



Registration of a Charge

Company name: **MORAY OFFSHORE WINDFARM (EAST) LIMITED**

Company number: **07101438**



X7JZUES8

Received for Electronic Filing: **03/12/2018**

Details of Charge

Date of creation: **28/11/2018**

Charge code: **0710 1438 0005**

Persons entitled: **MUFG BANK, LTD., AS SECURITY TRUSTEE**

Brief description: **NONE.**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

ASHURST LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7101438

Charge code: 0710 1438 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th November 2018 and created by MORAY OFFSHORE WINDFARM (EAST) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd December 2018 .

Given at Companies House, Cardiff on 5th December 2018

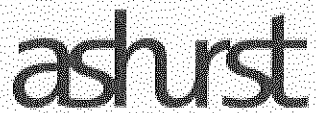
The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Debenture

Moray Offshore Windfarm (East) Limited

and

MUFG Bank, Ltd.
as Security Trustee

Note: the application of recoveries under this debenture is regulated by the terms of the Intercreditor Deed

28 November 2018

CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION	1
2. COVENANT TO PAY.....	4
3. CHARGING CLAUSE.....	4
4. FURTHER ASSURANCE	7
5. REPRESENTATIONS AND WARRANTIES	8
6. UNDERTAKINGS - GENERAL	8
7. PROPERTY.....	8
8. INVESTMENTS.....	9
9. BOOK DEBTS.....	11
10. PROJECT ACCOUNTS	11
11. INTELLECTUAL PROPERTY	12
12. HEDGING DOCUMENTS AND ASSIGNED AGREEMENTS	13
13. INSURANCES.....	13
14. ATTORNEY	14
15. ENFORCEMENT	14
16. EXTENSION AND VARIATION OF STATUTORY POWERS.....	15
17. STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER.....	16
18. PROTECTION OF THIRD PARTIES	17
19. PROTECTION OF SECURITY TRUSTEE AND RECEIVER	18
20. APPLICATION OF ENFORCEMENT PROCEEDS	19
21. PROTECTION OF SECURITY	20
22. DEFAULT INTEREST.....	22
23. SET-OFF	22
24. CHANGES TO PARTIES.....	22
25. CURRENCY	22
26. MISCELLANEOUS	23
27. GOVERNING LAW AND JURISDICTION	23
SCHEDULE 1	24
Property	24
SCHEDULE 2	25
Project Accounts	25
SCHEDULE 3	27
Assigned Agreements (Contracts)	27
SCHEDULE 4	28
Forms of notice to counterparties.....	28
Part 1.....	28
Form of notice to counterparties of Assigned Agreements/Hedging Documents.....	28
Part 2	30
Form of notice to insurers	30
SCHEDULE 5	32
Form of notice to Account Bank	32

THIS DEED is made on 28 November 2018

BETWEEN:

- (1) **MORAY OFFSHORE WINDFARM (EAST) LIMITED** (a company incorporated in England and Wales whose registered office is at C/O 7side Secretarial Limited, 1st Floor, 14/18 City Road, Cardiff, United Kingdom, CF24 3DL with registered number 07101438) (the "**Chargor**"); and
- (2) **MUFG Bank, Ltd.** as security trustee for itself and the other Secured Creditors (the "**Security Trustee**", which expression shall include any person from time to time appointed as a successor, replacement or additional trustee in relation to the interests created by this deed).

BACKGROUND:

- I. The board of directors of the Chargor is satisfied that entering into this deed would be most likely to promote the success of the Chargor for the benefit of its members as a whole and to the further benefit and advantage of the Chargor.
- II. The Security Trustee and Chargor intend this document to take effect as a deed (even though the Security Trustee only executes it under hand).
- III. The Security Trustee holds the benefit of this deed for the Secured Creditors on the terms of the Finance Documents.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this deed:

"**Account Investments**" has the meaning given to it in the Account Bank Agreement;

"**Assigned Agreements**" means, the agreements listed in schedule 3 (Assigned Agreements (Contracts)), any other agreement, contract or document whether or not after the date of this deed existing, relating to or connected with the Project (including, for the avoidance of doubt, any Transaction Document) to which the Chargor is a party or in respect on which it derives rights or benefits from time to time and any document designated as an Assigned Agreement by the Chargor and the Security Trustee;

"**Book Debts**" means all book and other debts of any nature and all monetary claims (excluding any such debts or claims in relation to the Project Accounts, the Assigned Agreements, the Insurances and the Hedging Documents);

"**Charged Property**" means the assets mortgaged, charged or assigned to the Security Trustee by this deed;

"**Common Terms Agreement**" means the common terms agreement dated on or about the date of this Deed between, among others, the Chargor, Moray East Holdings Limited as Holdco, the Security Trustee and the Senior Lenders;

"**Decommissioning Account**" has the meaning given to that term in the Account Bank Agreement;

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Security Trustee in accordance with this deed;

"Equipment" means all plant, machinery, vehicles, computers, office and other equipment;

"Enforcement Event" means an Event of Default which has resulted in the Intercreditor Agent exercising any of its rights under clause 25.2 (Remedies) of the Common Terms Agreement;

"Floating Charge Asset" means an asset charged under clause 3.4 (Floating Charge);

"Insurances" means the benefits arising from all policies of insurance (including all rights of recovery and all proceeds of them) either now or in the future held by, or written in favour of, a Chargor or in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors' and officers' insurance;

"Intellectual Property" means 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, whether registered or unregistered, the benefit of all applications and rights to use such assets (in each case including any related licences and sub-licences of the same granted by it or to it);

"Investment Income" has the meaning given to that term in the Account Bank Agreement;

"Investment Proceeds" has the meaning given to that term in the Account Bank Agreement;

"Investments" means any stock, share, debenture, loan stock, security, interest in any investment fund and any other comparable investment (whether or not marketable) whether owned directly by or to the order of a Chargor or by any trustee, fiduciary or clearance system on its behalf;

"OFTO Escrow Account" has the meaning given to that term in the Account Bank Agreement;

"Other Debts" means all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of such debts and claims;

"Project Accounts" means, in relation to the Chargor, all rights, title or interest in relation to cash-deposit, current or other accounts (other than the Distribution Account, the OFTO Escrow Account, to the extent subject to legal escrow, the Decommissioning Account and the Securities Custodian Accounts) held with any bank, financial institution or other person including all balances now or in the future standing to the credit of or accrued or accruing in relation to those accounts and including the accounts listed in schedule 2;

"Property" means all freehold, heritable and leasehold property and the buildings and fixtures (including trade fixtures) on that property from time to time including the property listed in schedule 1 (Property) (if any);

