may specify at any time in any relevant appointment) and that term will include any appointee made under a joint or several appointment;

**"Regulations"** means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements, and Regulation means any of them;

**"Right"** means any right, privilege, power or immunity, or any interest or remedy, of any kind, whether it is personal or proprietary;

**"Secured Liabilities"** means the liabilities of the Chargors to MBL under or pursuant to the WETA and each Finance Document, including any present and future monies, obligations and liabilities owed by any Chargor to MBL, together with all interest (including without limitation, default interest) accruing in respect of those monies, obligations or liabilities;

**"Security"** means a mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment or assignation by way of security, standard security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect;

**"Security Period"** means the period starting on the date of this Deed and ending on the date on which MBL is satisfied that all of the Secured Liabilities have been irrevocably discharged in full and MBL has no commitment or liability, whether present or future, actual or contingent, in relation to the WETA and the Finance Documents;

**"Shares"** means the shares specified in Schedule 2 (*Shares*) together with all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise (except for Distribution Rights) which at any time accrue to or are offered or arise in respect of them;

**"Spark Group"** shall be a collective reference to SEL, SESL, SGSL, and SGL;

**"Spot Rate"** means, in relation to MBL, the spot rate of exchange of MBL for the

purchase of any currency with any other currency in the London foreign exchange market;

**"Subsidiary"** means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006;

**"Third Parties Act"** means the Contracts (Rights of Third Parties) Act 1999; and

**"Trading Documents"** means the WETA and the ISDA.

## **1.2 Interpretation**

1.2.1 Terms denoting the singular number only shall include the plural number and vice versa.

1.2.2 Unless expressly otherwise stated, a reference to a Clause or Schedule is a reference to a Clause or Schedule of or to this Deed.

1.2.3 Reference to any gender includes the other.

1.2.4 Unless otherwise expressly provided herein, reference to this Deed or to an agreement or instrument is to the same as amended, novated, modified or replaced from time to time.

1.2.5 Reference to a statute, by-law, regulation, rule, delegated legislation or order is to the same as amended, modified or replaced from time to time and to any by-law, regulation, rule, delegated legislation or order made thereunder.

1.2.6 References in this Deed to time are references to UK time, unless otherwise specified.

1.2.7 In the event of any conflict between the terms of this Deed and the Schedules, then the terms of the relevant Schedule shall prevail.

1.2.8 Unless a contrary intention appears, any reference in this Deed to:

(a) a Chargor, MBL or a Receiver includes any one or more of its assigns, transferees and successors in title (in the case of a Chargor, so far as any such is permitted); and

(b) MBL or a Receiver includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates.

1.2.9 The liabilities of the Chargors under this Deed are joint and several.

1.3 If MBL reasonably considers that an amount paid by any Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of that Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

1.4 If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 (one hundred and twenty five) years (as specified by section 5(1)

of the Perpetuities and Accumulations Act 2009).

- 1.5 No term of this Deed is enforceable under the Third Parties Act by anyone who is not a party to this Deed.
- 1.6 A certificate of MBL setting forth the amount of any of the Secured Liabilities due from a Chargor shall be prima facie evidence of such amount in the absence of manifest error.
- 1.7 This Deed is subject to the terms of the Deed of Priority.

## **2. PAYMENT OF SECURED LIABILITIES**

Each Chargor covenants with MBL to pay or otherwise discharge all Secured Liabilities from time to time incurred by any of the Chargors under or in connection with the relevant agreement when they become due for payment or discharge.

## **3. CHARGES**

### **3.1 The charges contained in this Clause 3:**

- (a) are given to MBL;
- (b) secure the payment and discharge of the Secured Liabilities; and
- (c) are given with full title guarantee (or in the case of assets located in Scotland or otherwise governed by Scots law, with absolute warrandice), subject to the terms of the Deed of Priority.

### **3.2 Land**

#### **3.2.1 To the extent that each Chargor has any right, title or interest in any Land, each Chargor charges, by way of first legal mortgage:**

- (a) all the Chargor's right title and interest in the Land of which a brief description is contained in Schedule 1 (*Land*); and
- (b) all the Chargor's right title and interest in all other Land owned by it from time to time,

and any Rights accruing to, derived from or otherwise connected with it (including any proceeds of Disposal of any Land).

#### **3.2.2 Each Chargor charges, by way of first fixed charge, all of the Rights which it has (to the extent it has any Rights) and all of the Rights which it obtains at any time in the future in:**

- (a) Land, other than that charged under Clause 3.2.1; and
- (b) all rents recoverable from any lease granted out of any Land.

### **3.3 Accounts**

Each Chargor charges by way of fixed charge all amounts standing to the credit of each Account from time to time maintained by it and all of its right, title and interest in and relating to such Accounts and the debts represented by them.

**3.4 Investments**

Each Chargor mortgages or (if or to the extent that this Deed does not take effect as a mortgage) charges by way of fixed charge all Investments, including those held for it by any nominee.

**3.5 Contractual Rights**

3.5.1 Each Chargor, as applicable, assigns and will assign as security for the Secured Liabilities all rights under the Assigned Contracts and all other deeds and agreements to which it is a party and which are not mortgaged, charged by way of fixed charge or assigned under any of Clauses 3.1 to 3.4 and 3.6.1 (inclusive).

3.5.2 Until the Security created pursuant to this Deed becomes enforceable in accordance with the terms hereof, the relevant Chargors may continue to deal with the Assigned Contracts, Insurances and all such other deeds and agreements.

3.5.3 The assignments created hereunder shall be automatically released immediately following the end of the Security Period.

**3.6 Other Assets and Rights**

3.6.1 Each Chargor charges, by way of first fixed charge (subject to the Deed of Priority), all of the Rights which it now has and all of the Rights which it obtains at any time in the future in:

- (a) Equipment;
- (b) Insurances;
- (c) Intellectual Property;
- (d) Rights to recover any VAT on any supplies made to it relating to the Charged Assets and any sums so recovered;
- (e) Authorisations;
- (f) Debts; and
- (g) goodwill and uncalled capital,

and in any Rights accruing to, derived from or otherwise connected with them (including insurances and proceeds of Disposal and of insurances).

