

MR01

Particulars of a charge

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

✓ **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 M

For further information, please
refer to our guidance at:
www.gov.uk/companieshouse

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



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



A04 *A66YULYR* #71
22/05/2017
COMPANIES HOUSE

MONDAY

1

Company details

Company number 0 5 7 2 1 3 1 6
Company name in full Third Energy Trading Limited

For official use
75
→ **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 d1 d9 m0 m5 y2 y0 y1 y7

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 Northwharf Investments 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

4

Brief description

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

Brief description

✓ All present and future freehold or leasehold land including the freehold land comprising Knapton Generating Station East Knapton Malton North Yorkshire YO17 8JF (title no. NYK138621 and all Intellectual Property pursuant to clause 3 and Schedule 2 of the accompanying copy instrument

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

Please limit the description to the available space.

5

Other charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

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

☒ Yes Continue

☐ No Go to Section 7

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

☒ Yes

7

Negative Pledge

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

☒ Yes

☐ No

8

Trustee statement ¹

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

☐

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

9

Signature

Please sign the form here.

Signature

Signature

X *Sumner & Sumner LLP* X

MSXM

19/05/17

This form must be signed by a person with an interest in the 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 Amanda Gardam (001226-02035)

Company name Simmons & Simmons LLP

Address CityPoint

One Ropemaker Street

Post town London

County/Region

Postcode E C 2 Y 9 S S

Country United Kingdom

DX DX Box No 12 Chancery Lane London

Telephone 020 7825 4815

**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 £23 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.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5721316

Charge code: 0572 1316 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th May 2017 and created by **THIRD ENERGY TRADING LIMITED** was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd May 2017.

Given at Companies House, Cardiff on 30th May 2017



Companies House



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

EXECUTION COPY

L_LIVE_EMEA1:36135096v11

Debenture

between

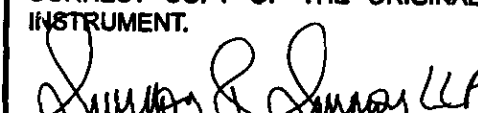
The Persons listed in Schedule 1
as Original Chargors

and

Northwharf Investments Limited
as Lender

relating to

A £7,500,000 bridging loan facility provided to Third
Energy Holdings Limited

WE CERTIFY THAT, SAVE FOR THE MATERIAL REDACTED PURSUANT TO s.859G OF THE COMPANIES ACT 2006, THIS COPY INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.	
	
Signed (firm name)	
MSXM	19/05/17
Initials of Signatory	Dated (DD/MM/YY)

Simmons & Simmons

Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS United Kingdom
T +44 20 7628 2020 F +44 20 7628 2070 DX Box No 12

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THIS DEED is dated

19 May 2017

and made

BETWEEN:

- (1) **THE PERSONS** listed in Schedule 1 (*The Original Chargors*), as chargors (the "Original Chargors"); and
- (2) **NORTHWHARF INVESTMENTS LIMITED** (the "Lender").

BACKGROUND:

- (A) Each Chargor is entering into this Deed in connection with the Finance Documents.
- (B) It is intended that this document takes effect as a deed even though a Party may only execute it under hand.

IT IS AGREED as follows:

1. Interpretation

1.1 Definitions

In this Deed, terms defined in the Facility Agreement have the same meaning in this Deed unless given a different meaning and:

"Additional Chargor" means a person who becomes a Chargor by executing a Deed of Accession.

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

"Cayman Companies Law" means the Companies Law (as amended) of the Cayman Islands.

"Charged Property" means all of the assets of a Chargor which from time to time are, or are expressed to be, subject to the Transaction Security.

"Chargor" means an Original Chargor or any Additional Chargor.

"Company" means Third Energy Holdings Limited.

"CREST" means the electronic clearance system for UK and Irish securities operated by Euroclear UK & Ireland Limited or any successor system for the time being.

"Deed of Accession" means a document substantially in the form of Schedule 11 (*Form of Deed of Accession*).

"Delegate" means any delegate or sub delegate appointed under Clause 21 (*Delegation*).

"EBT" means Third Energy EBT Trustee Limited, a company registered in Scotland with company number SC446812.

"Enforcement Event" means an Event of Default in respect of which any notice has been served by the Lender in accordance with Clause 23.17 (*Acceleration*) of the Facility Agreement.

"Facility Agreement" means the bridging loan facility agreement dated on or about the date of this Deed and made between the Company as borrower, the Chargors as guarantors and the Lender as lender.

"Intellectual Property" means:

- (A) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (B) the benefit of all applications and rights to use such assets of a Chargor (which may now or in the future subsist).

"Investments" means any securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit), warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments now or in the future owned by a Chargor or (to the extent of its interest) in which it now or in the future has any interest (other than any shares in EBT or Third Energy Offshore Limited).

"LPA" means the Law of Property Act 1925.

"Mortgaged Property" means any freehold or leasehold property included in the definition of Charged Property.

"OGA Licence" means a "licence" (as such term is defined in the Open Permission) under which a Chargor is a licensee.

"Party" means a party to this Deed.

"Receiver" means a receiver, receiver or manager or administrative receiver of the whole or any part of the Charged Property.

"Secured Liabilities" means all present and future moneys, debts, liabilities and obligations due, owing or incurred by any Obligor to the Secured Parties under or in connection with any Finance Document (in each case whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise).

"Secured Party" means the Lender, a Receiver or any Delegate.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been irrevocably paid in full and that all facilities which might give rise to any Secured Liabilities have been terminated.

"Supplemental Mortgage" means a document substantially in the form of Schedule 12 (*Form of Supplemental Mortgage*).

"Transaction Security" means the Security created or expressed to be created in favour of the Lender pursuant to this Deed, a Deed of Accession or a Supplemental Mortgage.

1.2 Construction

- (A) Any reference in this Deed to a "Finance Document" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerous) or replaced and includes any change in the purpose of, any extension of or any increase in any facility under that Finance Document or other agreement or instrument.
- (B) The other provisions of Clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as if set out in full in this Deed with all necessary changes.
- (C) A reference in this Deed to the singular includes the plural and vice versa.
- (D) Unless a contrary indication appears, a reference in this Deed to "Charged Property" includes any part of that Charged Property and the proceeds of that Charged Property.
- (E) Each of the undertakings given by a Chargor in this Deed remains in force from the date of this Deed (or, if it becomes a Party later, the date it becomes a Party) until the end of the Security Period.
- (F) Each representation and warranty expressed to be made by a Chargor in this Deed is made by a Chargor on the date of this Deed (or, if it becomes a Party later, the date it becomes a Party) and is deemed to be repeated on each day during the Security Period by reference to the facts and circumstances then existing.

1.3 Disposition of property

The terms of the other Finance Documents and of any agreement, document or side letter between the Parties are incorporated into this Deed to the extent required for any purported disposition of all or any part of any freehold or leasehold property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.4 Third party rights

- (A) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or enjoy the benefit of any term of this Deed.
- (B) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (C) Any Receiver or Delegate may, subject to this Clause 1.4 and the Third Parties Act, rely on any Clause of this Deed which expressly confers rights on it.

2. Covenant to Pay

Each Chargor shall pay each of the Secured Liabilities when due, or if they do not specify a time, on demand.

3. Creation of Security

3.1 Security generally

All the Transaction Security:

- (A) is created in favour of the Lender;
- (B) is created over the present and future assets of each Chargor;
- (C) is security for the payment of all the Secured Liabilities; and
- (D) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.2 Land

(A) Each Chargor charges:

- (1) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it and all rights under any licence or other agreement or document which gives that Chargor a right to occupy or use that property, including the freehold or leasehold property (if any) specified in Schedule 2 (*Mortgaged Property*); and
- (2) (to the extent that they are not the subject of a legal mortgage under Clause 3.2(A)(1)) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it and all rights under any licence or other agreement or document which gives that Chargor a right to occupy or use that property.

(B) A reference in this Deed to a mortgage or charge of any freehold or leasehold property includes:

- (1) each and every part of that property, including the buildings, structures, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or in the future on that property and all easements and rights attaching to it; and
- (2) the benefit of any covenants for title given or entered into by any predecessor in title of a Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

3.3 Investments

(A) Each Chargor charges by way of a first fixed charge all of its rights and interests in its Investments (including any specified in Schedule 3 (*Investments*)).

(B) A reference in this Deed to any mortgage or charge of any Investments includes:

- (1) any dividend or interest paid or payable in relation to it;
- (2) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

- (3) any right against any clearance system in relation to it; and
- (4) any right under any custodian or other agreement in relation to it.