"Quasi-Security" means an arrangement or transaction described in paragraph (b) of clause 24.1 (Negative Pledge) of the Common Terms Agreement;

"Receiver" means a receiver or receiver and manager in each case appointed under this deed;

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of that asset or any part of that asset;

- (b) all dividends, distributions, interest and/or other income paid or payable in relation to that asset (including on any Investment), together with all shares or other property derived from that asset and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that asset (whether by way of conversion, redemption, bonus, preference, option or otherwise);
- (c) any monies and proceeds paid or payable in relation to that asset;
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that asset; and
- (e) the benefit of all other rights, powers, claims, consents, contracts, warranties, security, guarantees, indemnities or covenants for title in respect of that asset;

"Secured Creditors" has the meaning given to that term in the Intercreditor Deed; and

"Secured Obligations" means all present and future liabilities and obligations at any time due, owing or incurred by any Obligor to any Secured Creditor under any Finance Document, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity except for any money or liability which, if it were so included, would cause the infringement of section 678 or 679 of the Companies Act 2006.

1.2 Construction

- (a) In this deed, unless a contrary intention appears, a reference to:
 - (i) words and expressions defined in the Common Terms Agreement have the same meanings when used in this deed unless otherwise defined in this deed;
 - (ii) the principles of construction contained in clause 1.2 (Construction) of the Common Terms Agreement apply equally to the construction of this deed, except that references to the Common Terms Agreement will be construed as references to this deed;
 - (iii) the **"Chargor"**, any **"Secured Creditor"** and any other person shall be construed so as to include its successors in title, permitted assignees and transferees and, in the case of the Security Trustee, any person for the time being appointed as Security Trustee in accordance with the Finance Documents;
 - (iv) **"including"** means including without limitation and **"includes"** and **"included"** shall be construed accordingly;
 - (v) **"losses"** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **"loss"** shall be construed accordingly; and
 - (vi) any clause or schedule is a reference to, respectively, a clause of and schedule to this deed and any reference to this deed includes its schedules.
- (b) Section, clause and schedule heading are for ease of reference only.
- (c) The terms of the documents under which the Secured Obligations arise and of any side letters between the Chargor and any Secured Creditor relating to the Secured Obligations are incorporated in this deed to the extent required for any purported disposition of any 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.

- (d) The parties intend that this document shall take effect as a deed, notwithstanding the fact that a party may only execute it under hand.

1.3 **Third Party Rights**

- (a) Any Receiver or Delegate will have the right to enforce the provisions of this deed which are given in its favour however the consent of a Receiver or Delegate is not required for the rescission or variation of this deed.
- (b) Subject to paragraph (a), a person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this deed.

1.4 **Intercreditor Deed**

- (a) The terms of this deed are subject to the terms of the Intercreditor Deed. In the event of any conflict between any provision of this deed and any provision of the Intercreditor Deed, the relevant provision of the Intercreditor Deed shall prevail.
- (b) In the event of any inconsistency between this deed and the Common Terms Agreement, then the terms of the Common Terms Agreement shall prevail.

2. **COVENANT TO PAY**

The Chargor as primary obligor covenants with the Security Trustee (for the benefit of itself and the other Secured Creditors) that it will on demand pay the Secured Obligations when they fall due for payment.

3. **CHARGING CLAUSE**

3.1 **Fixed Charges**

The Chargor, as security for the payment and discharge of the Secured Obligations, charges in favour of the Security Trustee with full title guarantee all of its right, title and interest in the following assets, both present and future, from time to time owned by it or in which it has an interest and, in each case, all Related Rights:

- (a) by way of first legal mortgage, all Property; and
- (b) by way of first fixed charge:
 - (i) all other interests (not effectively charged under clause 3.1(a)) in any Property;
 - (ii) all Investments;
 - (iii) all Equipment and the benefit of all contracts, licences and warranties relating thereto;
 - (iv) all Book Debts;
 - (v) all Other Debts;
 - (vi) all Project Accounts and all Account Investments, Investment Proceeds and Investment Income with respect to the Project Accounts;

- (vii) all Intellectual Property;
- (viii) the benefit of all licences and all other consents and agreements held by it in connection with the use of any of its assets;
- (ix) its goodwill and uncalled capital; and
- (x) to the extent not effectively assigned by clause 3.2 (Security Assignment):
 - (A) the Assigned Agreements;
 - (B) the Insurances; and
 - (C) the Hedging Documents.

3.2 Security Assignment

As further security for the payment and discharge of the Secured Obligations, the Chargor assigns absolutely with full title guarantee in favour of the Security Trustee all its right, title and interest in the following assets, both present and future, and, in each case, all Related Rights:

- (a) the Assigned Agreements;
- (b) the Insurances; and
- (c) the Hedging Documents,

provided that on payment or discharge in full of the Secured Obligations the Security Trustee will at the request and cost of the Chargor re-assign the relevant rights, title and interest in the assigned assets to the Chargor (or as it shall direct).

3.3 Fixed Security

Clause 3.1 (Fixed Charges) and clause 3.2 (Security Assignment) shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each relevant asset within any particular class of assets specified in this deed. Any failure to create effective fixed security (for whatever reason) over an asset shall not affect the fixed nature of the security on any other asset, whether within the same class of assets or not.

3.4 Floating Charge

As further security for the payment and discharge of the Secured Obligations, the Chargor charges with full title guarantee in favour of the Security Trustee by way of first floating charge (i) all its present and future assets not effectively charged by way of fixed charge under clause 3.1 (Fixed Charges) or assigned under clause 3.2 (Security Assignment) and (ii) the whole of its property, assets, rights and revenues situated in Scotland or otherwise governed by Scots law, present and future, whether or not such property, assets, rights and revenues are validly and effectively charged or assigned (whether at law or in equity) pursuant to Clauses 3.1 (Fixed Charges) or 3.2 (Security Assignment).

3.5 Conversion of Floating Charge

- (a) Subject to paragraph (b) below, if:
 - (i) an Enforcement Event has occurred; or

- (ii) the Security Trustee is of the view that any legal process or execution is being enforced against any Floating Charge Asset or that any Floating Charge Asset is in danger of being seized or otherwise in jeopardy; or
- (iii) the Security Trustee considers that it is desirable to protect the priority of the security,

the Security Trustee may, by notice to the Chargor, convert the floating charge created under this deed into a fixed charge as regards those assets which it specifies in the notice.