3.6.2 Each Chargor charges by way of floating charge all its present and future business, undertaking and assets which are not effectively mortgaged, charged

by way of fixed charge or assigned under this Clause 3, including, without limitation, all its present and future business, undertaking and assets situated in Scotland or otherwise governed by Scots law.

3.6.3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to any floating charge created by this Deed.

3.7 If or to the extent that the assignment or charging, as applicable, of any Asset is prohibited, the relevant Chargor shall instead hold it on trust for MBL.

3.8 MBL may (where Scots law applies, to the extent competent under Scots law) at any time by notice to the relevant Chargor convert the floating charge constituted under Clause 3.6.2 with immediate effect into a fixed charge as regards any asset which is the subject of the floating charge or which is specified in the notice if:

- (a) the Security created pursuant to this Deed becomes enforceable in accordance with its terms; or
- (b) MBL reasonably considers that any of the Charged Assets may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (c) a Perfection Event has occurred.

3.9 In addition, without prejudice to any rule of law which may have a similar effect, the floating charge constituted under Clause 3.6.2 will automatically be converted (without notice, and where Scots law applies, to the extent competent under Scots law) with immediate effect into a fixed charge as regards all assets the subject of the floating charge if:

- (a) a Chargor creates (or attempts or takes any steps to create) any Security over any Charged Asset (save as expressly permitted under this Deed or the WETA);
- (b) a Chargor disposes (or attempts or takes any steps to dispose) of all or any of the Charged Assets (save as expressly permitted under this Deed or the WETA);
- (c) any person levies (or attempts or takes any steps to levy) any distress, attachment, sequestration execution or other process against any Charged Asset (which is not discharged within two Business Days); or
- (d) an Act of Insolvency occurs.

3.10 The floating charge created under this Deed may not be converted into a fixed charge:

- (a) solely by reason of the obtaining of a moratorium or anything done with a view to obtaining a moratorium under Schedule A1 of the Insolvency Act 2000; or
- (b) to any Charged Asset situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to Section 72 of the Insolvency Act 1986 by reason of such automatic conversion.



**4. ASSIGNMENT BY WAY OF SECURITY**

- 4.1 Each Chargor assigns and agrees to assign absolutely with full title guarantee (subject to the Deed of Priority) to MBL (to the extent not validly and effectively charged by way of first fixed charge pursuant to Clauses 3.2.2, 3.3, 3.4 and 3.6.1) and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same (or the Deed of Priority), as security for the payment and discharge of the Secured Liabilities, all of its right, title, interest and benefit from time to time in and to each of the following assets:
- (a) any agreements, contracts, deeds, leases, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting the Chargors in respect of the Land together with the benefit of any claims, awards, judgements or liquidated damages awarded in connection with the Land; and
  - (b) any Insurances.
- 4.2 Each Chargor shall remain liable to perform all its obligations under the assets described in Clause 4.1.
- 4.3 Until the Security created pursuant to this Deed becomes enforceable in accordance with the terms hereof the relevant Chargors may continue to deal with the Insurances and the counterparties thereto as they determine in their sole discretion (subject to any applicable terms of the WETA) and are entitled to receive all payments made thereunder.
- 4.4 The assignments created hereunder shall be automatically released immediately following the end of the Security Period.

**5. RESTRICTIONS AND NEGATIVE COVENANTS**

**5.1 Restrictions and Negative Pledge**

- 5.1.1 Each Chargor will ensure that the restrictions contained in this Clause 5 are complied with.
- 5.1.2 No Chargor shall create or permit to subsist any Security over, or in relation to, any Charged Asset, save for any Permitted Encumbrance.
- 5.1.3 There will be no Disposal of any Fixed Charge Asset without the prior written consent of MBL (which, in respect of the disposal of any credit balances on any Accounts, shall be deemed to have been given, provided that any such disposals are made at arm's length in good faith and in the ordinary course of trading of the relevant Chargor, in order to meet its payment obligations as they become due and payable).
- 5.1.4 There will be no Disposal of any Floating Charge Asset otherwise than on arm's length terms in the ordinary course of trading of the Chargors.

- 5.1.5 No Chargor shall sell, transfer or otherwise dispose of any of its receivables on recourse terms, or enter into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Indebtedness or of financing the acquisition of an asset, save in respect of any Permitted Encumbrances.
- 5.1.6 No Chargor shall enter into any arrangement under which money or the benefit of an Account may be applied, set-off or made subject to a combination of accounts, or enter into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Indebtedness or of financing the acquisition of an asset, save in respect of any Permitted Encumbrances.
- 5.1.7 Without prejudice to Clauses 3.3, 3.6 and 4.1, if, pursuant to Clause 5.1.3, the Spark Group is entitled to withdraw any credit balances standing to the credit of any Account and, as a result, those credit balances are in any way released from the Fixed Charge Assets, such release will in no way derogate from the subsistence and continuance of the fixed charge on all other Accounts and credit balances thereunder.

## **5.2 Preservation of the Assets**

- 5.2.1 No Chargor shall without the written consent of MBL:

- (a) enter into any obligation or restriction affecting any Asset that would materially and adversely affect the value or enforceability of the Security created by this Deed;
- (b) in relation to any Land forming part of the Assets (to the extent that any Chargor has any right, title or interest in any Land):
  - (i) subject to Permitted Encumbrances, part with possession of it, confer on any other person any right or licence to occupy it or grant any licence to assign, sub-let or create any Security over it;
  - (ii) exercise any of the powers conferred by sections 99 and 100 of the Law of Property Act of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases;
  - (iii) subject to Permitted Encumbrances, vary, assign or otherwise dispose of or allow to be forfeited any leasehold interest;
  - (iv) subject to Permitted Encumbrances, make an application, consent to or acquiesce in the application by any third party, to the Land Registry to enter any matter on the register of title;
  - (v) make any structural or material alteration, or do or allow anything to be done which falls within the definition of development in section 55 of the Town and Country Planning Act 1990;
  - (vi) subject to Permitted Encumbrances, allow any person (other than itself) to be registered under the Land Registration Act 2002 as

proprietor, or create or permit to arise any interest which overrides under the Land Registration Act 2002; or

(vii) agree any rent review in respect of the Land;

(c) in relation to any uncalled capital of the Chargor, call it up or receive it in advance of calls unless MBL otherwise directs, nor apply it, when paid, otherwise than in payment of the Secured Liabilities or as MBL otherwise directs; or

(d) take any Security in connection with its liabilities under this Deed from any guarantor of, or provider of Security for, any of the Secured Liabilities.