3.4 Contracts

- (A) Each Chargor assigns absolutely to the Lender all of its rights and interests in, to and under all the agreements or documents specified in Schedule 4 (*Assigned Contracts*) or to any other agreements designated as such by the Chargor and the Lender (the "Assigned Contracts").
- (B) To the extent that any such right described in Clause 3.4(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.4(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which that Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any other part of this Clause or are not effectively assigned under Clauses 3.4(A) and 3.4(B), each Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.
- (D) If a Chargor assigns an agreement or document under this Deed (or charges it by way of a first fixed charge) and the assignment or charge breaches a term of that agreement or document because a third party's consent has not been obtained:
 - (1) that Chargor shall notify the Lender immediately;
 - (2) in respect of any OGA Licence, the assignment or charge will not take effect until that consent is obtained;
 - (3) unless the Lender otherwise requires, that Chargor shall, and each other Chargor shall ensure that the Chargor will use all reasonable endeavours to obtain the consent as soon as practicable; and
 - (4) that Chargor shall promptly supply to the Lender a copy of the consent obtained by it.

3.5 Bank accounts

Each Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account (including any specified in **Error! Reference source not found.** (*Bank Accounts*)) it has in its name (or to which it is beneficially entitled) with any person and the debt represented by such account.

3.6 Book debts etc.

Each Chargor charges by way of a first fixed charge:

- (A) all of its book and other debts;
- (B) all other moneys due and owing to it; and
- (C) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 3.6(A) and Clause 3.6(B).

3.7 Insurances

- (A) Each Chargor assigns absolutely to the Lender:
- (1) all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest; and
 - (2) all moneys payable and all moneys paid to it under or in respect of all such contracts or policies of insurance.
- (B) To the extent that any such right described in Clause 3.7(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.7(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which that Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any other part of this Clause or are not effectively assigned under Clause 3.7(A) or 3.7(B), each Chargor charges by way of first fixed charge all of the assets described in Clause 3.7(A).

3.8 Plant and machinery

Each Chargor charges by way of a first fixed charge all fixed and moveable plant and machinery owned by it (including any specified in Schedule 6 (*Plant and Machinery*)), its interest in any plant or machinery in its possession and the benefit of all related Authorisations, agreements and warranties.

3.9 Intellectual Property

Each Chargor charges by way of first fixed charge all its Intellectual Property.

3.10 Authorisations

Each Chargor charges by way of first fixed charge the benefit of all Authorisations held by it in relation to any Charged Property, together with the right to recover and receive compensation which may be payable to it in respect of any Authorisation.

3.11 Pension fund

Each Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement it has in any pension fund.

3.12 Goodwill

Each Chargor charges by way of first fixed charge its goodwill.

3.13 Uncalled capital

Each Chargor charges by way of first fixed charge its uncalled capital.

3.14 Floating charge

- (A) Each Chargor charges by way of first floating charge its undertaking and assets, both present and future (other than any shares in EBT or Third Energy Offshore Limited).

- (B) The floating charge created by each Chargor pursuant to Clause 3.14(A) is a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (C) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Lender may appoint an administrator to a Chargor pursuant to that paragraph.
- (D) The Lender may convert the floating charge created by this Deed or any Deed of Accession over all or any of the Charged Property into a fixed charge by notice to the relevant Chargor specifying the relevant Charged Property (either specifically or generally):
 - (1) on the occurrence of an Enforcement Event; and/or
 - (2) if the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process.
- (E) If:
 - (1) a Chargor takes any step to create any Security in breach of Clause 6.1 (*Negative Pledge*) over any of the Charged Property not subject to a mortgage or fixed charge;
 - (2) an administrator is appointed or the Lender receives notice of an intention to appoint an administrator in respect of a Chargor; or
 - (3) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Charged Property,
 the floating charge over the relevant Charged Property shall automatically and immediately be converted into a fixed charge.

4. **Continuing Security**

4.1 **Continuing Security**

The Transaction Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

4.2 **Additional Security**

The Transaction Security:

- (A) is in addition to, and is not in any way prejudiced by, any other Security or other right now or subsequently held by the Lender; and
- (B) may be enforced against a Chargor without having recourse to any other rights of the Lender.

5. **Further Assurance**

5.1

- (A) Each Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require in favour of the Lender or its nominee(s)):
 - (1) to perfect the Security created or intended to be created by the Transaction Security (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of Transaction Security) or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to the Finance Documents or by law;
 - (2) to confer on the Lender Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security conferred or intended to be conferred by or pursuant to the Transaction Security; and/or
 - (3) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (B) Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to the Transaction Security.

5.2 Forthwith following execution of this Deed, the Company shall:

- (A) until the expiry of the Security Period, keep and maintain a register of mortgages and charges (the "Register of Mortgages and Charges"), at the Company's registered office in the Cayman Islands, in accordance with Section 54 of the Cayman Companies Law;
- (B) until the expiry of the Security Period, enter into the Register of Mortgages and Charges (and maintain therein) appropriate particulars of this Deed and any other security granted or otherwise constituted by the Company in favour of the Lender (which particulars shall include all particulars required to be kept in such Register of Mortgages and Charges pursuant to the provisions of Section 54 of the Cayman Companies Law), such particulars to be in a form and substance being satisfactory to the Lender; and
- (C) provide a copy of the Register of Mortgages and Charges (containing all such particulars as referred to foregoing) to the Lender (such copy of the Register of Mortgages and Charges being certified, by a Director of the Company, as a "true, accurate and complete copy of the original").

6. **Restrictions on Dealing**

6.1 **Negative pledge**

No Chargor shall create or permit to subsist any Security over any Charged Property, nor do anything which is prohibited by Clause 22.13 (*Negative pledge*) of the Facility Agreement except as permitted by the Facility Agreement.

6.2 Disposals

No Chargor shall (nor agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer or otherwise dispose of any Charged Property except as permitted by the Facility Agreement.

7. Land

7.1 The Land Registry

(A) In the case of a Chargor's existing freehold or leasehold property, that Chargor shall promptly:

- (1) and in any event within any applicable priority period, apply to the Land Registry to register the Security created or expressed to be created by the Transaction Security;
- (2) submit to the Land Registry a duly completed form RX1 in which the Chargor applies for a restriction in the form specified by the Lender to be entered on the register of title to that freehold or leasehold property in respect of the Security created or expressed to be created by the Transaction Security;
- (3) submit to the Land Registry a duly completed form CH2 in which the Chargor applies for a note of an obligation to make further loans or advances to be entered on the register of title to that freehold or leasehold property in respect of the Security created or expressed to be created by the Transaction Security; and
- (4) pay all appropriate registration fees.

(B) Third Energy Trading Limited consents to the following restriction being entered onto the title of the Mortgaged Property specified in Schedule 2 (*Mortgaged Property*):

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2017 in favour of Northwharf Investments Limited referred to in the charges register or their conveyancer."

7.2 Acquisitions

(A) If a Chargor acquires any freehold or leasehold property after the date of this Deed, the Chargor shall:

- (1) notify the Lender immediately;
- (2) immediately on request by the Lender and at the cost of the relevant Chargor, execute and deliver to the Lender a Supplemental Mortgage of that freehold or leasehold property together with such constitutional documents, corporate authorisations and other matters as the Lender may require to verify that such document constitutes that Chargor's legal, valid, binding and enforceable obligations;

- (3) if title to that freehold or leasehold property is registered at the Land Registry or is required to be so registered:
 - (a) promptly and in any event within any applicable priority period, apply to the Land Registry for first registration of that freehold or leasehold property (where that freehold or leasehold property is not already registered at the Land Registry) and registration of that Chargor as the registered proprietor of that freehold or leasehold property;
 - (b) promptly and in any event within any applicable priority period, apply to the Land Registry to register the Security created or expressed to be created by the Transaction Security;
 - (c) promptly and in any event within any applicable priority period, submit to the Land Registry a duly completed form RX1 in which the Chargor applies for a restriction in the form specified by the Lender to be entered on the register of title to that freehold or leasehold property in respect of the Security created or expressed to be created by the Transaction Security;
 - (d) promptly submit to the Land Registry a duly completed form CH2 in which the Chargor applies for a note of an obligation to make further advances to be entered on the register of title to that freehold or leasehold property in respect of the Security created or expressed to be created by the Transaction Security; and
 - (e) promptly pay all appropriate registration fees.
- (B) If the consent of the landlord in whom the reversion of a lease is vested is required for a Chargor to execute a legal mortgage over it, that Chargor shall not be required to perform that obligation unless and until it has obtained the landlord's consent. The relevant Chargor shall use its reasonable endeavours to obtain the landlord's consent.

7.3 Deposit of title deeds

Each Chargor shall deposit with the Lender all deeds and documents of title relating to any Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by or on behalf of that Chargor.