- (b) The floating charge created under this deed may not be converted into a fixed charge solely by reason of the obtaining of a moratorium under section 1A of the Insolvency Act 1986 in relation to the Chargor, or anything done with a view to obtaining such a moratorium.
- (c) The floating charge created under this deed may not be converted into a fixed charge in respect of any property or assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

3.6 Automatic Conversion of Floating Charge

If:

- (a) the Chargor creates (or purports to create) any Security in breach of clause 6.2 (Negative Pledge) over any Floating Charge Asset; or
- (b) any person levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset,

the floating charge created under this deed over the relevant Floating Charge Asset will (subject to clause 3.5(c)) automatically and immediately be converted into a fixed charge.

3.7 Leases Restricting Charging

- (a) There shall be excluded from the charge created by clause 3.1 (Fixed Charges) and from the operation of clause 4 (Further Assurance) any leasehold property held by the Chargor under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) the Chargor from creating any charge over its leasehold interest in that property (each an "**Excluded Property**") until the relevant condition or waiver has been satisfied or obtained.
- (b) For each Excluded Property, the Chargor shall use its reasonable endeavours, unless otherwise required by the Security Trustee where the relevant consent or waiver of prohibition or condition is time critical in which case the Chargor shall use its best endeavours to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of this deed (or, as the case may be, the date of the acquisition of the relevant Excluded Property) and, in respect of each Excluded Property which provides that the relevant third party will not unreasonably withhold its consent to charging, to use all reasonable endeavours to obtain that consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations.
- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Trustee under clause 3.1 (Fixed Charges). If required by the Security Trustee at any time following receipt

of that waiver or consent, the Chargor will forthwith execute a valid legal mortgage in such form as the Security Trustee shall reasonably require.

3.8 Intellectual Property Restricting Charging

- (a) There shall be excluded from the charge created by clause 3.1 (Fixed Charges) and from the operation of clause 4 (Further Assurance) any Intellectual Property in which the Chargor has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) the Chargor from creating any charge over its interest in that Intellectual Property (each an **"Excluded Intellectual Property"**) until the relevant condition or waiver has been satisfied or obtained.
- (b) For each Excluded Intellectual Property, the Chargor shall use its reasonable endeavours, unless otherwise required by the Security Trustee where the relevant consent or waiver of prohibition or condition is time critical in which case the Chargor shall use its best endeavours to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of this deed (or, as the case may be, the date of the acquisition of the relevant Excluded Intellectual Property) and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging, to use its reasonable endeavours to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations.
- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Intellectual Property shall stand charged to the Security Trustee under clause 3.1 (Fixed Charges). If required by the Security Trustee, at any time following receipt of that waiver or consent, the Chargor will forthwith execute a valid fixed charge or legal assignment in such form as the Security Trustee shall reasonably require.

4. FURTHER ASSURANCE

- (a) The Chargor shall promptly (and at its own expense) do all such acts or execute all such documents (including assignments, assignations, transfers, mortgages, standard securities, charges, pledges, notices and instructions) as the Security Trustee may reasonably specify (and in such form as the Security Trustee may reasonably require in favour of the Security Trustee or its nominee(s)):
 - (i) to perfect, maintain and/or preserve the Security created or intended to be created under or evidenced by this deed and the priority of such Security (other than in respect of the Offshore Transmission Assets on or after the Offshore Transmission Assets Sale Date), or for the exercise of any rights, powers and remedies of the Security Trustee, any Receiver or the Secured Creditors provided by or pursuant to this deed or by law;
 - (ii) to confer on the Security Trustee or on the Secured Creditors Security over any property and assets of the Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this deed; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by this deed.
- (b) The 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 Security Trustee or the Secured Creditors by or pursuant to this deed.

5. REPRESENTATIONS AND WARRANTIES

The Chargor represents and warrants to the Security Trustee on the date of this deed that there is no Property situated outside of Scotland which is beneficially owned by it.

6. UNDERTAKINGS - GENERAL

6.1 Duration of Undertakings

All of the undertakings given in this deed are given from the date of this deed and for so long as any security constituted by this deed remains in force.

6.2 Negative Pledge

The Chargor shall not create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property, except as permitted by and in accordance with the Finance Documents.

6.3 Disposal Restrictions

The Chargor shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or any part of the Charged Property except as permitted by and in accordance with the Finance Documents.

6.4 Documents Relating to Charged Property

- (a) Without prejudice to any specific requirements in this deed for the delivery of documents, the Chargor will promptly deliver to the Security Trustee all documents relating to the Charged Property which the Security Trustee from time to time reasonably requires.
- (b) The Security Trustee may retain any document delivered to it under this deed for so long as any security constituted by this deed remains in force and, if for any reason it returns any document to the Chargor (or its nominee) before that time, it may by notice to the Chargor require that the relevant document be redelivered to it and the Chargor shall promptly comply (or procure compliance) with that notice.

6.5 Power to Remedy

If the Chargor fails to comply with any undertaking given in this deed and that failure is not remedied to the satisfaction of the Security Trustee within 14 days of the Security Trustee notifying the Chargor that remedy is required, it will allow (and irrevocably authorises) the Security Trustee, or any Delegate, to take any action on behalf of the Chargor which is necessary to ensure that those covenants are complied with.

7. PROPERTY

- (a) The Chargor will, promptly following execution of this deed or (if later) acquisition of Property, deposit with the Security Trustee (or as it shall direct) certified copies of all deeds and documents of title relating to all Property in which it has an interest and, if those deeds and documents are with the Land Registry, will promptly deposit them with the Security Trustee (or as it shall direct) upon their release.

- (b) In relation to Property situated in England and Wales and charged by way of legal mortgage under this deed, the Chargor hereby irrevocably consents to the Security Trustee applying to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that Property in which it has an interest (including any unregistered properties subject to compulsory first registration at the date of this deed) on the prescribed Land Registry form and in the following or substantially similar terms:

"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 [●] in favour of [●] (as security trustee) referred to in the charges register."

- (c) Subject to the terms of the Common Terms Agreement, the Senior Lenders are under an obligation to make further advances (which obligation is deemed to be incorporated into this deed) and this security has been made for securing those further advances. In relation to Property which is situated in England and Wales and charged by way of legal mortgage under this deed, the Security Trustee may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of all that Property (including any unregistered Property subject to compulsory first registration at the date of this deed) that there is an obligation to make further advances on the security of the registered charge.

8. INVESTMENTS

8.1 Investment Acquisitions

The Chargor will promptly notify the Security Trustee if it acquires, or enters any agreement to acquire, any interest in an Investment.