5.3 The covenants in this Clause 5 remain in force from the date of this Deed until the expiry of the Security Period.

## **6. LIABILITY TO PERFORM**

Notwithstanding anything to the contrary herein contained, each Chargor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Charged Assets and to pay all payments that may become due in respect of any of the Charged Assets. MBL shall not be required in any manner to perform or fulfil any obligation of the Chargors in respect of the Charged Assets, or to make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may have been or to which it may be entitled hereunder at any time or times.

## **7. POSITIVE COVENANTS**

### **7.1 Preservation of the Assets**

Each Chargor shall:

- (a) keep all Land (to the extent that any Chargor has any right, title or interest in any Land), all Equipment and all other tangible assets which form part of the Assets in good and substantial repair, fair wear and tear excepted, and permit MBL free access at all reasonable times and on reasonable notice to view their state and condition;
- (b) preserve, maintain and renew as and when necessary all Intellectual Property Rights necessary for its business which form part of the Assets;
- (c) observe and perform all covenants, undertakings, laws and regulations from time to time affecting any Asset or the use or enjoyment of it where failure to do so would have a material adverse effect on the value or enforceability of the Security created by this Deed;
- (d) pay all tax, rents, rates, duties, fees, charges, assessments, impositions, calls, instalments and outgoings which are properly payable at any time during the Security Period in respect of any Asset or by the owner or occupier of it (and if

it fails to pay that amount when due, MBL may pay it);

- (e) notify MBL of any action commenced by a third party to seize, attach, charge, take possession of or sell any material Asset which (to the best of its knowledge and belief) has been started; and
- (f) at its own cost, defend any proceedings (including proceedings to seize, attach, charge, take possession of or sell) brought by a third party relating to any Asset.

#### **7.2 Notice to Account Bank**

After executing this Deed, the relevant Chargor shall (i) in respect of each Account that is open as at the date of this Deed and (ii) in respect of each Account opened after the date of this Deed:

- (a) promptly give notice to the Account Bank in the form set out in Part I of Schedule 4 (*Notice to Account Bank*) or such other form that is satisfactory to MBL; and
- (b) use all reasonable endeavours to procure that the Account Bank promptly acknowledges that notice in the form set out in Part II of Schedule 4 (*Notice to Account Bank*) or such other form that is satisfactory to MBL.

#### **7.3 Notice to a counterparty to a Material Contract**

Promptly upon the occurrence of a Perfection Event, the relevant Chargor shall in respect of each Material Contract:

- (a) give notice to the counterparty under such Material Contract in the form set out in Schedule 6 (*Notice for Material Contracts/Lettings Partner Contracts*) or such other form that is satisfactory to MBL; and
- (b) use all reasonable endeavours to procure that the counterparty to such Material Contract promptly acknowledges that notice.

#### **7.4 Notice to a counterparty to a Customer Contract**

Promptly upon the occurrence of a Perfection Event, the relevant Chargor shall in respect of each Customer Contract, give notice to the customer or consumer under such Customer Contract in the form set out in Schedule 7 (*Notice for Customer Contracts*) or such other form that is satisfactory to MBL.

#### **7.5 Notice to a counterparty to a Lettings Partner Contract**

Promptly upon the occurrence of a Termination Event, the relevant Chargor shall in respect of each Lettings Partner Contract (other than a Lettings Partner Contract that is a Material Contract):

- (a) give notice to the counterparty under such Lettings Partner Contract in the form set out in Schedule 6 (*Notice for Material Contracts/Lettings Partner Contracts*) or such other form that is satisfactory to MBL; and

- (b) use all reasonable endeavours to procure that the counterparty to such Lettings Partner Contract promptly acknowledges that notice.

#### **7.6 Insurances**

Each Chargor shall:

- (a) perform all its obligations under the Insurances in a diligent and timely manner;
- (b) after executing this Deed:
  - (i) in the case of the Insurances, give notice to the other parties to the Insurances substantially in the form set out in Schedule 5 (*Form of notice of Insurances*); and
  - (ii) deliver to MBL a copy of each notice delivered under (b)(i) above; and
- (c) use all reasonable endeavours to procure that each party served with a notice under paragraph (b)(i) above countersigns and returns it to MBL within two days of receipt thereof.

#### **7.7 Assigned Agreements**

Each Chargor shall perform all its obligations under the Assigned Agreements in a diligent and timely manner.

#### **7.8 Shares**

The Chargors shall (in the case of the Shares specified in Schedule 2 (*Shares*)) immediately after entering into this Deed or (in the case of any other Shares) on such later date on which any Shares are issued to or otherwise acquired by SEL, deposit with MBL, in respect of or in connection with the Shares:

- (a) all stock and share certificates and documents of or evidencing title;
- (b) signed undated transfers, completed in blank and, if MBL so requires, pre-stamped; and
- (c) any other documents which MBL may from time to time require for perfecting its title, or the title of any purchaser.

- 7.9 The covenants in this Clause 7 remain in force from the date of this Deed until the expiry of the Security Period.

### **8. PERFECTION**

#### **8.1 General action**

- 8.1.1 The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in Clause 8.1.2.

- 8.1.2 Each Chargor will promptly, at its own expense, create all such Security,

execute all such documents (including assignments, transfers, mortgages or charges), give all such notices, effect all such registrations (whether at the Companies Registry, an asset registry or otherwise), deposit all such documents and do all such other things as MBL may reasonably require from time to time in order to:

- (a) ensure that it has an effective first ranking (subject to the Deed of Priority) fixed charge (or, in the case of Land then owned by the Chargors, a charge by way of legal mortgage) over the Fixed Charge Assets;
- (b) ensure that it has an effective first ranking (subject to the Deed of Priority) floating charge over the Floating Charge Assets; and
- (c) facilitate the enforcement of the Security created by this Deed, the realisation of the Charged Assets or the exercise of any Rights held by MBL or any Receiver or Administrator under or in connection with the Security created by this Deed.