7.4 Investigation of title

Each Chargor shall grant the Lender or its lawyers on request all facilities within its power to enable the Lender or its lawyers (at the expense of that Chargor) to:

- (A) carry out investigations of title to any Mortgaged Property; and
- (B) make such enquiries in relation to any part of any Mortgaged Property as a prudent mortgagee might carry out.

7.5 Title Information Document

On completion of the registration of any Security in respect of its Mortgaged Property, each Chargor shall promptly supply to the Lender a certified copy of the Title Information Document issued by the Land Registry.

7.6 Power to remedy

Each Chargor shall permit the Lender and/or any of its representatives, agents or contractors, when the Lender believes that a Default has occurred or might reasonably be expected to occur, to enter any Mortgaged Property and to take any steps which it believes necessary in relation to that Mortgaged Property. Each Chargor shall immediately on demand by the Lender pay the costs and expenses of the Lender, its representatives, agents or contractors incurred in connection with any action taken under this Clause.

7.7 Notice of charge or assignment

- (A) Each Chargor shall immediately serve a notice of charge or assignment, substantially in the applicable form as set out in Schedule 10 (*Notice to Tenants*) on each tenant of any Mortgaged Property.
- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 7.7(A) acknowledges receipt of that notice, substantially in the applicable form as set out in Schedule 10 (*Notice to Tenants*).

8. Investments

8.1 Investments

Each Chargor represents and warrants to the Lender that:

- (A) the Investments are duly authorised, validly issued and fully paid and are not subject to any option to purchase or similar right;
- (B) the constitutional documents of the issuer(s) of the Investments do not and could not restrict or inhibit the transfer of those Investments on creation or the enforcement of the Security Transaction;
- (C) it is the sole legal and beneficial owner of the Investments; and
- (D) there are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any issuer of the Investments (including any option or right of pre-emption or conversion); and
- (E) the Investments are the entire issued share capital of the issuer of those Investments.

8.2 Certificated Investments

Each Chargor on the date of this Deed (or in the case of any certificated Investments acquired after the date of this Deed, as soon as possible after that acquisition):

- (A) shall immediately deposit with the Lender, or as the Lender may direct, any bearer instrument, share certificate or other document of title or evidence of ownership in relation to its Investments; and
- (B) shall promptly take any action and execute and deliver to the Lender any share transfer or other document which may be requested by the Lender in order to enable the transferee to be registered as the owner or otherwise obtain a legal title to its Investments; this includes:

- (1) delivering executed and (unless exempt from stamp duty), pre-stamped share transfers in favour of the Lender or any of its nominees as transferee or, if the Lender so directs, with the transferee left blank; and
- (2) procuring that those share transfers are registered by the issuer of the Investments are held and that share certificates in the name of the transferee are delivered to the Lender.

8.3 Changes to rights

No Chargor may (except to the extent permitted by the Facility Agreement) take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further Investments being issued.

8.4 Calls

- (A) Each Chargor shall pay all calls or other payments due and payable in respect of its Investments.
- (B) If a Chargor fails to do so, the Lender may pay the calls or other payments in respect of any Investment on behalf of the Chargor. Each Chargor shall immediately on request reimburse the Lender for any payment made by the Lender under this Clause 8.4.

8.5 Other obligations in respect of Investments

- (A) Each Chargor shall comply with all conditions and obligations assumed by it in respect of any Investments.
- (B) The Lender is not obliged to:
 - (1) perform any obligation of a Chargor;
 - (2) make any payment;
 - (3) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
 - (4) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under the Transaction Security,

in respect of any Investments.

8.6 Voting rights before enforcement

- (A) Subject to Clause 8.7 (*Voting rights after enforcement*), a Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments but only to the extent that it does so for a purpose not inconsistent with any Finance Document and the exercise of or failure to exercise those rights would not prejudice the interests of the Lender.
- (B) If the relevant Investments have been registered in the name of the Lender or its nominee, the Lender (or that nominee) shall exercise the voting rights, powers and other rights in respect of the Investments in any manner which the Chargor may

direct in writing but only to the extent that it does so for a purpose not inconsistent with any Finance Document and the exercise of or failure to exercise those rights would not prejudice the interests of the Lender. The Lender (or that nominee) shall execute any form of proxy or other document which a Chargor may reasonably require for this purpose.

- (C) Subject to Clause 8.7 (*Voting rights after enforcement*), all dividends or other income or distributions paid or payable in relation to any Investments shall be paid to the relevant Chargor. To achieve this:
 - (1) the Lender or its nominee will promptly execute any dividend mandate necessary to ensure that payment is made direct to that Chargor; or
 - (2) if payment is made directly to the Lender (or its nominee) before this Security becomes enforceable, the Lender (or that nominee) will promptly pay that amount to that Chargor.
- (D) Subject to Clause 8.7 (*Voting rights after enforcement*), the Lender shall use its reasonable endeavours promptly to forward to the relevant Chargor all material notices, correspondence and/or other communication it receives in relation to the Investments.

8.7 Voting rights after enforcement

- (A) Following the occurrence of an Enforcement Event, the Lender or its nominee may exercise or refrain from exercising:
 - (1) any voting rights; and
 - (2) any other powers or rights which may be exercised by the legal or beneficial owner of any Investments, any person who is the holder of any Investments or otherwise,

in each case, in the name of the relevant Chargor, the registered holder or otherwise and without any further consent or authority on the part of that Chargor and irrespective of any direction given by that Chargor.
- (B) To the extent that the Investments remain registered in the name of a Chargor, that Chargor irrevocably appoints the Lender or its nominee as its proxy to exercise all voting rights in respect of those Investments at any time after this Security has become enforceable.
- (C) Each Chargor shall indemnify the Lender against any loss or liability incurred by the Lender as a consequence of the Lender acting in respect of Investments on the direction of the Chargor.

8.8 Clearance systems

- (A) Each Chargor shall, if so requested by the Lender:
 - (1) instruct any clearance system to transfer any Investment held by it for the Chargor or its nominee to an account of the Lender or its nominee with that clearance system; and
 - (2) take whatever action the Lender may request for the dematerialisation or rematerialisation of any Investments held in a clearance system.

- (B) Without prejudice to the rest of this Clause the Lender may, at the expense of the Chargor, take whatever action is required for the dematerialisation or rematerialisation of the Investments as necessary.

8.9 Custodian arrangements

Each Chargor shall:

- (A) promptly give notice of the Transaction Security to any custodian of any Investments in any form which the Lender may reasonably require; and
- (B) use reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Lender may reasonably require.

9. Intellectual Property

9.1 Representations

Each Chargor represents and warrants to the Lender that:

- (A)
 - (1) in respect of each Chargor which is a Party on the date of this Agreement, there is no Intellectual Property which is material to its business; and
 - (2) in respect of each other Chargor, all its Intellectual Property which is material to its business is identified in the relevant Part of the Schedule to any Deed of Accession by which it becomes a Party;
- (B) it is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the Intellectual Property which is material to its business and which is required by it in order to carry on its business as it is being conducted; and
- (C) it has taken all formal or procedural actions (including payment of fees) required to maintain any Intellectual Property owned by it.

9.2 Preservation

- (A) Each Chargor shall:
 - (1) preserve and maintain the subsistence and validity of the Intellectual Property necessary for its business;
 - (2) use reasonable endeavours to prevent any infringement in any material respect of its Intellectual Property;
 - (3) make registrations and pay all registration fees and taxes necessary to maintain its Intellectual Property in full force and effect and record its interest in that Intellectual Property;
 - (4) not use or permit its Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of its Intellectual Property or imperil its right to use such property; and

(5) not discontinue the use of its Intellectual Property.

- (B) Each Chargor shall promptly, if requested to do so by the Lender, sign or procure the signature of, and comply with all instructions of the Lender in respect of, any document required to make entries in any public register of Intellectual Property (including the United Kingdom Trade Marks Register) which either record the existence of the Transaction Security or the restrictions on disposal imposed by the Transaction Security.

10. **Book Debts**

- (A) Each Chargor shall get in and realise its:

- (1) securities to the extent held by way of temporary investment;
- (2) book and other debts and other moneys owed to it; and
- (3) royalties, fees and income of any nature owed to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an account in accordance with Clause 10(B) but subject always to the Security created or expressed to be created by the Transaction Security) on trust for the Lender.

- (B) Each Chargor shall, except to the extent that the Lender otherwise agrees, pay all the proceeds of the getting in and realisation into the account designated from time to time by the Lender.

11. **Bank Accounts**

11.1 **Restrictions on accounts**

No Chargor shall have any accounts other than those specified in **Error! Reference source not found.** (*Bank Accounts*) and those designated in writing from time to time by the Lender to that Chargor.