8.2 Voting and Distribution Rights

- (a) At any time prior to the occurrence of an Enforcement Event, the Chargor may:
- (i) receive and retain all dividends, distributions and other monies paid on or derived from the Investments; and
 - (ii) exercise all voting and other rights and powers attaching to the Investments provided that it may not exercise any such voting or other rights or powers in a manner which is inconsistent with any Finance Document or which may be prejudicial to the value of the security given by this deed or the realisation of it.
- (b) On and after the occurrence of an Enforcement Event, the Security Trustee may (in its sole discretion) directly or indirectly (by instruction to the relevant legal owner of the relevant Investments) exercise, refrain from exercising or disclaim any right to exercise any voting or other rights and powers attaching to the Investments. Any exercise of such voting rights may only be for the purpose of preserving the value of the security given by this deed or facilitating the realisation of it. The Chargor will promptly comply with any direction given by the Security Trustee in relation to the exercise of voting or other rights and powers. Any such disclaimer will confer on the Chargor the authority to direct the exercise of the disclaimed right, as if an Enforcement Event had not occurred, in accordance with paragraph (a)(ii) above.
- (c) At any time when any Investments are registered in the name of the Security Trustee or its nominee, the Security Trustee will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those

Investments are duly and promptly paid or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Investments.

8.3 **Perfection of Investments Security**

The Chargor will promptly following the execution of this deed or (if later) acquisition of an Investment deposit with the Security Trustee (or as it shall direct) all stock and share certificates and other documents of title relating to the Investments in which it has an interest together with stock transfer forms executed in blank and left undated on the basis that the Security Trustee shall be able to hold such documents of title and stock transfer forms until the Secured Obligations have been irrevocably and unconditionally discharged in full and shall be entitled, at any time, following the occurrence of an Enforcement Event or if the Security Trustee considers that the security constituted by this deed is in jeopardy to complete, under its power of attorney given by clause 14 (Attorney) below, the stock transfer forms on behalf of the Chargor in favour of itself or its nominee(s).

8.4 **Perfection of Uncertificated Investments Security**

The Chargor will, in respect of the Uncertificated Investments in which it has an interest:

- (a) promptly following the execution of this deed or (if later) acquisition of an Uncertificated Investment, procure that any Uncertificated Investments in which it has an interest are transferred to:

- (i) the Chargor's Escrow Balance; or
 - (ii) (if the Security Trustee requires) a CREST account of the Security Trustee or its nominee; and

in relation to any Uncertificated Investments required to be transferred to its Escrow Balance, deliver an instruction to CREST identifying the Security Trustee (or, if the Security Trustee so requires, its nominee) as its escrow agent in respect of the relevant Escrow Balance; and

- (b) if required by the Security Trustee, promptly procure the conversion of all or the required part (as applicable) of the Uncertificated Investments in which it has an interest into certificated form and will deposit of all certificates and other documents of title in respect of such Uncertificated Investments in accordance with clause 8.3 (Perfection of Investments Security).

In this deed:

"CREST" means Euroclear UK & Ireland Limited (as operator of the CREST settlement system) or any successor operator for the time being;

"Escrow Balance" means the escrow balance of an account maintained with CREST; and

"Uncertificated Investments" means an Investment which is "uncertificated" within the meaning of the Uncertificated Securities Regulations 2001.

8.5 **Payment of calls**

- (a) The Chargor shall promptly pay all calls or other payments in respect of any of its Investments.

- (b) If the Chargor does not comply with paragraph (a) above, the Security Trustee may pay that call or other payment on behalf of the Chargor.
- (c) The Chargor shall immediately on request by the Security Trustee reimburse the Security Trustee for any payment made by the Security Trustee under this clause 8.5.

9. BOOK DEBTS

9.1 Collection of Book Debts

- (a) The Chargor will:
 - (i) as agent for the Security Trustee, collect all Book Debts and Other Debts, Investments and all other rights and claims charged to the Security Trustee under this deed, pay the proceeds into the relevant Project Account in accordance with the Account Bank Agreement forthwith on receipt and, pending that payment, hold those proceeds on trust for the Security Trustee; and
 - (ii) not charge, factor, discount or assign any of the Book Debts or Other Debts in favour of any other person, or purport to do so unless permitted by the Common Terms Agreement.
- (b) The Chargor shall not withdraw all or any monies from time to time standing to the credit of any Project Account except in accordance with the Common Terms Agreement and the Account Bank Agreement.
- (c) On and with effect from the date upon which the security constituted by this deed becomes enforceable the Security Trustee (or a Receiver) may withdraw amounts standing to the credit of any Project Account charged hereby to meet an amount due and payable under any of the Finance Documents when it is due and payable .

9.2 Restriction on Dealings

Without prejudice to clause 6.2 (Negative Pledge) and clause 6.3 (Disposal Restrictions) the Chargor shall not charge, factor, discount, assign or otherwise transfer any of the Book Debts in favour of any other person, or purport to do so unless permitted by the Common Terms Agreement or with the prior consent of the Security Trustee.

10. PROJECT ACCOUNTS

10.1 No other Project Accounts

Except as permitted by the Finance Documents, the Chargor shall not have any Project Accounts other than those listed in schedule 2, the Distribution Account, the OFTO Escrow Account, the Decommissioning Account, any Further Swap Collateral Cash Account and any other account from time to time designated in writing by the Security Trustee or permitted by the Account Bank Agreement.

10.2 Withdrawals

The Chargor shall not withdraw all or any monies from time to time standing to the credit of a Project Account (other than in the case of the Distribution Account, the Decommissioning Account or the OFTO Escrow Account), except as permitted by the Common Terms Agreement and the Account Bank Agreement or with the prior consent of the Security Trustee.

10.3 Perfection of Project Account Security

- (a) Except to the extent that such notice has been given, and acknowledgement received, pursuant to the Account Bank Agreement, the Chargor will, promptly following execution of this deed (or if later, upon the opening of any other account with the prior written consent of the Security Trustee):
 - (i) give notice (substantially in the form set out in schedule 5 (Form of notice to Account Banks)) to each institution with which it holds any Project Account of the charges created by this deed over the Project Accounts and provide evidence satisfactory to the Security Trustee (acting reasonably) of the delivery of that notice; and
 - (ii) use reasonable endeavours to procure that each recipient of such notice promptly acknowledges that notice by countersigning a copy of it and delivering that copy to the Security Trustee.
- (b) On the date on which the Chargor instructs an Acceptable Bank (as defined in Clause 7.1(d) of the Account Bank Agreement) to make an Account Investment, the Chargor will:
 - (i) give notice, in a form acceptable to the Intercreditor Agent and Security Trustee, to that Acceptable Bank of the charges created by this deed over that Account Investment (and any Investment Proceeds or Investment Income relating to such Account Investment); and
 - (ii) use reasonable endeavours to procure that each recipient of such notice promptly acknowledges that notice by countersigning a copy of it and delivering that copy to the Security Trustee.