## 8.2 Notification

If, after the date of this Deed, a Chargor acquires (a) Rights in Land, (b) a new Subsidiary or (c) Rights in any other material asset, it will notify MBL as soon as reasonably practicable and will provide it with such information about the acquisition as MBL may reasonably require.

## 8.3 Land

8.3.1 If required to do so by MBL, each Chargor shall execute a first charge by way of (a) legal mortgage over any Land in England and Wales, and (b) standard security over any land in Scotland owned by it at that time which is not already the subject of such a charge in favour of MBL in any form which MBL may reasonably require.

8.3.2 Each Chargor agrees to the entry of the following restriction in the proprietorship register of the title to any Land in England and Wales which now or in the future is the subject of a charge by way of legal mortgage in favour of MBL and which is, or is required to be, registered at the Land Registry:

*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Charge dated [date of this Deed] in favour of [beneficiaries] of [address for service] referred to in the Charges Register."*

## 8.4 Subsidiary shares

If required to do so by MBL, each Chargor shall:

- (a) execute a first ranking (subject to the Deed of Priority, to the extent applicable) charge over all of the shares of any subsidiary (including for the avoidance of

doubt, SGL and Spark Energy Finance Plc) owned by it at that time which is not already the subject of such a charge in favour of MBL, in any form which MBL may reasonably require;

- (b) take any action and execute any documentation (and procure that the relevant subsidiary shall do the same) required by MBL to ensure that such charge is first ranking (subject to the Deed of Priority, to the extent applicable), legally binding and enforceable; and
- (c) take any action and execute any documentation (and procure that the relevant subsidiary shall do the same) required by MBL to ensure that such security is perfected (including the for the avoidance of doubt taking all relevant actions (i) to disapply any ability of the directors of the relevant subsidiary to refuse to register a transfer of shares of that subsidiary, and (ii) to disapply any first lien on the shares of that subsidiary).

#### **8.5 Spark Energy Finance Plc**

If required to do so by MBL, each Chargor shall procure that Spark Energy Finance Plc will:

- (a) execute a document providing first ranking (subject to the Deed of Priority, to the extent applicable) Security over all (or substantially all) of its assets, in any form which MBL may reasonably require;
- (b) take any action and execute any documentation required by MBL to ensure that such Security is first ranking (subject to the Deed of Priority, to the extent applicable), legally binding and enforceable; and
- (c) take any action and execute any documentation required by MBL to ensure that such Security is perfected.

### **9. ENFORCEMENT**

9.1 MBL may without notice to the Chargors or prior authorisation from any court, in its absolute discretion, enforce the Security created by this Deed at any time after the occurrence of an Enforcement Event or if a Chargor requests it to do so.

9.2 Without prejudice to any other of MBL's rights and remedies, at any time after the Security created by a Chargor under this Deed has become enforceable, and without notice to the Chargor, MBL may and do all or any of the following:

- (a) exercise all the powers and rights conferred on mortgagees by the Act, as varied and extended by this Deed, without the restrictions contained in sections 103 or 109(1) of the Law of Property Act;
- (b) exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any of the Assets, without the restrictions imposed by sections 99 and 100 of the Law of Property Act;
- (c) to the extent that any of the Assets constitutes Financial Collateral, as defined

in the Regulations, appropriate it and transfer the title in and to it to MBL insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18;

- (d) appoint one or more persons to be a Receiver or Receivers of all or any of the Assets; and
- (e) appoint an administrator of any Chargor.

9.3 In exercising the powers referred to in Clause 9.2(a), MBL or any Receiver may sell or dispose of all or any of the Assets at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

9.4 Subject at all times to the Deed of Priority, MBL or any Receiver shall apply moneys received by them under this Deed after the Security created under this Deed has become enforceable in the following order of priority:

- (a) in or towards payment of or provision for all costs and expenses incurred by MBL or any Receiver under or in connection with this Deed and of all remuneration due to any Receiver under or in connection with this Deed;
- (b) in or towards the payment pro rata of, or the provision pro rata for, any unpaid fees, commission or remuneration of MBL and any Receiver under the WETA and the Finance Documents;
- (c) in or towards the discharge of all liabilities having priority to the Secured Liabilities;
- (d) in or towards the discharge of the Secured Liabilities in accordance with the WETA and the Finance Documents; and
- (e) in the payment of any surplus to the relevant Chargor or other person entitled to it,

and section 109(8) of the Act shall not apply.

9.5 Clause 9.4 will override any appropriation made by a Chargor.

9.6 MBL may enforce the Security created by this Deed and exercise any other Right hereunder or conferred by law at the time, and in the manner and on the terms it thinks fit by:

- (a) appointing an Administrator of a Chargor;
- (b) if permitted to do so by the Insolvency Legislation, appointing an a Receiver of a Chargor;
- (c) appointing a Receiver of the whole or any part of the assets of a Chargor;
- (d) going into possession of, receiving the benefit of, or selling assets of a Chargor and, without notice to a Chargor, applying the proceeds of such enforcement in or towards discharge of the Secured Liabilities in accordance with the terms



hereof, giving notice to a Chargor or any other person in relation to any assets of a Chargor, exercising a right of set-off or in any other way it may decide; or

- (e) taking any other action it may decide in any jurisdiction other than England.
- 9.6.2 An Administrator must be appointed in accordance with the Insolvency Legislation.
- 9.6.3 A Receiver must be appointed by an instrument in writing, and otherwise in accordance with the Insolvency Legislation.
- 9.6.4 The appointment of a Receiver may be made subject to such limitations as are specified by MBL in the appointment.
- 9.6.5 If more than one person is appointed as a Receiver, each person will have power to act independently of any other, except to the extent that MBL may specify to the contrary in the appointment.
- 9.6.6 Subject to the Insolvency Legislation, MBL may remove or replace any Receiver.
- 9.6.7 If required by the Insolvency Legislation, an Administrator or Receiver must be a person qualified to act as such under it.