11.2 **Withdrawals from accounts**

- (A) A Chargor may withdraw any moneys (including but not limited to interest) standing to the credit of any of its accounts providing that these withdrawals are made in the ordinary course of business.
- (B) Notwithstanding Clause 11.2(A) above, after the occurrence of an Enforcement Event no Chargor shall withdraw any moneys (including interest) standing to the credit of any of its accounts other than with the prior consent of the Lender.
- (C) The Lender (or a Receiver or Delegate) may withdraw amounts standing to the credit of any of a Chargor's accounts.

11.3 **Notices of charge**

- (A) Each Chargor shall on the date of this Deed provide to the Lender a signed but undated notice of charge or assignment, substantially in the applicable form as set out in Schedule 7 (*Notice to Bank Holding an Account*), in respect of each bank or financial institution at which a Chargor maintains any of its accounts.

- (B) On the occurrence of an Enforcement Event the Lender may (without further consent or authority on the part of the Chargor and irrespective of any direction given by any Chargor) date and send all or any of the notices provided to it under 11.3(A) above.
- (C) Each Chargor shall use reasonable endeavours to ensure that each person referred to in clause 11.3(A) acknowledges receipt of that notice, substantially in the applicable form as set out in Schedule 7 (*Notice to Bank Holding an Account*).

12. Contracts

12.1 Representations

Each Chargor represents and warrants to the Lender that:

- (A) all payments to it by any other party to any of its Assigned Contracts are not subject to any right of set-off or similar right;
- (B) each of its Assigned Contracts is its legally binding, and enforceable obligation;
- (C) it is not in default of any of its obligations under any of its Assigned Contracts;
- (D) there is no prohibition on assignment in any of its Assigned Contracts other than as notified to the Lender in writing prior to the date of this Deed; and
- (E) its entry into and performance of the Transaction Security will not conflict with any term of any of its Assigned Contracts.

12.2 Documents

Each Chargor shall promptly deliver to the Lender executed originals of all Assigned Contracts as now in effect and as requested by the Lender and shall promptly deliver such other documents relating to the Assigned Contracts as the Lender reasonably requires.

12.3 No variation etc

No Chargor shall:

- (A) amend, vary or waive (or agree to amend, vary or waive) any provision of any Assigned Contract, exercise any right to rescind, cancel or terminate any Assigned Contract or release any counterparty from any obligations under any Assigned Contract;
- (B) waive any breach by any counterparty to an Assigned Contract or consent to any act or omission which would otherwise constitute such a breach of an Assigned Contract; or
- (C) novate, transfer or assign any of its rights under any Assigned Contract.

12.4 Breach

Each Chargor shall notify the Lender of any breach of or default under an Assigned Contract by it or any other party and any right of it or any other party arising to terminate or rescind an Assigned Contract promptly on becoming aware of the same.

12.5 Information

Each Chargor shall promptly provide the Lender with any information it reasonably requires in relation to any Assigned Contract.

12.6 Rights

- (A) Subject to the rights of the Lender under Clause 12.6(B), each Chargor shall diligently pursue its rights under each of its Assigned Contracts, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default.
- (B) Following the occurrence of an Enforcement Event, the Lender may exercise (without any further consent or authority on the part of a Chargor and irrespective of any direction given by a Chargor) any of that Chargor's rights under its Assigned Contracts.

12.7 Notices of charge or assignment

- (A) Each Chargor shall immediately serve a notice of charge or assignment, substantially in the applicable form as set out in Schedule 8 (*Notice to Counterparty to Assigned Contract*) on each counterparty to an Assigned Contract other than any Assigned Contract to which Clause 3.4(D)(2) applies.
- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 12.7(A) acknowledges receipt of that notice, substantially in the applicable form as set out in Schedule 8 (*Notice to Counterparty to Assigned Contract*).

13. Plant and Machinery

13.1 Maintenance

Each Chargor shall keep its plant and machinery in good repair and in good working order and condition.

13.2 Nameplates

Each Chargor shall take any action which the Lender may reasonably require to evidence the interest of the Lender in its plant and machinery; this includes fixing a nameplate on its plant and machinery in a prominent position stating that:

- (A) the plant and machinery is charged in favour of the Lender; and
- (B) the plant and machinery must not be disposed of without the prior consent of the Lender unless permitted under the Facility Agreement.

14. Insurances

14.1 Rights

- (A) Subject to the rights of the Lender under Clause 14.1(B), each Chargor shall diligently pursue its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default.

- (B) The Lender may exercise (without any further consent or authority on the part of a Chargor and irrespective of any direction given by any Chargor) any of the rights of a Chargor in connection with any amounts payable to it under any of its Insurances.
- (C) Each Chargor shall take such steps (at its own cost) as the Lender may require to enforce those rights; this includes initiating and pursuing legal or arbitration proceedings in the name of that Chargor.
- (D) Each Chargor shall hold any payment received by it under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest on trust for the Lender.

14.2 Notices of charge or assignment

- (A) Each Chargor shall immediately serve a notice of charge or assignment, substantially in the applicable form as set out in Schedule 9 (*Notice to Insurers*), on each of its insurers.
- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 14.2(A) acknowledges receipt of that notice, substantially in the applicable form as set out in Schedule 9 (*Notice to Insurers*).

15. Representations and Undertakings

15.1 Each Chargor represents and warrants to the Lender that:

- (A) the Transaction Security:
 - (1) creates (or, once entered into, will create) in favour of the Lender, the Security which it is expressed to create, fully perfected and with the ranking and priority it is expressed to have;
 - (2) is not subject to any prior or pari passu ranking Security; and
 - (3) is not liable to be avoided or set aside on its liquidation, administration or otherwise; and
- (B) it is the absolute legal and beneficial owner of all the assets over which it purports to create any Security pursuant to the Transaction Security.

15.2 The Company shall not (without the prior written consent of the Lender) take any action for its registration by way of continuation as a company under the laws of a jurisdiction outside the Cayman Islands (or to otherwise be de-registered in the Cayman Islands) whether pursuant to Sections 206 or 207 of the Cayman Companies Law or otherwise.

16. Enforcement

16.1 When enforceable

The Transaction Security shall be immediately enforceable if an Enforcement Event occurs.

16.2 Power of sale

The statutory powers of sale, of appointing a receiver and the other powers conferred on mortgagees by Section 101 of the LPA (*Powers incident to estate or interest of mortgagee*) as varied and extended by this Deed shall arise on the date of this Deed.

16.3 Section 103 of the LPA

Section 103 of the LPA (*Regulation of exercise of power of sale*) shall not apply to this Deed.

16.4 Section 93 of the LPA

Section 93 of the LPA (*Restriction on consolidation of mortgages*) shall not apply to this Deed.

16.5 No liability as mortgagee in possession

Neither the Lender nor any Receiver or Delegate shall be liable, by reason of entering into possession of any Charged Property, to account as mortgagee in possession for any loss on realisation of for any default or omission for which a mortgagee in possession might be liable.

16.6 Privileges

The Lender, each Receiver and each Delegate is entitled to all the rights, powers and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA except that Section 103 of the LPA (*Regulation of exercise of power of sale*) shall not apply to this Deed.

16.7 No duty to enquire

No person dealing with the Lender, any Receiver or any Delegate shall be concerned to enquire:

- (A) whether the rights conferred by or pursuant to any Finance Document are exercisable;
- (B) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;
- (C) otherwise as to the propriety or regularity of acts purporting or intended to exercise any such rights; or
- (D) as to the application of any money borrowed or raised.

16.8 Protection to purchasers

All the protection to purchasers contained in Sections 104 (*Conveyance on sale*) and 107 (*Mortgagee's receipts, discharges etc.*) of the LPA, Section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Lender, any Receiver or any Delegate.

16.9 Financial collateral arrangements

- (A) To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "Regulations") apply to any Charged Property, the Lender shall have the right to appropriate any Charged Property which constitutes "financial collateral" (as defined in the Regulations) in or towards the satisfaction of the Secured Liabilities.
- (B) The value of any Charged Property appropriated in accordance with this Clause 16.9 shall be:
 - (1) in the case of cash, the amount of the cash appropriated; and
 - (2) in the case of any Investments, their market value as determined by the Lender by reference to a public index, independent valuation or by such other process as the Lender may select (acting reasonably).
- (C) Each Chargor agrees that the method of valuation provided for in this Clause 16.9 is commercially reasonable for the purposes of the Regulations.

17. Receiver

17.1 Appointment of receiver

- (A) The Lender may appoint any one or more persons to be a Receiver of all or any part of the Charged Property if:
 - (1) an Enforcement Event occurs; or
 - (2) requested to do so by the Chargor.
- (B) Any appointment under Clause 17.1(A) may be by deed, under seal or in writing under hand.

17.2 Removal

The Lender may by writing under hand remove any Receiver appointed by it and may appoint a new Receiver in place of any Receiver whose appointment it may have terminated.