11. INTELLECTUAL PROPERTY

11.1 Intellectual Property Acquisitions

The Chargor will promptly notify the Security Trustee if it creates, acquires, or enters any agreement to acquire, any interest in Intellectual Property which is of material value to its business.

11.2 Perfection of Intellectual Property Security

The Chargor appoints the Security Trustee as its agent to apply for the Secured Creditors' interest in the Chargor's Intellectual Property to be recorded on any of the following registers, in the Security Trustee's discretion:

- (a) the relevant Intellectual Property register of the UK Intellectual Property Office;
- (b) the relevant Intellectual Property register of the EU Office of Harmonization for the Internal Market; and
- (c) all other national, regional and international Intellectual Property registers.

12. HEDGING DOCUMENTS AND ASSIGNED AGREEMENTS

12.1 Amendments

The Chargor will not make or agree to make any amendments (except of a non material and purely administrative nature), to waive any of its rights under, or exercise any right to terminate any of the Hedging Documents or Assigned Agreements, except as permitted in accordance with the Finance Documents.

12.2 Proceeds of Hedging Documents

The Chargor will collect all amounts payable to it under the Hedging Documents and deal with those monies subject to any restrictions or requirements contained in the Finance Documents.

12.3 Proceeds of Assigned Agreements

The Chargor will, as agent for the Security Trustee, collect all amounts payable to it under the Assigned Agreements and forthwith pay those monies into such Project Accounts as are required by the Finance Documents and, pending that payment, hold those proceeds on trust for the Security Trustee.

12.4 Perfection of Agreements Security

Except to the extent that such notice has been given, and acknowledgement received, pursuant to the Intercreditor Deed or where applicable the Equity Support Agreement or Direct Agreements, the Chargor will, promptly following execution of this deed (or, in respect of any Assigned Agreement designated as such or Hedging Document entered into after the date of execution of this deed, promptly thereafter):

- (a) give notice (substantially in the form set out in the relevant part of schedule 4 (Forms of notice to counterparties)) to the other parties to the Assigned Agreements and Hedging Documents of the security created by this deed over its interest therein and provide evidence satisfactory to the Security Trustee (acting reasonably) of the delivery of that notice; and
- (b) use reasonable endeavours to procure that each counterparty promptly acknowledges that notice by countersigning a copy of it and delivering that copy to the Security Trustee.

13. INSURANCES

13.1 Proceeds of Insurances

The Chargor will collect all amounts payable to it under the Insurances and forthwith pay those monies into such Project Accounts as are required by the Finance Documents and, pending that payment, hold those proceeds on trust for the Security Trustee.

13.2 Perfection of Insurances Security

- (a) The Chargor will, promptly following execution of this deed (or, in respect of any Insurances entered into after the date of execution of this deed, promptly thereafter):
 - (i) give notice (substantially in the form set out in the relevant part of schedule 4 (Forms of notice to counterparties)) to the other parties to the Insurances of the security created by this deed over its interest therein and provide evidence satisfactory to the Security Trustee (acting reasonably) of the delivery of that notice, and

- (ii) use reasonable endeavours to procure that each counterparty promptly acknowledges that notice by countersigning a copy of it and delivering that copy to the Security Trustee.
- (b) The Chargor will, promptly following request by the Security Trustee, deposit with the Security Trustee (or as it shall direct) all policy documents relating to the Insurances.

14. **ATTORNEY**

The Chargor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any person nominated for the purpose by the Security Trustee or any Receiver (in writing and signed by an officer of the Security Trustee or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, deliver and perfect any deed, agreement or other instrument and to do any act or thing:

- (a) which the Chargor is required to do by the terms of any Finance Document; and/or
- (b) which is for the purpose of enabling the exercise of any rights or powers conferred on the Security Trustee or any Receiver by any Finance Document or by law,

and the Chargor covenants with the Security Trustee and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

15. **ENFORCEMENT**

15.1 **Exercise of Enforcement Powers**

At any time after an Enforcement Event has occurred:

- (a) the security created by or pursuant to this deed is immediately enforceable;
- (b) the Security Trustee may enforce all or any part of the security and take possession of and hold, sell or otherwise dispose and/or deal with all or any part of the Charged Property; and
- (c) the Security Trustee may exercise the power of sale and all other rights and powers conferred by this deed or by statute (as varied or extended by this deed) on the Security Trustee or on a Receiver, irrespective of whether the Security Trustee has taken possession or appointed a Receiver of the Charged Property.

15.2 **Appointment of Receiver or Administrator**

- (a) Subject to paragraph (d) and (e) below, if:
 - (i) an Enforcement Event has occurred; or
 - (ii) so requested by the Chargor,

the Security Trustee may by writing under hand appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this deed.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this deed.

- (d) The Security Trustee shall be entitled to appoint a Receiver save to the extent prohibited by section 72A of the Insolvency Act 1986 and for the avoidance of doubt the Security Trustee reserves its rights to appoint an administrative receiver in accordance with sections 72B to H (inclusive) of the Insolvency Act 1986.
- (e) A Receiver may not be appointed solely by reason of the obtaining of a moratorium under section 1A of the Insolvency Act 1986 in relation to the Chargor, or anything done with a view to obtaining such a moratorium.

15.3 **Appropriation**

- (a) In this deed, "**financial collateral**" has the meaning given to that term in the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Financial Collateral Regulations**") and to the extent that this deed constitutes a "financial collateral arrangement", or any asset covered by this deed constitutes "financial collateral" (as defined in the Financial Collateral Regulations) the following shall apply.
 - (b) If an Enforcement Event has occurred, the Security Trustee may appropriate all or part of the financial collateral in or towards satisfaction of the Secured Obligations.
 - (c) The Security Trustee must attribute a value to the appropriated financial collateral in a commercially reasonable manner and the value shall be:
 - (i) In the case of cash, its face value at the time of appropriation or set off; and
 - (ii) in the case of financial instruments or other financial collateral, their market value at the time of appropriation or set off as determined by the Security Trustee by reference to a public index or other applicable generally recognised source or other such process as the Security Trustee may select, including a valuation carried out by an independent investment bank, firm of accountants or other valuers appointed by the Security Trustee,

as converted, where necessary, into the currency in which the Secured Obligations are denominated at a market rate of exchange prevailing at the time of appropriation or set off selected by the Security Trustee.
 - (d) Where the Security Trustee exercises its rights of appropriation and the value of the financial collateral appropriated differs from the amount of the Secured Obligations, as the case may be, either:
 - (i) the Security Trustee must account to the Chargor for the amount by which the value of the appropriated financial collateral exceeds the Secured Obligations; or
 - (ii) the Chargor will remain liable to the Secured Creditors for any amount whereby the value of the appropriated financial collateral is less than the Secured Obligations.