#### **9.7 Powers on enforcement**

- 9.7.1 An Administrator will have the powers given to him by the Insolvency Legislation.
- 9.7.2 An administrative receiver of a Chargor will have:
  - (a) the powers given to him by the Insolvency Legislation;
  - (b) the powers given to a mortgagee or a receiver by the Law of Property Act, but without the restrictions contained in section 103 of that Act; and
  - (c) the power to do, or omit to do, on behalf of the Chargor, anything which the Chargor itself could have done, or omitted to do, if its assets were not the subject of Security and the Chargor were not in insolvency proceedings.
- 9.7.3 A Receiver will have the powers conferred by this Deed (expressly or impliedly) on any Receiver or otherwise conferred by law in respect of the assets over which he is appointed.
- 9.7.4 If not restricted by the Insolvency Legislation, MBL will, if it enforces the Security created by this Deed itself, have the powers conferred by this Deed (expressly or impliedly) on any Receiver or otherwise conferred by law in respect of the assets which are the subject of the enforcement.
- 9.7.5 Except to the extent provided by law, none of the powers described in this

Clause 9 will be affected by an Act of Insolvency in relation to a Chargor.

- 9.7.6 Any restriction imposed by law on the power of sale (including under section 103 of the Law of Property Act) or the right of a mortgagee to consolidated mortgages (including under section 93 of the Law of Property Act) does not apply to this Security.

**9.8 Status and remuneration of Receiver**

- 9.8.1 A Receiver of a Chargor will be the agent of such Chargor until such Chargor goes into liquidation. He will have no authority to act as agent for MBL, even in the liquidation of such Chargor.

- 9.8.2 MBL may from time to time determine the remuneration of any Receiver.

**9.9 Third parties**

- 9.9.1 A person dealing with MBL or with a Receiver is entitled to assume, unless it has actual knowledge to the contrary, that:

- (a) those persons have the power to do those things which they are purporting to do; and
- (b) they are exercising their powers properly.

**9.10 No liability as mortgagee in possession**

- 9.10.1 None of MBL, its nominee or any Receiver will be liable, by reason of entering into possession of a Charged Asset:

- (a) to account as mortgagee in possession or for any loss on realisation; or
- (b) for any neglect, default or omission for which a mortgagee in possession might be liable.

**9.11 Privileges**

Each Receiver, MBL and any nominee or agent of each Receiver or Chargee is entitled to all the rights, powers, privileges and immunities conferred by law (including the Law of Property Act) on mortgagees and receivers duly appointed under any law (including the Law of Property Act).

**10. LAND AND EQUIPMENT**

**10.1 Title**

Each Chargor represents and warrants to MBL that, relating to any of its Land (to the extent that it has any right title or interest in any Land):

- 10.1.1 it is the legal and beneficial owner of its Land;
- 10.1.2 no breach of any law, regulation or covenant or the terms of any planning permission has occurred or is continuing;

- 10.1.3 there are no breaches of Environmental Law;
- 10.1.4 there are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affecting any of its Land;
- 10.1.5 nothing has arisen or has been created or is subsisting which would be an overriding interest or an unregistered interest which overrides first registration or registered dispositions over any of its Land; and
- 10.1.6 it has received no notice of any adverse claims by any person in respect of any of its Land nor has any acknowledgement been given to any person in respect of any of its Land.

## **10.2 Compliance with regulations**

- 10.2.1 Each Chargor shall at all times (to the extent that it has any right title or interest in any Land):
  - (a) observe and perform (and use all reasonable endeavours to ensure the observance and performance by any other person or persons at any time occupying or using all or any part of the Land of):
    - (i) all restrictive and other covenants and stipulations to which the same may from time to time be subject and all obligations on the part of the Chargor (whether landlord or tenant) contained in any lease or tenancy agreement (including as tenant the payment of the rents reserved thereby); and
    - (ii) all Environmental Law, Environmental Permits, the Planning Acts, building regulations and all restrictions, conditions and stipulations for the time being affecting all or any of the Land or the mode or use or enjoyment of the same; and
  - (b) preserve and renew when necessary all Authorisations and rights relating to the Land.

## **11. FURTHER ASSURANCE**

- 11.1 Each Chargor shall, at its own expense, promptly take any action and sign or execute any further documents which MBL or any Receiver may reasonably require in order to:
  - (a) give effect to the requirements of this Deed;
  - (b) protect, preserve and perfect the Security intended to be created by or pursuant to this Deed;
  - (c) protect and preserve the ranking of the Security intended to be created by or pursuant to this Deed with any other Security over any assets of any Chargor; or
  - (d) facilitate the realisation of all or any of the Assets or the exercise of any rights,

powers and discretions conferred on MBL, any Receiver or any administrator in connection with all or any of the Security Assets following an enforcement of the Security created hereunder,

and any such document may disapply section 93 of the Law of Property Act.

11.2 Each Chargor covenants that, on the date of this Deed and at all times during the Security Period as soon as it receives them (and in any event as soon as MBL so requests), it shall deposit with MBL, in respect of or in connection with the Assets:

- (a) all deeds, certificates and other documents of or evidencing title;
- (b) signed undated transfers of the Investments charged under Clause 3.4, completed in blank and, if MBL so requires, pre-stamped;
- (c) upon request by MBL following the occurrence of a Perfection Event, certified copies of the Assigned Contracts; and
- (d) any other documents which MBL may from time to time reasonably require for perfecting its title, or the title of any purchaser,

all of which will be held by MBL at the expense and risk of the Chargors.

## **12. GENERAL UNDERTAKINGS**

12.1 Each Chargor will take all steps as are reasonably necessary to preserve the value and marketability of its Charged Assets.

12.2 Each Chargor will provide to MBL:

- (a) such information about its Charged Assets; and
- (b) copies of such documents which create, evidence or relate to its Charged Assets,

as MBL may from time to time reasonably request.