17.3 Remuneration

The Lender may determine the remuneration of any Receiver appointed by it and direct payment of that remuneration out of moneys received by it as Receiver. The maximum rate specified in section 109(6) of the LPA shall not apply to this Deed.

17.4 Agent of Chargor

- (A) Any Receiver will be deemed to be the agent of the Chargor for all purposes. Each Chargor alone is responsible for all contracts, engagements, acts, omissions, defaults, remuneration and all other costs, losses and expenses of a Receiver and for liabilities incurred by a Receiver.
- (B) The Lender will not incur any liability (either to a Chargor or any other person) by reason of its appointment of a Receiver or for any other reasons.

17.5 Lender's rights

Any rights conferred by any Finance Document upon a Receiver may be exercised by the Lender, whether or not the Lender shall have taken possession or appointed a Receiver of the Charged Property.

18. Powers of Receiver

18.1 General

- (A) A Receiver has all of the rights, powers and discretions set out below in this Clause 18 in addition to those conferred on it by any law, including all the rights, powers and discretions conferred on a receiver under the LPA and a receiver or an administrative receiver under the Insolvency Act 1986.
- (B) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

18.2 Possession

A Receiver may take immediate possession of, get in and collect any Charged Property.

18.3 Carry on business

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

18.4 Employees

- (A) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (B) A Receiver may discharge any person appointed by a Chargor.

18.5 Borrow money

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

18.6 Sale of assets

- (A) A Receiver may sell, exchange, convert into money and realise any Charged Property by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (B) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.
- (C) Fixtures may be severed and sold separately from the property containing them without the consent of a Chargor.

18.7 Leases

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

18.8 Compromise

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

18.9 Legal actions

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

18.10 Receipts

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

18.11 Subsidiaries

A Receiver may form a Subsidiary of a Chargor and transfer to that Subsidiary any Charged Property.

18.12 Delegation

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

18.13 Lending

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

18.14 Protection of assets

A Receiver may:

- (A) effect any repair or insurance and do any other act which a Chargor might do in the ordinary conduct of its business to protect or improve any Charged Property;
- (B) commence and/or complete any building operation; and
- (C) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

18.15 Other powers

A Receiver may:

- (A) do all other acts and things which he may consider desirable or necessary for realising any Charged Property or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (B) exercise in relation to any Charged Property all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Charged Property; and
- (C) use the name of a Chargor for any of the above purposes.

19. Power of Attorney

19.1 Appointment

Each Chargor by way of security irrevocably appoints the Lender, any Receiver and any Delegate severally its attorney (with full power of substitution), on its behalf and in its name or otherwise as such time and in such manner as the attorney may think fit:

- (A) to do anything which that Chargor is obliged to do under any Finance Document; and
- (B) to exercise any of the rights conferred on the Lender, any Receiver or any Delegate in relation to the Charged Property or under any Finance Document, the LPA or the Insolvency Act 1986.

19.2 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney does or purports to do under its appointment under this Clause 19.

19.3 Power of attorney as further security

The power of attorney granted or otherwise made pursuant to this Deed is given by the Company to secure a proprietary interest of the donee of the power and by way of further security for the payment, discharge and performance of all the Secured Liabilities and in order to more fully secure the performance of the Company's obligations under this Deed.

20. Tacking

The Lender shall comply with its obligations under the Finance Documents (including any obligation to make further advances).

21. Delegation

21.1 Delegate and sub-delegates

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

21.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) as the Lender or any Receiver thinks fit.

21.3 Liability

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

22. Preservation of Security

22.1 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of a Chargor or any security for those obligations or otherwise) is made by the Lender in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor under the Transaction Security will continue or be reinstated as if the discharge, release or arrangement had not occurred.

22.2 Waiver of defences

The obligations of each Chargor under the Transaction Security will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under the Transaction Security (and whether or not known to it or the Lender) including without limitation:

- (A) any time, waiver or consent granted to, or composition with, any Chargor or other person;
- (B) the release of any other Chargor or any other person under the terms of any composition or arrangement with any creditor 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 a Chargor or any other person;
- (E) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of a Finance Document or any other document or security;
- (F) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (G) any insolvency or similar proceedings.

22.3 Immediate recourse

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

22.4 Appropriations

Until all amounts which may be or become payable by the Chargors under or in connection with the Finance Documents have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may:

- (A) refrain from applying or enforcing any other moneys, security or rights held or received by it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (B) hold in an interest-bearing suspense account any moneys received from a Chargor or on account of a Chargor's liability under the Transaction Security.

22.5 Deferral of Chargor's rights

Until all amounts which may be or become payable by the Chargors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Lender otherwise directs, no Chargor shall exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under the Transaction Security:

- (A) to be indemnified by a Chargor or any other person;
- (B) to claim any contribution from any other guarantor of a Chargor's obligations under the Finance Documents;
- (C) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (D) to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which a Chargor has given a guarantee, undertaking or indemnity under any other Finance Document;
- (E) to exercise any right of set-off against any Chargor or other person; and/or
- (F) to claim or prove as a creditor of any Chargor or other person in competition with the Lender.

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Chargors under or in connection with the Finance Documents to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Lender or as the Lender may direct.

23. Company as Agent

23.1 Each Chargor irrevocably appoints the Company to execute on its behalf any Deed of Accession by which an Additional Chargor becomes a Party and pursuant to which the Chargor agrees to all matters provided for in the Deed of Accession.

23.2 Each Chargor agrees that any Deed of Accession executed by the Company pursuant to Clause 23.1 shall be binding on such Chargor to the same extent as if such Chargor had

executed such a Deed of Accession itself and agrees to do all such other acts or things, and execute all such other documents and deeds, as the Company may require to evidence that fact.

24. Enforcement Expenses

24.1 Enforcement expenses

Each Chargor shall, within three Business Days of demand, pay to the Lender the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by the Lender, any Receiver or any Delegate in connection with the enforcement of or the preservation of any right under the Transaction Security and any proceedings instituted by or against the Lender as a consequence of taking or holding the Transaction Security or enforcing those rights.

24.2 VAT

Clause 14.7 (*Value added tax*) of the Facility Agreement shall also apply to any amount payable under a Finance Document to any Receiver or Delegate with all necessary changes.

25. Changes to the Parties

25.1 Assignments and transfer by the Chargors

No Chargor may assign any of its rights or transfer any of its rights or obligations under the Transaction Security.

25.2 Assignment and transfer by the Lender

The Lender may assign any of its rights or transfer any of its rights or obligations under the Transaction Security to any person to which it is permitted to assign its rights or transfer any of its rights or obligations to under the terms of the Facility Agreement.

26. Payments

26.1 Payments

All payments by a Chargor under the Transaction Security (including damages for its breach) shall be made in the currency in which the relevant amount is denominated, or if different, is payable and to such account, with such person and such other manner as the Lender may direct.

26.2 Continuation of accounts

- (A) At any time if any subsequent Security affects any Charged Property or a petition is presented or resolution passed in relation to the winding-up of a Chargor, the Lender may open a new account in the name of that Chargor (whether or not it permits any existing account to continue).
- (B) If the Lender does not open such a new account, it shall nevertheless be treated as if it had done so when the relevant event occurred.
- (C) No moneys paid into any account, whether new or continuing, after that event shall discharge or reduce any Secured Liabilities.

26.3 Order of distributions

All amounts received or recovered by the Lender or any Receiver or Delegate in the exercise of their rights under the Transaction Security shall be applied in the following order:

- (A) first, in or towards payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver or Delegate and the exercise of any of its rights, including any remuneration and outgoings paid to it;
- (B) second, in or towards payment of the Secured Liabilities in the order selected by the Lender; and
- (C) third, in payment of any surplus to the relevant Chargor or other person entitled to it.

26.4 No set-off by Chargors

All payments to be made by a Chargor under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

27. Release of Security

27.1 Release

At the end of the Security Period the Lender shall at the request and cost of the Chargors, take whatever action is necessary to release the Charged Property from the Security created by or expressed to be created by the Transaction Security.

27.2 Retention

If the Lender considers that any amount paid or credited to it under a Finance Document is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid.

28. Counterparts

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

29. Governing Law

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

30. Enforcement

30.1 Jurisdiction

- (A) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non contractual obligations arising out of or in connection with this Deed) (a "Dispute").

- (B) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (C) This Clause 30.1 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

30.2 Service of process

- (A) *Without prejudice to any other mode of service allowed under any relevant law, each Chargor:*
 - (1) irrevocably appoints Third Energy Services Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
 - (2) agrees that failure by a process agent to notify that Chargor of the process will not invalidate the proceedings concerned.
- (B) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, each Chargor shall immediately (and in any event within 5 days of such event taking place) appoint another agent on terms acceptable to the Lender. Failing this, the Lender may appoint another agent for this purpose.

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

SCHEDULE 1 : THE ORIGINAL CHARGORS

Name of Chargor	Jurisdiction of Incorporation or Establishment	Registration Number
Third Energy Holdings Limited	Cayman Islands	251039
Third Energy Onshore Limited	England and Wales	04946049
Third Energy Services Limited	England and Wales	05721315
Third Energy Trading Limited	England and Wales	05721316

SCHEDULE 2 : MORTGAGED PROPERTY

Name of Chorgor	Freehold or Leasehold	Address	Title Number	Land Registry Administrative Area
Third Energy Trading Limited	Freehold	Knapton Generating Station East Knapton Malton North Yorkshire YO17 8JF	NYK138621	North Yorkshire, Ryedale

SCHEDULE 3 : INVESTMENTS

Name of Company in Which Shares are Held	Name of Chargor by whom Shares are Held	Class of Shares Held	Number of Shares Held
Third Energy Onshore Limited	Third Energy Holdings Limited	Ordinary	20,640,105
Third Energy Services Limited	Third Energy Holdings Limited	Ordinary	21,390,002
Third Energy Trading Limited	Third Energy Onshore Limited	Ordinary	1
Third Energy UK Gas Limited	Third Energy Onshore Limited	Ordinary	11,600,000

SCHEDULE 4 : ASSIGNED CONTRACTS

Name of Chargor	Date	Description	Parties
Third Energy Trading Limited	23 November 2012	Electricity services agreement	Coulomb Energy Supply Limited Px house Wespoint Road Stockton on Tees TS17 6BF Third Energy Trading Limited
Third Energy Trading Limited	08 April 1993	Master Agreement relating to the North Yorkshire Power Project	Third Energy UK Gas Limited Third Energy Trading Limited

SCHEDULE 5 : BANK ACCOUNTS

Name of Chargor	Name of Bank	Account Number	Sort Code
Third Energy Holdings Limited	Bank of Scotland		
Third Energy Holdings Limited	Bank of Scotland		
Third Energy Services Limited	Barclays Bank		
Third Energy Trading	Barclays Bank		
Third Energy Onshore Limited	Barclays Bank		

SCHEDULE 6 : PLANT AND MACHINERY

Name of Chargor	Description	Serial Number	Location
Third Energy Trading Limited	Plant, pipeline and gas processing equipment comprising:		
	Gas conditioning equipment	N/A	Knapton Generating Station
	Gas turbines	N/A	Knapton Generating Station
	Switchgear and transformers	N/A	Knapton Generating Station
	Wellheads and Christmas trees	N/A	Wellsites
	Ancillary production equipment	N/A	Wellsites
	Pipelines linking wellsites with Knapton Generating Station	N/A	

SCHEDULE 7 : NOTICE TO BANK HOLDING AN ACCOUNT

To: [Account Bank]

Address: [•]

[Date]

Dear Sirs,

This letter constitutes notice to you that under a security agreement dated [•] between [•] as chargor[each of the companies listed at the end of this notice] and [•] as Lender (the "Lender") we have charged by way of first fixed charge in favour of the Lender all of our rights in respect of any amount standing to the credit of any account maintained by us with you at any of your branches (the "Account[s]") and the debts represented by those Account[s].

We irrevocably instruct and authorise you to:

- (A) disclose to the Lender any information relating to the Account[s] requested from you by the Lender;
- (B) comply with the terms of any written notice or instruction relating to the Account[s] received by you from the Lender;
- (C) hold all sums standing to the credit of the Account[s] to the order of the Lender; and
- (D) pay or release any sum standing to the credit of the Account in accordance with the written instructions of the Lender.

We are not permitted to withdraw any amount from the Account[s] without the prior written consent of the Lender.

We acknowledge that the you may comply with the instructions in this letter without any further permission from the Chargor or enquiry by you.

The instructions in this notice may not be revoked or amended without the prior written consent of the Lender.

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Account[s] as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Lender at [•], marked for the attention of [•].

.....
For and on behalf of
[•]
as Chargor

.....
For and on behalf of
[•]
as Chargor

.....
For and on behalf of
[•]
as Chargor

.....
For and on behalf of
[•]
as Chargor

.....
For and on behalf of
[•]
as Chargor

.....
For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the notice of which this is a copy and confirm that we:

- (A) will accept the instructions contained in the notice and agree to comply with the notice;
- (B) have not received notice of the interest of any third party in the Account[s];
- (C) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Account[s]; and
- (D) will not permit any amount to be withdrawn from the Account[s] without the prior written consent of the Lender.

.....

For and on behalf of
[Account Bank]

Date:

SCHEDULE 8 : NOTICE TO COUNTERPARTY TO ASSIGNED CONTRACT

To: [Counterparty]

Address: [•]

[Date]

Dear Sirs,

This letter constitutes notice to you that under a security agreement dated [•] between [[•] as chargor][each of the companies listed at the end of this notice and [•] as Lender (the "Lender") we have assigned to the Lender all of our present and future right, title and interest in and to [describe agreement] (the "Agreement").

We will remain liable under the Agreement to perform all the obligations assumed by us under the Agreement. None of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Agreement.

We will be entitled to exercise all of its rights, powers and discretions under the Agreement, and you should continue to give notices under the Agreement to us, unless and until you receive notice from the Lender to the contrary. In this event, all the rights, powers and discretions under the Agreement will be exercisable by, and notices must be given to, the Lender or as it directs.

Please note that we have agreed not to amend, waive or vary any provision of or terminate the Agreement without the prior consent of the Lender.

We confirm that you may comply with the instructions in this letter without any further permission from us and without enquiry by you as to the justification for or validity of any notice, request or instructions.

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Agreement as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Lender at [•], marked for the attention of [•].

.....
For and on behalf of
[•]
as Chargor

.....
For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or charge or notice that any other person claims any rights in respect of the Agreement.

.....

For and on behalf of
[Counterparty]

Date:

SCHEDULE 9 : NOTICE TO INSURERS

To: [Insurers]

Address: [•]

[Date]

Dear Sirs

This letter constitutes notice to you that under a security agreement dated [•] between [[•] as chargor][each of the companies listed at the end of this notice] and [•] as Lender (the "Lender") we have assigned to the Lender all of our present and future right, title and interest in and any contract of insurance taken out with you by or on behalf of us or under which we have a right to claim (the "Insurances").

1. All moneys payable by you to each Chargor in respect of the Insurances other than third party Insurances shall be paid as directed by each Chargor, unless and until you receive written notice from the Lender to the contrary, in which event you should make all future payments as then directed by the Lender.
2. Subject to any applicable legislation and despite the assignments referred to above, all sums in respect of any claim under any third party Insurance by an insured party shall be paid:
 - (A) directly to the person whose claim(s) constitute(s) the risk or liability insured against, provided that such person has executed a discharge of all claims against each insured party in respect of the risk or liability in relation to which the claim was made; or
 - (B) (despite any policy term to the contrary) to the extent that insurers accept liability to indemnify the insured party in respect of the claims or liabilities which the insured party has settled directly with the claimant, to the relevant insured party, unless the insured party is us, in which case such sums shall be paid as directed by the Lender.
3. This authority and instruction is irrevocable without the prior written consent of the Lender.

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Insurances as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Lender at [•], marked for the attention of [•].

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or notice that any other person claims any rights in respect of the Insurances.

.....

For and on behalf of
[Insurers]

Date:

SCHEDULE 10 : NOTICE TO TENANTS

To: [Tenant]

[Date]

Dear Sirs,

This letter constitutes notice to you that under a security agreement dated [•] between [[•] as chargor][each of the companies listed at the end of this notice and [•] as Lender (the "Lender") we have assigned to the Lender all of our present and future right, title and interest in and to [describe lease] (the "Lease Document").

We irrevocably instruct and authorise you to pay any rent payable by you under the Lease Document to our account [with the Lender] at [•], Account No. [•], Sort Code [•] (the "Rent Account").

We will remain liable under the Lease Document to perform all the obligations assumed by us under the Lease Document. None of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Lease Document.

Please note that we have agreed not to amend, waive or vary any provision of or terminate the Lease Document without the prior consent of the Lender.

We confirm that you may comply with the instructions in this letter without any further permission from us and without enquiry by you as to the justification for or validity of any notice, request or instructions.

The instructions in this letter apply until you receive notice from the Lender to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Insurances as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Lender at [•], marked for the attention of [•].

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the notice of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or charge or notice that any other person claims any rights in respect of the Lease Document.

We accept the instructions contained in the notice.

We confirm that we:

- (A) have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of each Chargor under or in respect of the Lease Document (as defined in the notice); and
- (B) must pay all rent and all other monies payable by us under the Lease Document into the Rent Account (as defined in the notice); and

(C) must continue to pay those monies into the Rent Account until we receive your written instructions to the contrary.

.....

For and on behalf of
[Tenant]

Date:

SCHEDULE 11 : FORM OF DEED OF ACCESSION

THIS DEED is dated [•]

and made

BETWEEN:

- (1) [•] (registered number [•]) (the "Additional Chargor");
- (2) [•] (for itself and as agent for each of the other Chargors under and as defined in the Security Agreement referred to below (the "Company"); and
- (3) NORTHWHARF INVESTMENTS LIMITED (the "Lender").

BACKGROUND:

- (A) The Additional Chargor is a [wholly-owned] Subsidiary of the Company.
- (B) The Company has entered into a security agreement dated [•] 20[•] (the "Security Agreement") between the Company, the Chargors under and as defined in the Security Agreement and the Lender.
- (C) The Additional Chargor has agreed to enter into this Deed and to become a Chargor under the Security Agreement. [The Additional Chargor will also, by execution of a separate instrument, become a party to the [Intercreditor Agreement] as an Obligor.]
- (D) It is intended that this document takes effect as a deed even though a Party may only execute it under hand.

IT IS AGREED as follows:

1. Interpretation

1.1 Definitions

Terms defined in the Security Agreement have the same meaning in this Deed unless given a different meaning in this Deed.

1.2 Construction

The other provisions of Clause 1.2 (*Construction*) of the Security Agreement apply to this Deed as if set out in full in this Deed with all necessary changes.

1.3 Designation

This Deed is a Finance Document.

2. Accession

With effect from the date of this Deed, the Additional Chargor:

- (A) will become a party to the Security Agreement as a Chargor;
- (B) will make all of the representations and warranties set out in the Security Agreement which are expressed to be made by a Chargor; and

- (C) will be bound by all the terms of the Security Agreement which are expressed to be binding on a Chargor.

3. Creation of Security

3.1 **Security generally**

All the Security created, or expressed to be created, under this Deed:

- (A) is created in favour of the Lender;
- (B) is created over the present and future assets of the Additional Chargor;
- (C) is security for the payment of all the Secured Liabilities; and
- (D) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.2 **Land**

- (A) The Additional Chargor charges:
 - (1) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it and all rights under any licence or other agreement or document which gives the Additional Chargor a right to occupy or use that property, including the freehold or leasehold property (if any) specified in Part 1 of the Schedule to this Deed (*Mortgaged Property*); and
 - (2) (to the extent that they are not the subject of a legal mortgage under Clause 3.2(A)(1)) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it and all rights under any licence or other agreement or document which gives the Additional Chargor a right to occupy or use that property.
- (B) [The Additional Chargor assigns absolutely to the Lender all of its rights and interests in and to each [Lease Document] (including all [Rental Income] and in respect of any guarantee of [Rental Income] contained in or relating to any [Lease Document]).]
- (C) A reference in this Deed to a mortgage or charge of any freehold or leasehold property includes:
 - (1) each and every part of that property, including the buildings, structures, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or in the future on that property and all easements and rights attaching to it; and
 - (2) the benefit of any covenants for title given or entered into by any predecessor in title of the Additional Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

3.3 Investments

- (A) The Additional Chargor charges by way of a first fixed charge all of its rights and interests in the Investments (including any specified in Part 2 of the Schedule to this Deed (*Investments*)).
- (B) A reference in this Deed to any mortgage or charge of any Investments includes:
 - (1) any dividend or interest paid or payable in relation to it;
 - (2) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
 - (3) any right against any clearance system in relation to it[including any right against CREST];¹ and
 - (4) any right under any custodian or other agreement in relation to it [including any right which the Additional Chargor may have under any agreement with a “system-user” (as defined in the Uncertified Securities Regulations 2001) relating to the use of that system-user’s account with CREST].²

3.4 Contracts

- (A) The Additional Chargor assigns absolutely to the Lender all of its rights and interests in, to and under all the agreements or documents specified in Part 3 of the Schedule to this Deed (*Assigned Contracts*).
- (B) To the extent that any such right described in Clause 3.4(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.4(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which that Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any other part of this Clause or are not effectively assigned under Clause[s] 3.4(A) [and Clause 3.4(B)], the Additional Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.
- (D) [If the Additional Chargor assigns an agreement or document under this Deed (or charges it by way of a first fixed charge) and the assignment or charge breaches a term of that agreement or document because a third party’s consent has not been obtained:
 - (1) the Additional Chargor must notify the Lender immediately;
 - (2) in respect of any OGA Licence, the assignment or charge will not take effect until that consent is obtained;
 - (3) unless the Lender otherwise requires, the Additional Chargor shall, and each other Chargor will ensure that the Additional Chargor shall, use all reasonable endeavours to obtain the consent as soon as practicable; and

¹ Delete if no Investments are held in CREST.

² Delete if no Investments are held in CREST.

- (4) the Additional Chargor must promptly supply to the Lender a copy of the consent obtained by it.]

3.5 Bank accounts

The Additional Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account (including any specified in Part 4 of the Schedule to this Deed (*Bank Accounts*)) it has in its name (or to which it is beneficially entitled) with any person and the debt represented by such account.

3.6 Book debts etc.

The Additional Chargor charges by way of a first fixed charge:

- (A) all of its book and other debts;
- (B) all other moneys due and owing to it; and
- (C) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 3.6(A) and Clause 3.6(B).

3.7 Insurances

- (A) The Additional Chargor assigns absolutely to the Lender:
 - (1) all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest; and
 - (2) all moneys payable and all moneys paid to it under or in respect of all such contracts and policies of insurance;
- (B) To the extent that any such right described in Clause 3.7(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.7(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Additional Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any part of this Clause or are not effectively assigned under Clause 3.7(A) or Clause 3.7(B), the Additional Chargor charges by way of first fixed charge all of the assets described in Clause 3.7(A).

3.8 Plant and machinery

The Additional Chargor charges by way of a first fixed charge all fixed and moveable plant and machinery owned by it (including any specified in Part 3 of the Schedule to this Deed (*Plant and Machinery*)), its interest in any plant or machinery in its possession and the benefit of all related Authorisations, agreements and warranties.

3.9 Intellectual Property

The Additional Chargor charges by way of first fixed charge all its Intellectual Property including any specified in Part 6 of the Schedule to this Deed (*Intellectual Property*).

3.10 Authorisations

The Additional Chargor charges by way of first fixed charge the benefit of all Authorisations held by it in relation to any Charged Property, together with the right to recover and receive compensation which may be payable to it in respect of any Authorisation.

3.11 Pension fund

The Additional Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement it has in any pension fund.

3.12 Goodwill

The Additional Chargor charges by way of first fixed charge its goodwill.

3.13 Uncalled capital

The Additional Chargor charges by way of first fixed charge its uncalled capital.

3.14 Floating charge

- (A) The Additional Chargor charges by way of first floating charge its undertaking and assets, both present and future.
- (B) The floating charge created by the Additional Chargor pursuant to Clause 3.14(A) is a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (C) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Lender may appoint an administrator to the Additional Chargor pursuant to that paragraph.
- (D) The Lender may convert the floating charge created by this Deed over all or any of the Charged Property into a fixed charge by notice to the Additional Chargor specifying the relevant Charged Property (either specifically or generally):
 - (1) Upon the occurrence of an Enforcement Event; and/or
 - (2) if the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process.
- (E) If:
 - (1) the Additional Chargor takes any step to create any Security in breach of Clause 4.1 (*Negative Pledge*) of the Security Agreement over any of the Charged Property not subject to a mortgage or fixed charge;
 - (2) an administrator is appointed or the Lender receives notice of an intention to appoint an administrator in respect of the Additional Chargor; or
 - (3) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Charged Property,

the floating charge over the relevant Charged Property shall automatically and immediately be converted into a fixed charge.

4. Restrictions on Dealing

4.1 Negative pledge

The Additional Chargor shall not create or permit to subsist any Security over any Charged Property, nor do anything prohibited by Clause [22.13] (Negative pledge) of the Facility Agreement, except as permitted by the Facility Agreement.

4.2 Disposals

The Additional Chargor shall not (nor agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer or otherwise dispose of any Charged Property except as permitted by the Facility Agreement.

5. Miscellaneous

With effect from the date of this Deed:

- (A) the Security Agreement and this Deed shall be read and construed together as one deed;
- (B) the Security Agreement shall be read and construed as if the Additional Chargor had been an original party in the capacity of the Chargor (but so that the Security created on this accession will be created on the date of this Deed);
- (C) any reference in the Security Agreement to this Deed and similar phrases shall include this Deed and all references in the Security Agreement to a Schedule to that deed (or any part of it) will include a reference to the Schedule to this Deed (or relevant part of it); and
- (D) the Company, for itself and as agent for each of the other Chargors under the Security Agreement, agrees to all matters provided for in this Deed.