16. **EXTENSION AND VARIATION OF STATUTORY POWERS**

16.1 **Statutory Powers**

The powers conferred on mortgagees, receivers or administrative receivers by statute shall apply to the security created by this deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers conferred by statute and those contained in this deed, those contained in this deed shall prevail.

16.2 Section 101 LPA Powers

The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 shall arise on the date of this deed and for that purpose the Secured Obligations are deemed to have fallen due on the date of this deed.

16.3 Powers of Leasing

The Security Trustee may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 of the Law of Property Act 1925.

16.4 Restrictions Disapplied

The restrictions on the consolidation of mortgages and on exercise of the power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this deed.

17. STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER

17.1 Receiver as Agent

A Receiver shall be the agent of the Chargor which shall be solely responsible for his or her acts or defaults, and for his or her remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Security Trustee will not be responsible for any misconduct, negligence or default of a Receiver.

17.2 Powers of Receiver

A Receiver appointed under this deed shall have all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this deed), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to a Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of the Chargor, a Receiver shall have power to:

- (a) develop, reconstruct, amalgamate or diversify any part of the business of the Chargor;
- (b) enter into or cancel any contracts on any terms or conditions;
- (c) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not;
- (d) let or lease or concur in letting or leasing, and vary the terms of, determine, surrender or irritate leases or tenancies of, or grant options and licences over, or otherwise deal with, all or any of the Charged Property, without being responsible for loss or damage;
- (e) establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions;
- (f) make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances;
- (g) exercise all voting and other rights attaching to the Investments and stocks, shares and other securities owned by the Chargor and comprised in the Charged Property;

- (h) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (i) appoint and discharge officers and others for any of the purposes of this deed and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit;
- (j) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property;
- (k) implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on any Property comprised in the Charged Property;
- (l) purchase or acquire any land or any interest in or right over land;
- (m) exercise on behalf of the Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Property; and
- (n) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this clause 17.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the Chargor for all such purposes,

and in each case may use the name of the Chargor and exercise the relevant power in any manner which he may think fit.

17.3 Removal of Receiver

The Security Trustee may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

17.4 Remuneration of Receiver

The Security Trustee may from time to time fix the remuneration of any Receiver appointed by it. Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this deed.

17.5 Several Receivers

If at any time there is more than one Receiver, a Receiver may separately exercise all of the powers conferred by this deed (unless the document appointing such Receiver states otherwise).

18. PROTECTION OF THIRD PARTIES

18.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Security Trustee, any Receiver or Delegate shall be obliged or concerned to enquire whether:

- (a) the right of the Security Trustee or any Receiver to exercise any of the powers conferred by this deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Obligations remain outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

18.2 Receipt Conclusive

The receipt of the Security Trustee or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys or other consideration paid to or by the direction of the Security Trustee or any Receiver.

19. PROTECTION OF SECURITY TRUSTEE AND RECEIVER

19.1 Role of Security Trustee

The provisions set out in clause 28 (Role of the Intercreditor Agent, the ECA Agent, the LC Issuing Banks, the Mandated Lead Arrangers and the Reference Banks) of the Common Terms Agreement and clause 15 (Security Trustee Provisions) of the Intercreditor Deed shall govern the rights, duties and obligations of the Security Trustee under this deed.

19.2 Delegation

The Security Trustee may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this deed to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Security Trustee will not be liable or responsible to the Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any Delegate.

19.3 No Liability

Neither the Security Trustee nor any Receiver or Delegate shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his or her gross negligence or wilful default.

19.4 Possession of Charged Property

Without prejudice to clause 19.3 (No Liability), if the Security Trustee or any Delegate enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

19.5 Indemnity

- (a) The Chargor shall, within three Business Days of demand, indemnify the Security Trustee and every Receiver and Delegate against any cost, loss, claim, action, demand, liability or expense incurred by any of them as a result of:
 - (i) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
 - (ii) the taking, holding, protection or enforcement of the security constituted by this deed;

(iii) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this deed; or

(iv) engaging and paying for the advice or services of any lawyers, accountants, tax advisors, surveyors or other professional advisers or experts, provided that:

(A) prior to an Event of Default

(aa) the fees payable to:

(a) each such professional adviser or expert does not exceed £50,000 per adviser or expert per annum; and

(b) all such professional advisers or experts do not in aggregate exceed £75,000 per annum,

and provided that the fees payable to any such professional adviser or expert appointed by any Agent under a Finance Document shall count towards the above caps; or

(bb) the Chargor has otherwise provided prior written approval in respect of the identity of any such adviser or expert and the terms of the proposed appointment (such Chargor consent not to be unreasonably withheld or delayed); and

(B) following an Event of Default which has occurred and is continuing, the Security Trustee shall appoint any such professional adviser or expert in consultation with the Chargor,

and for the avoidance of doubt, the Security Trustee shall not be liable for any overspend incurred by any professional adviser or expert above the agreed caps under paragraph (A) above nor shall they be responsible for monitoring any compliance with and/or the amount remaining under any cap at any time.

(b) The Chargor expressly acknowledges and agrees that, subject to the terms of this deed and until the Senior Discharge Date, the continuation of its indemnity obligations under this clause 19.5 will not be prejudiced by any release of security or disposal of any Charged Property.

(c) Following any Enforcement Event, the Security Trustee and every Receiver and Delegate may, in priority to any payment to the other Secured Creditors, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 19.5.

20. APPLICATION OF ENFORCEMENT PROCEEDS

20.1 Order of Application

All proceeds of enforcement (whether cash or non-cash) received or recovered by the Security Trustee or any Receiver pursuant to this deed shall (subject to the claims of any person having prior rights thereto) be applied in the order and manner specified by the Intercreditor Deed notwithstanding any purported appropriation by the Chargor.

20.2 Suspense Account

(a) Until the Secured Obligations are paid in full, each Secured Creditor may place and keep (to the extent possible and for such time as it shall determine) any recoveries

or other proceeds of enforcement (whether cash or non-cash) received pursuant to this deed or otherwise on account of the Chargor's liability in respect of the Secured Obligations in an interest bearing separate suspense account, without having any obligation to apply all or any part of the same in or towards discharge of the Secured Obligations.

- (b) If the security created by this deed is enforced at a time when no amount is due under the Finance Documents but at the time when amounts may or will become due, a Secured Creditor may pay any recoveries or other proceeds of enforcement into a suspense account.

21. PROTECTION OF SECURITY

21.1 Continuing Security

This security is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other matter or thing.