## **13. REPRESENTATIONS AND WARRANTIES**

13.1 Each Chargor represents and warrants that the Chargors are the legal and beneficial owners of the Assets.

13.2 Each Chargor represents and warrants that the Assets are free from any Security other than (i) the Security created by this Deed or otherwise in favour of MBL and (ii) the Permitted Encumbrances.

13.3 Each Chargor represents and warrants that it has not received, or acknowledged notice of, any material and adverse claim by any person in respect of the Assets or any interest in them.

13.4 Each Chargor represents and warrants that there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially

and adversely affect the Assets.

- 13.5 Each Chargor represents and warrants that there is no breach of any law or regulation that materially and adversely affects the Assets.
- 13.6 Each Chargor represents and warrants that no Security expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of any Chargor or otherwise.
- 13.7 Each Chargor represents and warrants that there is no prohibition on assignment in respect of any Insurances or Assigned Agreements and the entry into this Deed by each Chargor does not, and will not, constitute a breach in respect of any Insurances or Assigned Agreements or any other agreement or instrument binding on it or its assets.
- 13.8 The representations and warranties set out in this Clause 13 are made by each Chargor on the date of this Deed and are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

#### **14. PRESERVATION OF SECURITY**

##### **14.1 Waiver of defences**

14.1.1 The obligations of the Chargors under this Deed will not be affected by an act, omission, matter or thing which, but for this Clause 14, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or to MBL), including:

- (a) any time, waiver or consent granted to, or composition with, any Chargor or other person;
- (b) the release of any other person;
- (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 Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- (e) any amendment (however fundamental) or replacement of a Trading Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Trading Document or any other document or security;  
or
- (g) any insolvency or similar proceedings.

#### **14.2 Immediate recourse**

Each Chargor waives any right it may have of first requiring MBL (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Trading Document to the contrary.

#### **14.3 Appropriations**

14.3.1 Until the Secured Liabilities have been irrevocably and unconditionally discharged in full, MBL (or any trustee or agent on its behalf) or a Receiver may:

- (a) refrain from applying or enforcing any other money, security or Rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or apply and enforce the same in the manner and order it thinks fit (whether against those amounts or otherwise) and the Chargor will not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any money received from the Chargor or on account of the Chargor's liability under this Deed.

#### **14.4 Extension**

14.4.1 Without prejudice to Clause 14.1, each Chargor expressly confirms that it intends that the Security created by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any Trading Document and/or any facility or amount made available under any Trading Document for the purposes of or in connection with any of the following:

- (a) increasing working capital;
- (b) any acquisitions;
- (c) carrying out any restructurings;
- (d) refinancing any other indebtedness
- (e) refinancing existing facilities;
- (f) enabling investor distributions to be made;
- (g) making facilities available to new obligors;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (i) any fees, costs and/or expenses associated with any of the foregoing.

**14.5 Deferral of Chargor's rights**

Until all the Secured Liabilities have been irrevocably and unconditionally discharged in full and unless MBL otherwise directs, no Chargor will exercise any Rights (including rights of set-off) which it may have by reason of performance by it of its obligations under the Trading Documents (save for any rights expressly permitted pursuant to the terms of the Trading Documents):

- (a) to claim any contribution from any person liable under the Trading Documents; or
- (b) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of MBL under the Trading Documents or of any other guarantee or security taken under, or in connection with, the Trading Documents by MBL.

**15. DURATION OF THE SECURITY**

- 15.1 The Security created hereunder shall remain in full force and effect as a continuing security for the Secured Liabilities until the earlier of (i) the end of the Security Period or (ii) such time as the Security is discharged by MBL.
- 15.2 No part of the Security from time to time intended to be constituted by this Deed will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of any part of the Secured Liabilities.
- 15.3 Once MBL is satisfied, that all the Secured Liabilities have been irrevocably discharged in full, and that MBL has no actual or contingent liability or commitment to incur further liability towards any Chargor under or pursuant to the WETA and the Finance Documents, MBL shall, at the request and expense of the Chargors, execute any documents or take any action which may be necessary to release the Assets from the Security constituted by this Deed.

**16. REMEDIES**

- 16.1 The Rights created by this Deed are in addition to any other Rights of MBL against the Chargor or any other security provider under any other documentation, the general law or otherwise. They will not merge with or limit those other Rights, and are not limited by them.
- 16.2 No failure by MBL to exercise any Right under this Deed will operate as a waiver of that Right. Nor will a single or partial exercise of a Right by MBL preclude its further exercise.
- 16.3 If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision in any other respect or under the law of any other jurisdiction will be affected or impaired in any way.

**17. CURRENCY**

17.1 MBL may convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this Clause 17) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.

17.2 If any Chargor fails to pay any sum under this Deed on the due date, MBL may, without notice to the Chargor, purchase at the Spot Rate any currency which MBL considers necessary or desirable to cover the liabilities of the Chargor to pay that sum.

**18. POWER OF ATTORNEY**

Each Chargor, by way of security, irrevocably appoints each of MBL and any Receiver severally to be its attorney:

- (a) to do anything which the Chargor is obliged to do under this Deed; and
- (b) to exercise any of the Rights conferred on the attorney by this Deed or by law.

**19. ASSIGNMENT**

**19.1 Right of MBL to assign**

MBL may, at any time, with the prior written consent of each of the Chargors (such consent not to be unreasonably withheld or delayed) assign or otherwise transfer all or any part of its rights under this Deed to any person.

**19.2 Restrictions on Chargors**

No Chargor may assign or transfer any of its rights or obligations under this Deed.

**20. INDEMNITY**

Each Chargor shall, notwithstanding any release or discharge of all or any part of the Secured Liabilities indemnify MBL on demand and on a full and unqualified indemnity basis against:

- (a) any properly documented costs, claims, losses, expenses (including legal fees) and liabilities incurred by MBL or made against MBL for anything done or omitted in the exercise or purported exercise of any rights, powers or discretions herein contained or occasioned by any breach by the Chargor of any of its obligations hereunder or in the preservation or enforcement of MBL's rights under this Deed;
- (b) all proper and lawful actions, proceedings, demands, claims, costs, expenses, and other liabilities incurred (and properly documented) by MBL in respect of any payment relating to or in respect of all or any of the Assets which becomes payable at any time by MBL, and any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed; and
- (c) all proper and lawful actions, proceedings, demands, claims, costs, expenses, and other liabilities incurred (and properly documented) by MBL in respect of



any breach by a Chargor of any of its covenants or other obligations to MBL,

provided that this indemnity shall not apply to the extent that such a claim results from MBL's gross negligence or wilful misconduct, and nothing in this clause shall restrict or limit MBL's general obligation at law to mitigate a loss it may suffer or incur as a result of an event that may give rise to a claim under this indemnity.