6. Governing law

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

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

SCHEDULE TO DEED OF ACCESSION

PART 1: MORTGAGED PROPERTY

Freehold or Leasehold	Address	Title Number	Land Registry Administrative Area
[•]	[•]	[•]	[•]

PART 2: INVESTMENTS

Name of Company in Which Shares are Held	Name of Chargor by whom Shares are Held	Class of Shares Held	Number of Shares Held
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

PART 3: ASSIGNED CONTRACTS

Date	Description	Parties
[•]	[•]	[•]

PART 4: BANK ACCOUNTS

Name of Bank	Account Number	Sort Code
[•]	[•]	[•]

PART 5: PLANT AND MACHINERY

Description	Serial Number	Location
[•]	[•]	[•]

PART 6: INTELLECTUAL PROPERTY

For patents:

Proprietor	Jurisdiction	Application Number	Patent Number	Expiry Date
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[•]	[•]	[•]	[•]	[•]
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For registered trade marks:

Proprietor	Jurisdiction	Application Number	TM Number	Mark
[•]	[•]	[•]	[•]	[•]

For registered designs:

Proprietor	Jurisdiction	Application Number	Registered Design Number	Expiry Date
[•]	[•]	[•]	[•]	[•]

For domain names:

Proprietor	Domain Name	Filing Date	Expiry Date
[•]	[•]	[•]	[•]

For copyright, unregistered trade marks and unregistered designs:

[Insert details as appropriate]

EXECUTION PAGE TO DEED OF ACCESSION

The Additional Chargor

EXECUTED as a DEED by)
[•])
acting by)
and)

Director:

Director/Secretary:

The Company

EXECUTED as a DEED by)
THIRD ENERGY HOLDINGS LIMITED)
(for itself and as agent)
for each of the other Chargors)
party to the Security Agreement)
referred to in this Deed))
acting by)

Director:

in the presence of:
(signature of witness)

Name of witness:

Occupation of witness:

Address of witness:

.....

.....

The Lender

Northwharf Investments Limited

By:

SCHEDULE 12 : FORM OF SUPPLEMENTAL MORTGAGE

THIS DEED is dated [•]

and made

BETWEEN:

- (1) [•] (registered number [•]) (the "Chargor"); and
- (2) NORTHWHARF INVESTMENTS LIMITED (the "Lender").

BACKGROUND:

- (A) The Chargor has entered into a security agreement dated [•] 20[•] (the "Security Agreement") between, amongst others, the Chargor and the Lender.
- (B) It is intended that this document takes effect as a deed even though a Party may only execute it under hand.

IT IS AGREED as follows:

1. Interpretation

1.1 Definitions

Terms defined in the Security Agreement have the same meaning in this Deed unless given a different meaning in this Deed.

1.2 Construction

The other provisions of Clause 1.2 (*Construction*) of the Security Agreement apply to this Deed as if set out in full in this Deed with all necessary changes.

1.3 Designation

This Deed is a Finance Document.

2. Creation of Security

2.1 Security generally

All the Security created, or expressed to be created, under this Deed:

- (A) is created in favour of the Lender;
- (B) *is created over the present and future assets of the Chargor;*
- (C) is security for the payment of all the Secured Liabilities; and
- (D) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Land

- (A) The Chargor charges:

- (1) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use that property, including the freehold or leasehold property (if any) specified in PART 1 of the Schedule to this Deed (*Mortgaged Property*); and
 - (2) (to the extent that they are not the subject of a legal mortgage under Clause 2.2(A)(1)) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use that property.
- (B) [The Chargor assigns absolutely to the Lender all of its rights and interests in and to each [Lease Document] (including all [Rental Income] and in respect of any guarantee of [Rental Income] contained in or relating to any [Lease Document]).]
- (C) A reference in this Deed to a mortgage or charge of any freehold or leasehold property includes:
- (1) each and every part of that property, including the buildings, structures, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or in the future on that property and all easements and rights attaching to it; and
 - (2) the benefit of any covenants for title given or entered into by any predecessor in title of a Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Contracts

- (A) The Chargor assigns absolutely to the Lender all of its rights in, to and under all the agreements or documents specified in Part 2 of the Schedule to this Deed (*Assigned Contracts*).
- (B) To the extent that any such right described in Clause 2.3(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 2.3(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any other part of this Clause or are not effectively assigned under Clauses 2.3(A) and 2.3(B), the Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.
- (D) [If the Chargor assigns an agreement or document under this Deed (or charges it by way of a first fixed charge) and the assignment or charge breaches a term of that agreement or document because a third party's consent has not been obtained:
 - (1) the Chargor must notify the Lender immediately;
 - (2) in respect of any OGA Licence, the assignment or charge will not take effect until that consent is obtained;

- (3) unless the Lender otherwise requires, the Chargor shall use all reasonable endeavours to obtain the consent as soon as practicable; and
- (4) the Chargor shall promptly supply to the Lender a copy of the consent obtained by it.]

2.4 Insurances

- (A) The Chargor assigns absolutely to the Lender:
 - (1) all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest; and
 - (2) all moneys payable and all moneys paid to it under or in respect of all such contracts and policies of insurance.
- (B) To the extent that they are not effectively assigned under Clause 2.4(A), the Chargor charges by way of first fixed charge all of the assets described in Clause 2.4(A).

3. Registration and Restrictions on Dealing

3.1 Negative pledge

The Chargor shall not create or permit to subsist any Security over any Charged Property, nor do anything prohibited by Clause [22.13] (*Negative pledge*) of the Facility Agreement, except as permitted by the Facility Agreement.

3.2 Disposals

The Chargor shall not (nor agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer or otherwise dispose of any Charged Property except as permitted by the Facility Agreement.

3.3 Registration

Forthwith following execution of this Deed, the Company shall:

- (A) until the expiry of the Security Period, keep and maintain a register of mortgages and charges (the "Register of Mortgages and Charges"), at the Company's registered office in the Cayman Islands, in accordance with Section 54 of the Cayman Companies Law;
- (B) until the expiry of the Security Period, enter into the Register of Mortgages and Charges (and maintain therein) appropriate particulars of this Deed and any other security granted or otherwise constituted by the Company in favour of the Lender (which particulars shall include all particulars required to be kept in such Register of Mortgages and Charges pursuant to the provisions of Section 54 of the Cayman Companies Law), such particulars to be in a form and substance being satisfactory to the Lender; and
- (C) provide a copy of the Register of Mortgages and Charges (containing all such particulars as referred to foregoing) to the Lender (such copy of the Register of

Mortgages and Charges being certified, by a Director of the Company, as a "true, accurate and complete copy of the original").

4. **Miscellaneous**

With effect from the date of this Deed:

- (A) the Security Agreement and this Deed shall be read and construed together as one deed; and
- (B) any reference in the Security Agreement to this Deed and similar phrases shall include this Deed and all references in the Security Agreement to a Schedule to that Deed (or any part of it) will include a reference to the Schedule to this Deed (or relevant part of it).

5. **Governing law**

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

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

SCHEDULE

PART 1: MORTGAGED PROPERTY

Freehold or Leasehold	Address	Title Number	Land Registry Administrative Area
[•]	[•]	[•]	[•]

PART 2: ASSIGNED CONTRACTS

Date	Description	Parties
[•]	[•]	[•]

EXECUTION PAGE TO SUPPLEMENTAL MORTGAGE

The Chargor

[EXECUTED as a DEED by)
THIRD ENERGY HOLDINGS LIMITED)
(for itself and as agent)
for each of the other Chargors)
party to the Security Agreement)
referred to in this Deed))
acting by)

Director:

in the presence of:
(signature of witness)

Name of witness:

Occupation of witness:

Address of witness:

.....]³

OR

[EXECUTED as a DEED by)
[•])
acting by)
and)

Director:

Director/Secretary:]⁴

The Lender

Northwharf Investments Limited

By:

³ To be included if the supplemental mortgage is to be granted by the Company.

⁴ To be included if the supplemental mortgage is to be granted by any Chargor other than the Company (subject to any changes required in accordance with the law of its jurisdiction of incorporation).

EXECUTION PAGE TO SECURITY AGREEMENT

The Original Chargors

EXECUTED as a DEED by
Third Energy Holdings Limited
acting by
and

Director:

Director/Secretary:

Walton
John Dewar

EXECUTED as a DEED by
Third Energy Onshore Limited
acting by
and

Director:

Director/Secretary:

Walton
John Dewar

EXECUTED as a DEED by
Third Energy Services Limited
acting by
and

Director:

Director/Secretary:

Walton
John Dewar

EXECUTED as a DEED by
Third Energy Trading Limited
acting by
and

Director:

Director/Secretary:

Walton
John Dewar