21.2 Other Security

- (a) This security is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Trustee or any other Secured Creditor may now or after the date of this deed hold for any of the Secured Obligations.
- (b) This security may be enforced against the Chargor without first having recourse to any other rights of the Security Trustee or any other Secured Creditor.

21.3 Cumulative Powers

- (a) The powers which this deed confers on the Security Trustee, the other Secured Creditors and any Receiver appointed under this deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate.
- (b) The Security Trustee, the other Secured Creditors or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever.
- (c) The respective powers of the Security Trustee, the other Secured Creditors and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

21.4 Amounts Avoided

If any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this deed that amount shall not be considered to have been paid.

21.5 Discharge Conditional

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or other Obligor, or in respect of any security for those obligations or otherwise) is made by a Secured Creditor in whole or in part on the basis 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 the Chargor under this deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

21.6 Waiver of Defences

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

- (a) any time, waiver or consent granted to, or composition with, any person;
- (b) the release of any person under the terms of any composition or arrangement;
- (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 person;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) 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.

21.7 Non-competition

Until all amounts which may be or become payable in respect of the Secured Obligations have been irrevocably paid in full and unless the Security Trustee otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this deed or by reason of any amounts being payable, or liability arising under this deed:

- (a) to claim any right of indemnity or contribution in respect of any payment made or other satisfaction of the Chargor's liability under this deed;
- (b) to take the benefit (whether by way of subrogation or otherwise) of any rights of the Secured Creditors under the Finance Documents; and/or
- (c) to claim or prove as a creditor of any Obligor in competition with any Secured Creditor.

The Chargor shall hold any benefit, payment or distribution received by it contrary to this clause 21.7 (Non-competition) on trust for the Secured Creditors and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with clause 20 (Application of Enforcement Proceeds).

21.8 Subsequent Security - Ruling-off Accounts

If the Security Trustee or any other Secured Creditor receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Common Terms Agreement) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it shall (in the absence of any express appropriation to the contrary) be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

21.9 Redemption of Prior Charges

The Security Trustee may, at any time after an Enforcement Event has occurred, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Security Trustee all principal monies and interest and all losses incidental to any such redemption or transfer.

22. DEFAULT INTEREST

Any amounts payable by the Chargor under this deed will, if not paid when due, carry interest determined in accordance with clause 6.3 of the Commercial Facilities Agreement.

23. SET-OFF

Clause 32 (Set-Off) of the Common Terms Agreement shall apply to this deed as if such provisions are set out in full in this clause 23.

24. CHANGES TO PARTIES

24.1 Assignment by the Security Trustee

The Security Trustee may at any time assign or otherwise transfer all or any part of its rights under this deed in accordance with the Finance Documents.

24.2 Changes to Parties

The Chargor authorises and agrees to changes to parties under clause 26 (Changes to the Finance Parties) and clause 27 (Changes to the Obligors) of the Common Terms Agreement and clause 20 (Changes to the Parties) of the Intercreditor Deed and authorises the Security Trustee to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

25. CURRENCY

25.1 Conversion

All monies received or held by the Security Trustee or any Receiver under this deed may be converted into any other currency which the Security Trustee considers necessary to discharge any obligations and liabilities comprised in the Secured Obligations in that other currency at a market rate of exchange then prevailing.

25.2 No Discharge

No payment to the Security Trustee (whether under any judgment or court order or otherwise) shall discharge any obligation or liability in respect of which it was made unless and until the Security Trustee has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Trustee shall have a further separate cause of action in relation to the shortfall and shall be entitled to enforce the security constituted by this deed to recover that amount.

26. **MISCELLANEOUS**

26.1 **Certificates Conclusive**

A certificate or determination of the Security Trustee as to any amount or rate under this deed is, in the absence of manifest error, conclusive evidence of the matter to which it relates.

26.2 **Invalidity of any Provision**

If any provision of this deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

26.3 **Covenant to Release**

Once all the Secured Obligations have been fully and irrevocably paid or discharged and no further Secured Obligations are capable of becoming outstanding and no actual or contingent liabilities are capable of becoming owed by the Obligors to any of the Finance Parties, the Security Trustee and each Secured Creditor shall, at the request and cost of the Chargor, take any action which is necessary to release the Charged Property from the security constituted by this deed.

27. **GOVERNING LAW AND JURISDICTION**

- (a) This deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) 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 obligation arising out of or in connection with this deed) (a "**Dispute**").
- (c) The parties to this deed 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.

IN WITNESS whereof this deed has been duly executed and delivered on the above date first above written.

SCHEDULE 1

Property

Registered Land

None as at the date of this deed

+

Unregistered Land

None as at the date of this deed

SCHEDULE 2

Project Accounts

Project Account Name	Chargor	Account Bank	Sort Code	Account Number
Construction Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Construction (EUR) Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Construction (USD) Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Debt Service Reserve Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Insurance Proceeds and Compensation Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
LC Reserve Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Pre-Completion Revenues Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Proceeds Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Proceeds (EUR) Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Swap Collateral Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Transmission Construction Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Transmission Construction (EUR) Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		

Transmission Construction (USD) Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Transmission Sale Proceeds Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Transmission True-Up Reserve Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
Generation True-Up Reserve Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		
VAT Account	Moray Offshore Windfarm (East) Limited	Mizuho Bank, Ltd.		

SCHEDULE 3

Assigned Agreements (Contracts)

1. each of the Project Documents;
2. the Equity Support Agreement;
3. each Hedging Document; and
4. each of the Insurances.

SCHEDULE 4

Forms of notice to counterparties

Part 1

Form of notice to counterparties of Assigned Agreements/Hedging Documents

To: [insert name and address of counterparty]

Dated: ●

Dear Sirs

Re: [here identify the relevant Assigned Agreement/Hedging Document] (the "Agreement")

We notify you that **Moray Offshore Windfarm (East) Limited** (the "**Chargor**") has assigned to **MUFG Bank, Ltd.** (the "**Security Trustee**") for the benefit of itself and certain other parties (the "**Secured Parties**") all its right, title and interest in the Agreement as security for certain obligations owed by the Chargor and others to the Secured Parties.

We further notify you that:

1. the Chargor may not amend or terminate the Agreement without the prior written consent of the Security Trustee, unless permitted under the common terms agreement dated [●] between amongst others the Security Trustee, the Chargor and the other Secured Parties;
2. you may continue to deal with the Chargor in relation to the Agreement until you receive written notice to the contrary from the Security Trustee. Thereafter, the Chargor will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Security Trustee;
3. you are authorised to disclose information in relation to the Agreement to the Security Trustee on request;
4. after receipt of written notice in accordance with paragraph 2 above, you must pay all monies to which the Chargor is entitled under the Agreement direct to the Security Trustee (and not to the Chargor) unless the Security Trustee otherwise agrees in writing; and
5. the provisions of this notice may only be revoked with the written consent of the Security Trustee.