**21. EXCLUSION OF LIABILITY**

None of MBL, any Receiver or any of their respective officers or employees shall have any responsibility or liability:

- (a) for any proper and lawful action taken, or any proper and lawful failure to take any action, in relation to all or any of the Assets;
- (b) for any loss resulting from any fluctuation in interest rates;
- (c) for the loss or destruction of, or damage to, any of the Assets, or to any documents of or evidencing title to them, which are in the possession or held to the order of any such person (and which will be held by such persons at the expense and risk of the Chargors); or
- (d) for any other default or omission in relation to all or any of the Assets for which a mortgagee in possession might be liable,

except in the case of gross negligence or wilful misconduct.

**22. NOTICES**

The provisions of clause 26 (*Notices*) of the WETA shall apply mutatis mutandis in respect of any certificate, notice, demand or other communication given or made under this Deed.

**23. MODIFICATIONS AND WAIVER**

No amendment or other modification of any provision of this Deed shall be valid or binding unless it is in writing and signed by the Parties. No waiver of any provision of this Deed shall be valid or binding unless it is in writing and signed by the Party waiving compliance with such provision. No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver of any partial exercise of any such right, power or privilege preclude any further exercise thereof or the exercise of any other such right, power or privilege. No waiver of any breach, term or condition of this Deed by any Party shall constitute a subsequent waiver of the same or any other breach, term or condition.

**24. SEVERABILITY**

If any provision of this Deed shall be determined to be unenforceable, void or otherwise contrary to Law, such provision shall in no manner operate to render any other provision of this Deed unenforceable, invalid or contrary to Law, and this Deed shall continue to be operative and enforceable in accordance with the remaining terms thereof.

25. **COUNTERPART EXECUTION**

This Deed may be executed in any number of counterparts with the same effect as if the Parties had signed the same document. All counterparts will be construed together and will constitute one agreement. Counterparts received by electronic mail or facsimile transmission shall be effective as originals.

26. **LAW AND JURISDICTION**

26.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the Laws of England and Wales.

26.2 The Parties submit to the exclusive jurisdiction of the courts of England and Wales and waive any claim that any proceedings brought in such courts in respect of any matter arising in connection with this Deed, including any non-contractual obligations arising out of or in connection with it, have been brought in an inconvenient forum.

*[remainder of page intentionally blank]*

**This Deed** has been executed as a deed, and it has been delivered on the date stated at the beginning of this Deed.

*[remainder of page intentionally blank]*

[REDACTED]

[REDACTED]  
 [REDACTED]  
 [REDACTED]

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JESSIE STAPLES

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**Signed in London, POA Ref: #2090  
dated 26 Nov 2015**

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-2-

Signed as a deed by  
**MACQUARIE BANK LIMITED**

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Signature of witness:

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Name of witness:

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Occupation:

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Address:

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Signed as a deed by  
**SPARK ENERGY SUPPLY LTD**

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[REDACTED]

Signature of witness:

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[REDACTED]

Name of witness:

)

DEBBIE HARDING

Occupation:

)

SOLICITOR

Address:

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[REDACTED]

Signed as a deed by  
**SPARK GAS SHIPPING LTD**

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[REDACTED]

Signature of witness:

)

[REDACTED]

Name of witness:

)

Occupation:

)

DEBBIE HARDING

Address:

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SOLICITOR

[REDACTED]

Signed as a deed by  
SPARK ENERGY LIMITED

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[REDACTED]

Signature of witness:

Name of witness:

Occupation:

Address:

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[REDACTED]

DEBBIE HARDING

SOLICITOR

[REDACTED]

Signed as a deed by  
SPARK GENERATION LIMITED

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[REDACTED]

Signature of witness:

Name of witness:

Occupation:

Address:

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[REDACTED]

DEBBIE HARDING

SOLICITOR

[REDACTED]

**SCHEDULE 1**

**LAND**

None.

**SCHEDULE 2****SHARES**

Number of shares or amount of stock or other securities	Name of issuing company	Description of shares, stock and other securities
1 Ordinary Share of £1.00	Spark Energy Supply Ltd	Owned by SEL
1 Ordinary Share of £1.00	Spark Gas Shipping Ltd	Owned by SEL
2 Ordinary Shares of £1.00	Spark Generation Ltd	Owned by SEL



**SCHEDULE 3****ACCOUNTS**

<b>Name of Chargor</b>	<b>Account Bank</b>	<b>Sort Code</b>	<b>Account Number</b>
Spark Energy Limited (collections)	HSBC Bank plc		
Spark Energy Limited	HSBC Bank plc		
Spark Energy Limited (deposit)	HSBC Bank plc		
Spark Energy Supply Ltd	HSBC Bank plc		
Spark Gas Shipping Ltd	HSBC Bank plc		

## Part I

- (i) to hold the Deposit(s) to the order of MBL, and not permit the whole or any part of the Deposit(s) to be withdrawn by us;
- (ii) to pay or release all or any part of the Deposit(s), and generally to act in relation to the Deposit(s), only in accordance with the written instructions of MBL;
- (iii) to comply with the terms of any written notice or instructions in any way relating to or purporting to relate to the Trading Account(s) or the Deposit(s) which you may receive from MBL; and
- (iv) not, without the prior written consent of MBL, to renew or roll over the Deposit(s) for a fixed period exceeding three months.

The instructions and authorisations contained in this letter may not be revoked or varied without the written agreement of MBL.

This letter is governed by English law.

Please acknowledge and confirm the above to MBL in the form attached with a copy to us.

Yours faithfully,

.....

## Part II

### Form of acknowledgement and confirmation from Account Bank

[On Account Bank's notepaper.]

To:               \*\*               [insert name and address of Macquarie Bank Limited] (MBL)

Attention:       \*\*

Date:            \*\*

Dear Sirs

**Account Holder:** \*\*

**Accounts:** [insert account number(s) and sort code(s) of accounts]

We acknowledge receipt of a notice (the Notice) from \*\* (the **Chargor**) dated \*\* that it has charged by way of fixed charge in favour of MBL all amounts standing to the credit of the Trading Accounts from time to time (the **Deposit(s)**) and all of its right, title and interest in, and relating to, the Trading Account(s) (the **Security**).

We confirm that:

- 1 we acknowledge receipt of the Notice and accept the authorisations and instructions contained in the Notice and we undertake to comply with its terms until we receive notice that the Deed has been discharged;
- 2 [subject to and save for our rights under the Deed of Priority] referred to in the Notice— *to delete, as applicable*], we have not received notice of:
  - (a) any other assignment of or encumbrance over the Deposit(s) or the Trading Account(s); or
  - (b) any interest, claim or right in or to either of them by any third party,which, in each case, remains outstanding as at today's date and, until we receive notice that the Deed has been discharged, we shall promptly give you notice of any such actual, potential or asserted assignment, encumbrance, interest, claim or right of which we become aware;
- 3 we do not, and will not, until we receive notice that the Deed has been discharged, hold or otherwise have the benefit of any security interest or other encumbrance over the Trading Account(s) or the Deposit(s); and
- 4 we will not, until we receive notice that the Deed has been discharged, exercise any right of combination, consolidation, merger or set-off which we may have in respect of the Trading Account(s) or the Deposit(s).

We are aware that you are relying on this letter in connection with your rights under the Security.

This letter is governed by English law.

Yours faithfully,

.....

**SCHEDULE 5**  
**FORM OF NOTICE FOR INSURANCES**

**Part I**

**Notice of Charge**

To:        [Counterparty]

Date:      [•]

Dear Sirs

**NOTICE OF CHARGE**

1. We refer to a debenture dated [•] entered into by us (among others) in favour of [•] (MBL) (the Deed). We give you notice that under the Deed we have charged to MBL by way of first fixed charge all of our rights in [*insert details of relevant Insurance[s]*] (the Insurance[s]).
2. Capitalised terms used herein shall have the meanings given to them in the Deed, as applicable.
3. We will remain liable for our obligations under the Insurance[s]. The Chargee has no obligations under [it/them].
4. We will also remain entitled to exercise all of our rights under [each] such contract of insurance and you should continue to give notices under [each] such contract of insurance to us, unless and until you receive notice from MBL to the contrary stating that the security has become enforceable. In this event, unless MBL otherwise agrees in writing:
  - (a) all amounts payable to us under [each] such contract of insurance must be paid to MBL; and
  - (b) any of our rights in connection with those amounts will be exercisable by, and notices must be given to, MBL or as it directs.

Payments made in accordance with the instructions in this Notice shall discharge your liability to pay us and MBL, and on no account will you be required to pay the same amount more than once in respect of the same loss or any part thereof.

5. This instruction cannot be varied or terminated without the consent of MBL.
6. Please sign the enclosed acknowledgement and return it to MBL at [•] marked for the attention of [•].
7. This notice and your acknowledgement shall be governed by and construed in accordance with English law.

.....  
for and on behalf of

## Part II

### Acknowledgment of Charge

To:

FAO: [●]

1. We acknowledge receipt of the notice addressed to us by [ ] in respect of the Insurance[s].
2. We have not received notice that any other person has an interest in the Insurance[s].
3. We will comply with the instructions in the notice.
4. We will not exercise any right of set-off against any payments owing by us under the Insurance[s] save in respect of unpaid premiums.
5. We submit to the exclusive jurisdiction of the Courts of England to settle any dispute arising out of or in connection with the notice (a **Dispute**) and agree that the Courts of England are most appropriate and convenient courts to settle Disputes.

Executed as a	)	
deed by	)	.....
[Insurer]	)	Director
acting by:	)	.....
		Director/Secretary

Date: [•]

## SCHEDULE 6

### FORM OF NOTICE FOR MATERIAL CONTRACTS/LETTINGS PARTNER CONTRACTS

[On Chargor's notepaper]

To: *[insert name and contact details of the relevant counterparty under Material Contract/Lettings Partner Contract]*

*[insert date of notice]*

Dear Sirs

*[insert description of relevant Material Contract/Lettings Partner Contract]* (the Agreement)

1. By this letter we notify you that by a Debenture dated [ ] (the **Debenture**), we assigned to Macquarie Bank Limited (the **Bank**) all our rights, title, benefits and interests arising under or in connection with the Agreement as security for the Secured Liabilities (as defined in the Debenture).
2. Please pay all amounts you owe us under the Agreement into the following account or to any other account the Bank (or we with the approval of the Bank) notifies to you for this purpose.  
  
[ *account details* ]
3. If you make any payment to us that is contrary to any payment instructions approved or notified by the Bank, that payment will not discharge your payment obligations under the Agreement.

.....  
for and on behalf of  
[Chargor]



## SCHEDULE 7

### FORM OF NOTICE FOR CUSTOMER CONTRACTS

[On Chargor's notepaper]

To: *[insert name and contact details of the relevant counterparty under a Customer Contract]*

*[insert date of notice]*

Dear Sirs

*[insert description of relevant Customer Contract]* (the Agreement)

1. By this letter we notify you that by a Debenture dated [ ] (the Debenture), we assigned to Macquarie Bank Limited (the Bank) all our rights, title, benefits and interests arising under or in connection with the Agreement as security for the Secured Liabilities (as defined in the Debenture).

2. Please pay all amounts you owe us under the Agreement into the following account or to any other account the Bank (or we with the approval of the Bank) notifies to you for this purpose.

[ *account details* ]

3. If you make any payment to us that is contrary to any payment instructions approved or notified by the Bank, that payment will not discharge your payment obligations under the Agreement.

.....  
for and on behalf of  
[Chargor]