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Chargor) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;
- (b) you have not received notice that the Chargor has assigned or charged its rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party; and

- (c) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Chargor any right of set-off, counter-claim or other right relating to the Agreement.

The provisions of this notice are governed by English law.

Yours faithfully

.....
Name:
for and on behalf of
Moray Offshore Windfarm (East) Limited

[On acknowledgement copy]

To: [insert name and address of Security Trustee]

Copy to: Moray Offshore Windfarm (East) Limited, C/O 7side Secretarial Limited, 1st Floor,
14/18 City Road, Cardiff, United Kingdom, CF24 3DL

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (c) above.

.....
Name:
for and on behalf of
[insert name of Counterparty]

Dated: ●

Part 2

Form of notice to insurers

To: **[insert name and address of insurance company]**

Dated: ●

Dear Sirs

Re: [here identify the relevant insurance policy(ies)] (the "Policies")

We notify you that **Moray Offshore Windfarm (East) Limited** (the "**Chargor**") has assigned to **MUFG Bank, Ltd.** (the "**Security Trustee**") for the benefit of itself and certain other parties (the "**Secured Parties**") all its right, title and interest in the benefits arising under the Policies (including rights of recovery and proceeds) as security for certain obligations owed by the Chargor and others to the Secured Parties. The Chargor remains the insured person under the Policies.

We further notify you that:

1. the Chargor may not amend or terminate the Policies without the prior written consent of the Security Trustee;
2. you may continue to deal with the Chargor in relation to the Policies until you receive written notice to the contrary from the Security Trustee. Thereafter, the Chargor will cease to have any right to deal with you in relation to the Policies and therefore from that time you should deal only with the Security Trustee;
3. you are authorised to disclose information in relation to the Policies to the Security Trustee on request; and
4. the provisions of this notice may only be revoked with the written consent of the Security Trustee.

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Chargor) by way of confirmation that:

- (a) you agree to act in accordance with the provisions of this notice;
- (b) you have noted the Security Trustee's interest as first mortgagee and as first loss payee on the Policies;
- (c) [after receipt of written notice in accordance with paragraph 2 above,] you will pay all monies to which the Chargor is entitled under the Policies direct to the Security Trustee (and not to the Chargor) unless the Security Trustee otherwise agrees in writing;
- (d) you will not cancel or otherwise allow the Policies to lapse without giving the Security Trustee not less than 30 days' written notice;
- (e) you have not received notice that the Chargor has assigned or charged its rights under the Policies to a third party or created any other interest (whether by way of security or otherwise) in the Policies in favour of a third party; and
- (f) you have not claimed or exercised nor do you have any outstanding right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Policies.

The provisions of this notice are governed by English law.

Yours faithfully

Name:

for and on behalf of

Moray Offshore Windfarm (East) Limited

[On acknowledgement copy]

To: **[insert name and address of Security Trustee]**

Copy to: Moray Offshore Windfarm (East) Limited, C/O 7side Secretarial Limited, 1st Floor, 14/18 City Road, Cardiff, United Kingdom, CF24 3DL

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (f) above.

Name:

for and on behalf of

[insert name of insurance company]

Dated: ●

SCHEDULE 5

Form of notice to Account Bank

To: [insert name and address of Account Bank] (the "Account Bank")

Dated: ●

Dear Sirs

Re: Moray Offshore Windfarm (East) Limited - Security over Project Accounts

We notify you that Moray Offshore Windfarm (East) Limited (the "**Customer**") has charged in favour of MUFG Bank, Ltd. (the "**Security Trustee**") for the benefit of itself and certain other parties all their right, title and interest in and to the monies from time to time standing to the credit of the accounts identified in the schedule to this notice (the "**Charged Accounts**"), Account Investments and to all interest (if any) accruing on the Charged Accounts.

1. We irrevocably authorise and instruct you:
 - (a) to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Security Trustee and to pay all or any part of those monies to the Security Trustee (or as it may direct) promptly following receipt of written instructions from the Security Trustee to that effect; and
 - (b) to disclose to the Security Trustee any information relating to the Customer and the Charged Accounts which the Security Trustee may from time to time request you to provide.
2. We also advise you that:
 - (a) by counter-signing this notice the Security Trustee confirms that the Customer may make withdrawals from the Charged Accounts until such time as the Security Trustee shall notify you in writing that their permission is withdrawn in accordance with clause 10.1(b) of the account bank agreement dated [●] between, amongst others, you, the Customer and the Security Trustee. That permission may be withdrawn or modified by the Security Trustee in its absolute discretion at any time; and
 - (b) the provisions of this notice may only be revoked or varied with the prior written consent of the Security Trustee.
3. Please sign and return the enclosed copy of this notice to the Security Trustee by way of your confirmation that:
 - (a) you agree to act in accordance with the provisions of this notice;
 - (b) you have not received notice that the Customer has assigned or charged its rights to the monies standing to the credit of the Charged Accounts or otherwise granted any security or other interest over those monies in favour of any third party;
 - (c) you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Accounts, except for the netting of credit and debit balances pursuant to current

account netting arrangements previously approved in writing by the Security Trustee; and

- (d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against the Customer, any right of set-off, counter-claim or other right relating to the Charged Accounts.

The provisions of this notice are governed by English law.

Schedule

Customer

●

Account Number

●

Sort Code

●

Yours faithfully,

.....
Name:

for and on behalf of

Moray Offshore Windfarm (East) Limited
as the Customers

Counter-signed by

.....
Name:

for and on behalf of

MUFG Bank, Ltd.

[On acknowledgement copy]

To: **[Insert name and address of Security Trustee]**

Copy to: Moray Offshore Windfarm (East) Limited, C/O 7side Secretarial Limited, 1st
Floor, 14/18 City Road, Cardiff, United Kingdom, CF24 3DL

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to
(d) above.

.....
Name:

for and on behalf of

[Insert name of Account Bank]

Dated: ●

SIGNATORIES TO DEBENTURE

Chargor

Executed as a deed by)
MORAY OFFSHORE WINDFARM)
(EAST) LIMITED acting by two duly)
authorised signatories:)

Signature of authorised signatory

Name of authorised signatory

Michael Bevan

Signature of authorised signatory

Name of authorised signatory

Chiharu Shirai

Security Trustee

Executed as a deed by
MUFG BANK, LTD. acting by:

)
)
)
) Director: