



Registration of a Charge

Company Name: **SALTFLEETBY ENERGY LIMITED**

Company Number: **00953066**



Received for filing in Electronic Format on the: **26/05/2021**

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Details of Charge

Date of creation: **17/05/2021**

Charge code: **0095 3066 0005**

Persons entitled: **THE LAW DEBENTURE TRUST CORPORATION P.L.C**

Brief description: **ALL THE LEASEHOLD LAND BEING THE SITE OF A GAS PIPELINE AT THEDDLETHORPE AND SOUTH COCKERINGTON WITH THE TITLE NUMBER LL184745. FOR FURTHER PROPERTIES BEING CHARGED, PLEASE REFER TO SCHEDULE 1 OF THE SECURITY DOCUMENT.**

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:

REED SMITH LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 953066

Charge code: 0095 3066 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th May 2021 and created by SALT FLEETBY ENERGY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th May 2021 .

Given at Companies House, Cardiff on 27th May 2021

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

DATED

17 May 2021

(1) SALTFLEETBY ENERGY LIMITED

AS THE CHARGOR

(2) THE LAW DEBENTURE TRUST CORPORATION
P.L.C.

AS THE SECURITY AGENT

SECURITY DOCUMENT

WE HEREBY CERTIFY THAT THIS IS A
TRUE COPY OF THE ORIGINAL

Reed Smith LLP
REED SMITH LLP
DATE 19 May 2021

EXECUTION VERSION

REFERENCE: PS/OCL/399153.00001

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THIS AGREEMENT is made by way of deed on 17 May 2021

BY:

- (1) **SALTFLEETBY ENERGY LIMITED**, a company incorporated in England and Wales, with company number 00953066 whose registered office is Second Floor - 32 Grosvenor Gardens London, England, SW1W 0DH, as chargor (the "**Chargor**");

in favour of:

- (2) **THE LAW DEBENTURE TRUST CORPORATION P.L.C.**, a company incorporated in England and Wales, with company number 01675231 whose registered office is Eighth floor, 100 Bishopsgate, London EC2N 4AG as the trustee for each of the Secured Parties on the terms and conditions set out in the Facilities Agreement (the "**Security Agent**").

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"Accession Date" means the date on which: (i) the Chargor has acceded to the Facilities Agreement in accordance with Clause 3.11(d)(i) of the Guarantee; (ii) the Takeover has occurred; and (iii) the Chargor has received all the requisite Transaction Authorisations, including OGA approval of the transfer of ProjectCo's interest in the Licence.

"Facilities Agreement" means the facilities agreement dated on or around the date of this Agreement between, amongst others, Angus Energy PLC as a borrower and guarantor and the Security Agent.

"Field Assets" means all assets owned by the Chargor in respect of or in connection with the Field and/or the Project, of any nature whatsoever, including without limitation, any agreements, insurances, licences, authorisations, property, rights, leases, and receivables.

"Fixed Security" means any mortgage, fixed charge or assignment expressed to be constituted by Clause 3 (*Fixed Security*).

"Guarantee" means the guarantee from the Chargor in favour of the Secured Parties, dated on or about the date of this Agreement.

"Insurance Policy" means each policy of insurance specified in Schedule 3 (*Insurance Policies*) and any policy of insurance in which the Chargor may from time to time have an interest (as amended or supplemented and whether solely, jointly, as loss payee or otherwise) in relation to any Field Asset.

"LPA" means the Law of Property Act 1925.

"LP(MP)A" means Law of Property (Miscellaneous Provisions) Act 1989.

"Monetary Claims" means any present and future book and other debts and monetary claims owing to the Chargor and any proceeds of such debts and claims whether actual or contingent, and whether originally owing to the Chargor or purchased or acquired by it, and all things in action which may give rise to any debt, revenue or monetary claim and the benefit of any related security, guarantee or other rights of any nature relating thereto and any proceeds of any of the above (including any claims or sums of money deriving from or in relation to the proceeds of any Insurance Policy, any court order or judgment, any contract or agreement to which the Chargor is a party and any other assets, property, rights or undertakings of the Chargor), but in any case, only to the extent that the same relates to a Field Asset.

"Mortgaged Property" means the freehold and leasehold property specified in Schedule 1 (*Mortgaged Property*).

"Notice of Assignment" means a notice of assignment in substantially the forms set out in Schedule 3 (*Form of Notice for Insurance*) and Schedule 4 (*Form of Notice for Specified Contracts*) (as applicable) or in such form as may be specified by the Security Agent.

"Party" means a party to this Agreement.

"Quasi-Security" means an arrangement or transaction described in paragraph (a)(ii) of clause 22.25 of the Facilities Agreement.

"Real Property" means (including as provided in Clause 8 (*Real Property*)) the Mortgaged Property and any present or future freehold or leasehold or immovable property and any other interest in land or buildings and any rights relating thereto in which the Chargor has an interest, in relation to any Field Asset.

"Receiver" means a receiver, receiver and manager or (where expressly permitted by law) an administrative receiver and that term will include any appointee made under a joint or several appointment.

"Secured Obligations" means all present and future obligations and liabilities at any time due, owing or incurred by the Chargor to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any other Secured Party under the Guarantee (and, on and after the Accession Date, under the Finance Documents), whether actual or contingent, whether originally incurred by the Chargor or by any other person and whether incurred solely or jointly and as principal or surety or in any other capacity.

"Security Assets" means all of the assets and undertakings of the Chargor which from time to time are the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Agreement.

"Security Period" means the period beginning on the date of this Agreement and ending on the date on which the Security Agent is notified by the Agent that the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and no Finance Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to any person under the Finance Documents.

"Specified Contracts" means each present and future contract in relation to the Field Assets and the Project which is of a value in excess of £10,000 per annum.

"Tangible Moveable Property" means any plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of the Chargor's stock in trade or work in progress) in relation to the Field Assets.

1.2 Construction

- (a) Unless a contrary indication appears, a term defined in the Facilities Agreement and/or the Guarantee has the same meaning in this Agreement or in any notice given under or in connection with this Agreement.
- (b) The principles of construction set out in the Facilities Agreement shall have effect as if set out in this Agreement or in any notice given under or in connection with this Agreement.
- (c) Clause 28 (*Role of the Agent and the Security Agent*) to clause 31 (*Payment mechanics*), clause 33 (*Contractual recognition of bail-in*), clause 34 (*Confidentiality of funding rates*), clause 36 (*Calculations and certificates*), clause 39 (*Amendment and waivers*) and clause 40 (*Confidential information*) of the Facilities Agreement shall be incorporated into this Agreement as if set out in full in this Agreement and as if

references in those clauses to "**this Agreement**" or "**the Finance Documents**" are references to this Agreement.

- (d) In this Agreement:
- (i) any reference to the "**Security Agent**", the "**Secured Parties**", the "**Finance Parties**" or the "**Chargor**" shall be construed so as to include its or their (and any subsequent) successors in title, permitted assigns and permitted transferees in accordance with their respective interests and, in the case of the Security Agent, any person for the time being appointed as Security Agent in accordance with the Facilities Agreement;
 - (ii) any reference to a "**Clause**" or a "**Schedule**" is (unless the context otherwise requires) a reference to a Clause in or a Schedule to this Agreement;
 - (iii) a reference to any Security Asset or other asset includes present and future Security Assets and other assets;
 - (iv) the absence of or incomplete details of any Security Asset in any Schedule shall not affect the validity or enforceability of any Security created by or pursuant to this Agreement;
 - (v) any reference to a mortgage, assignment or charge of any freehold, leasehold or commonhold property includes all buildings, fixtures and fitting from time to time on or forming part of that property; and
 - (vi) any reference to an asset includes any right in respect of or derived from that asset, including:
 - (A) the proceeds of sale of all or any part of that asset;
 - (B) all rights, benefits, privileges, warranties, covenants, easements, appurtenances, licences, security, guarantees, indemnities, covenants for title, remedies and causes of actions in respect of or derived from that action; and
 - (C) any monies and proceeds paid or payable in respect of that asset.
- (e) Clause 3.1 (*Mortgage over Real Property*) to Clause 3.7 (*Assignment of Specified Contracts*) (inclusive) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment over each relevant asset within any particular class of assets defined in this Agreement and the failure to create an effective mortgage, fixed charge or assignment (whether arising out of this Agreement or any act or omission by any Party) over any one asset shall not affect the nature or validity of the mortgage, charge or assignment imposed on any other asset whether within that same class of assets or not.
- (f) Any covenant of the Chargor under this Agreement (other than any payment or other obligation which has been discharged) remains in force during the Security Period.
- (g) The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Agreement to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Agreement is a valid disposition in accordance with section 2(1) of the LP(MP)A.
- (h) If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Agreement.

2 CREATION OF SECURITY

2.1 Covenant to pay

The Chargor covenants with the Security Agent that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Obligations and indemnify the Security Agent and the other Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms.

2.2 Limited Recourse

Before the Accession Date, the liability of the Chargor to the Secured Parties under Clause 2.1 shall be (i) limited in aggregate to an amount equal to that recovered by the Security Agent as a result of the enforcement of the Security over the Security Assets; and (ii) satisfied only from the proceeds of sale or other disposal or realisation of the Security Assets pursuant to this Agreement. The Security Agent will not have any recourse under Clause 2.1 to any assets of Chargor other than the Security Assets.

2.3 Common provisions

- (a) All the Security created by or pursuant to this Agreement is:
 - (i) created in favour of the Security Agent as trustee for the Secured Parties;
 - (ii) continuing security for the payment, discharge and satisfaction of all of the Secured Obligations unless and until discharged by the Security Agent in writing; and
 - (iii) created with full title guarantee in accordance with the LP(MP)A.
- (b) No part of the Security from time to time created by or pursuant to this Agreement will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.
- (c) The Chargor creates each Fixed Security subject to obtaining any necessary consent to that Fixed Security from any relevant third party.
- (d) The Security Agent holds the benefit of this Agreement and the Security created by or pursuant to it on trust for the Secured Parties.

3 FIXED SECURITY

3.1 Mortgage of Real Property

The Chargor charges, by way of first legal mortgage, its Mortgaged Property.

3.2 Fixed charge over Real Property

The Chargor charges (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 3.1 (*Mortgage of Real Property*)), by way of first fixed charge, all of its right, title and interest from time to time in and to all its Real Property.

3.3 Fixed charge over Monetary Claims

The Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to all its Monetary Claims (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity pursuant to this Agreement)).

3.4 Fixed charge over Tangible Moveable Property

The Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to all its Tangible Moveable Property.

3.5 Fixed charge over other assets

The Chargor charges (to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 3.1 (*Mortgage of Real Property*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to each Insurance Policy and each Specified Contract of that Chargor in relation to each of those assets.

3.6 Assignment of Insurance Policies

The Chargor assigns and agrees to assign absolutely, all of its rights, claims, title and interest from time to time in and to each Insurance Policy.

3.7 Assignment of Specified Contracts

The Chargor assigns and agrees to assign absolutely, all of its rights, claims, title and interest from time to time in and to each Specified Contract.

4 FLOATING CHARGE

4.1 Floating charge

- (a) The Chargor charges by way of first floating charge in favour of the Security Agent all present and future assets, undertakings and rights of the Chargor set out under Clause 3 (*Fixed security*) other than those assets effectively charged by way of legal mortgage or fixed charge or assigned under Clause 3 (*Fixed security*).
- (b) The floating charge created pursuant to paragraph (a) above shall be deferred in point of priority to all Fixed Security validly and effectively created by the Chargor under the Finance Documents in favour of the Security Agent as security for the Secured Obligations.

4.2 Crystallisation

- (a) The Security Agent may, by notice to the Chargor, convert the floating charge created pursuant to Clause 4.1 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets of the Chargor (as specified in that notice) if:
 - (i) a Saltfleetby Event of Default has occurred and is continuing;
 - (ii) the Security Agent considers that any of the Security Assets may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process or is otherwise in jeopardy;
 - (iii) the Security Agent considers that doing so is necessary or desirable in order to protect the priority or enforceability of the Security created by or pursuant to this Agreement; or
 - (iv) the Chargor requests the Security Agent to exercise any of its powers under this Agreement.
- (b) Notwithstanding paragraph (a) and without prejudice to any law which may have a similar effect, the floating charge created pursuant to Clause 4.1 (*Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the property and assets of the Chargor subject to that floating charge if:

- (i) the Chargor creates, purports to create or attempts to create any Security (other than any Security expressly permitted under the terms of the Facilities Agreement or otherwise with the prior consent of the Security Agent), over any of the Security Assets;
- (ii) the members of the Chargor convene a meeting for the purpose of considering, or the members of the Chargor are otherwise asked to consider, any resolution for its winding up or dissolution or for a compromise, assignment or arrangement with any creditor of the Chargor;
- (iii) any person takes any step with a view to levying any distress, attachment, execution or other process against any of the assets of the Chargor;
- (iv) notice is given by any person (who is entitled to do so) of its intention to appoint an administrator of the Chargor or the filing of such a notice with the court; or
- (v) an application is presented to the court for the making of an administration order in relation to the Chargor,

or any analogous procedure or step is taken in any jurisdiction.

- (c) Upon the conversion of any floating charge pursuant to this Clause 4.2, the Chargor shall, at its own cost and expense and as soon as practicable following the request of the Security Agent, execute a fixed charge or legal assignment in such form as the Security Agent may require.

5 REPRESENTATIONS AND WARRANTIES

5.1 General

The Chargor represents and warrants to the Security Agent and each other Secured Party that:

- (a) the Security Assets are, or when acquired will be, beneficially owned by the Chargor free from any Security other than Security created by or pursuant to this Agreement subject to the trusts arising in connection with the JOA where the beneficiary of such trusts is the Chargor and/or an Obligor.
- (b) this Agreement creates the Security it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise;
- (c) this Agreement is its legal, valid and binding obligation and, subject to the Legal Reservations, is enforceable against it in accordance with its terms;
- (d) it is the sole legal and beneficial owner of all of the Security Assets subject to the trusts arising in connection with the JOA where the beneficiary of such trusts is the Chargor and/or an Obligor;
- (e) all Security Assets which are material to its business are identified in the Schedules to this Agreement;
- (f)
 - (i) it has good and marketable title to all of its Real Property which is, where requisite, registered at the Land Registry with title absolute free from any restriction, caution, notice or inhibition;
 - (ii) it is not aware of any outstanding notices from the local authority or any other third parties that materially affect its Real Property;

- (iii) it is not aware of any disputes that materially affect its Real Property;
- (iv) there is no breach of any law, regulation or covenant that is continuing which affects or would be reasonably likely to affect materially the value, the ability to sell or let, or the use of its Real Property;
- (v) there are no covenants, agreements, stipulations, reservations, conditions, interest, rights, adverse claims or other matters whatsoever affecting its Real Property which conflict with its present use or adversely affect the value or the ability to sell or let, or the use of any of the Real Property, in each case to any material extent;
- (vi) nothing has arisen or has been created or is subsisting which would be an overriding interest or an unregistered interest which overrides first registration or registered dispositions over its Real Property and which would be reasonably likely to affect materially its value, the ability to sell or let it, or its use;
- (vii) all facilities (including access) necessary for the enjoyment and use of its Real Property (including those necessary for the carrying on of its business at the Real Property) are enjoyed by that Real Property and none of those facilities are on terms entitling any person to terminate or limit its use or on terms which conflict with or restrict its use, where the lack of those facilities would be reasonably likely to affect materially its value, the ability to sell or let it, or its use; and
- (viii) other than the Security created by this Agreement, its Real Property is free from any security, tenancies or any lease or licence which would be reasonably likely to affect materially its value, the ability to sell or let it, or its use;
- (g) all payments due to it by any other party to any of its Specified Contracts are not subject to any right of set-off or similar right;
- (h) it is not in default of any of its obligations under any of its Specified Contracts;
- (i) there is no prohibition on assignment in any of its Specified Contracts;
- (j) its entry into and performance of this Agreement will not conflict with any term of any of its Specified Contracts;

5.2 **Repetition**

- (a) The representations and warranties set out in this Agreement are made by the Chargor on the date of this Agreement.
- (b) Each representation and warranty set out in this Agreement is deemed to be repeated by the Chargor on each date on which the Repeating Representations are repeated under and in accordance with the Facilities Agreement.
- (c) When a representation and warranty is deemed to be repeated, it is deemed to be made by reference to the circumstances existing at the time of repetition.

6 **FURTHER ASSURANCE**

- (a) The covenants set out in Section 2(1)(b) of the LP(MP)A shall extend to include the obligations set out in paragraphs (b) and (c) below.
- (b) The Chargor shall promptly, at its own cost and expense, do all such acts (including the payment of all stamp duties and fees and the making of all filings and registrations) and execute or re-execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions on terms equivalent or similar to those set

out in this Agreement) as the Security Agent may specify (and in such form as the Security Agent may require) in favour of the Security Agent or its nominee(s):

- (i) to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this Agreement (which may include the execution or re-execution by the Chargor of a mortgage, charge or assignment over all or any of the assets which are, or are intended to be, the subject of this Agreement) or for the exercise or any rights, powers, authorities and remedies of the Security Agent (or any other Secured Party) provided by or pursuant to this Agreement or by law;
 - (ii) to confer on the Security Agent, or on the Secured Parties, Security over any property or assets of the Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be conferred by or pursuant to this Agreement; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or pursuant to this Agreement; and/or
 - (iv) to exercise all powers, authorities and discretions conferred on the Security Agent or any Receiver pursuant to this Agreement or by law.
- (c) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary or as may be requested by the Security Agent for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent by or pursuant to this Agreement, including the obtaining of any necessary consent (in form and content satisfactory to the Security Agent) to enable its assets to be mortgaged, charged or assigned pursuant to this Agreement. Immediately upon obtaining any necessary consent the asset concerned shall become subject to the security created by this Agreement. The Chargor shall promptly deliver a copy of each such consent to the Security Agent.

7

NEGATIVE PLEDGE

The Chargor may not, at any time during the Security Period:

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of its Security Assets;
- (b) either in a single transaction or in a series of transactions and whether related or not and whether voluntarily or involuntarily, dispose of or purport to dispose of all or any part of its Security Assets other than those Security Assets which are only subject to the floating charge created pursuant to Clause 4 and such disposal is made in the ordinary course of business and prior to the floating charge being crystallised;
- (c) without the prior consent of the Security Agent declare a trust of, create or purport to create or permit to arise or subsist (including granting any option) any lease, licence, interest or right to occupy in favour of, or share possession of, any of its Real Property with any third party; or
- (d) do or cause or permit to be done anything which may in any way jeopardise or otherwise prejudice the Security created or intended to be created by this Agreement,

in each case, without the prior written consent of the Security Agent.

8 **REAL PROPERTY**

8.1 **General undertakings**

The Chargor shall:

- (a) put and keep its Real Property in good and substantial repair and condition;
- (b) put and keep its fixtures in a good state of repair and in good working order and condition and immediately on request by the Security Agent affix to any such asset (in a prominent position) a durable notice that such asset is subject to this Agreement;
- (c) comply with all material obligations imposed under any present or future statute, regulation, order or instrument or under any bye-laws, regulations or requirements of any competent authority or planning permissions or other approvals, licences or consents relating to the same or its use or enjoyment;
- (d) perform all the material terms on its part contained in any lease, agreement for lease, licence or other agreement or document which gives the Chargor a right to occupy or use property comprised in its Real Property, including duly and punctually paying or procuring payment of all rates, outgoings and other similar sums payable on or in respect of the same;
- (e) permit representatives of the Security Agent and its advisers on prior appointment to make inspections of the Real Property as the Security Agent may require, subject to the terms of any relevant lease;
- (f) not enter into any negotiations with any competent authority with regard to the compulsory acquisition of the Real Property or consent to the compulsory acquisition of the same; and
- (g) duly and punctually comply with all material covenants and stipulations affecting its Real Property or the facilities (including access) necessary for the enjoyment and use of its Real Property and indemnify the Security Agent and each other Secured Party in respect of any breach of those covenants and stipulations.

8.2 **Leases**

The Chargor shall not, except with the prior consent of the Security Agent in respect of its Real Property (or any part of it):

- (a) commit any material breach of any of the terms of any lease or tenancy, or waive the due observance and performance by a third party of the covenants and conditions contained in any lease or tenancy;
- (b) grant or agree to grant (whether in exercise or independently of any statutory power) or accept a surrender of any lease or tenancy;
- (c) agree to any amendment or waiver or surrender of any lease or tenancy;
- (d) do, or permit to be done, anything as a result of which a lease or tenancy may be liable to forfeiture or otherwise determined;
- (e) confer upon any person any contractual licence or right to occupy;
- (f) consent to any assignment of any tenant's interest under any lease or tenancy;
- (g) agree to any rent reviews in respect of any lease or tenancy;

- (h) serve any notice on any former tenant under any lease or tenancy (or any guarantor of that former tenant) which would entitle it to a new lease or tenancy; or
- (i) do or allow to be done any act as a result of which any lease comprised in its Real Property may become liable to forfeiture or otherwise be terminated.

8.3 **Development**

The Chargor shall not except with the prior consent in writing of the Security Agent in respect of its Real Property (or any part of it):

- (a) make or permit others to make any application for planning permission in respect of any part of its Real Property; or
- (b) carry out or permit to be carried out on any part of its Real Property any development for which the permission of the local planning authority is required,

except as part of carrying on its principal business where it would not or would not be reasonably likely to have a material adverse effect on the value, the ability to sell or let, or the use of its Real Property or the carrying on of the principal business of the Chargor.

8.4 **Investigation of title**

The Chargor must grant the Security Agent or its legal advisers on request all facilities within the power of the Chargor to enable the Security Agent or its legal advisers (at the expense of the Chargor) to:

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

8.5 **Report on title**

The Chargor must, as soon as practicable after a reasonable request by the Security Agent, supply the Security Agent with a Report on Title of its Real Property concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature.

8.6 **Power to remedy**

- (a) If the Chargor fails to perform any covenant or stipulation or any term of this Agreement affecting its Real Property, that Chargor must allow the Security Agent or its agents and contractors:
 - (i) to enter any part of its Real Property;
 - (ii) to comply with or object to any notice served on that Chargor in respect of its Real Property; and
 - (iii) to take any action as the Security Agent may consider necessary or desirable to prevent or remedy any breach of any such covenant, stipulation or term or to comply with or object to any such notice.
- (b) That Chargor shall within 5 business days of request by the Security Agent pay the costs and expenses of the Security Agent or its agents and contractors incurred in connection with any action taken by it under this Clause 8.6.

8.7 Existing Real Property

- (a) In the case of existing Real Property in England and Wales, the Chargor shall:
- (i) where required to do so pursuant to the Land Registration Act 2002 and to the extent not already done, promptly apply to HM Land Registry for first registration of that Real Property and registration of that Chargor as owner of that Real Property;
 - (ii) promptly apply to HM Land Registry to register the legal mortgage created by Clause 3.1 (*Mortgage of Real Property*) and all other charges;
 - (iii) promptly submit to HM Land Registry the duly completed Form RX1 requesting the restriction and notice set out in Clause 8.12 (*HM Land Registry*) and, if applicable, Form CH2 in respect of the obligation to make further advances;
 - (iv) promptly pay all appropriate registration fees; and
 - (v) pending such applications (unless the Security Agent otherwise directs) register this Agreement in respect of such Real Property at the Land Charges Registry pursuant to the Land Charges Act 1972,
- or, if the Security Agent notifies the Chargor that the Security Agent will submit the relevant forms to HM Land Registry, such Chargor shall promptly provide the Security Agent with all duly completed forms requested by the Security Agent, together with all registration fees required, and the Chargor consents in each such case to any application being made by the Security Agent.
- (b) In the case of any Real Property which is leasehold in relation to which the consent of the landlord is required in order for the Chargor to perform any of the foregoing obligations, the Chargor shall use all reasonable endeavours to obtain such consent promptly and shall notify the Security Agent in writing upon receipt of such consent.

8.8 Unregistered Real Property

In the case of the Chargor's Real Property in England and Wales, both present and future which is not registered at HM Land Registry and is not required to be so registered, the Chargor will promptly apply to register this Agreement and the Security created by this Agreement at the Land Charges Department.

8.9 Future Real Property

- (a) If the Chargor acquires any Real Property after the date of this Agreement, it shall:
- (i) immediately notify the Security Agent;
 - (ii) immediately, if so requested by the Security Agent and at the cost of the Chargor, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of that Real Property in any form (consistent with this Agreement) which the Security Agent may require;
 - (iii) if the title to that Real Property is registered at HM Land Registry or required to be so registered, give HM Land Registry written notice of the Security created by this Agreement and take the steps set out in paragraphs (a)(i) to (iv) of Clause 8.7 (*Existing Real Property*) inclusive in respect of such future Real Property; and
 - (iv) if applicable, ensure that the Security created by this Agreement is correctly noted in the Register of Title against that title at HM Land Registry (and the Chargor hereby consents to any application that the Security Agent may require to be

made to HM Land registry against the relevant title at HM Land Registry for the protection of the Security created by or pursuant to this Agreement).

- (b) In the case of any Real Property which is leasehold in relation to which the consent of the landlord is required in order for the Chargor to perform any of the foregoing obligations, the Chargor shall use all reasonable endeavours to obtain such consent promptly and shall notify the Security Agent in writing upon receipt of such consent.

8.10 **Title information document**

On completion of the registration of any charge pursuant to this Clause 8, the relevant Chargor shall promptly supply to the Security Agent a certified copy of the relevant Title Information Document issued by HM Land Registry.

8.11 **Notices**

The Chargor must, within five (5) days after the receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to its Real Property (or any part of it) which would or would be reasonably likely to have a material adverse effect on the value, the ability to sell or let, or the use of any of the Real Property:

- (a) deliver a copy to the Security Agent;
- (b) inform the Security Agent of the steps taken or proposed to be taken to comply with the relevant requirement; and
- (c) comply with the requirements of the Security Agent in relation to any such communication.

8.12 **HM Land Registry**

- (a) The Chargor consents to an application being made to HM Land Registry to enter a restriction in the following terms being entered on the register of title relating to its Real Property registered at HM Land Registry:

"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 consent signed by the proprietor for the time being of the charge dated [●] in favour of [●] referred to in the charges register, or its conveyancer."

- (b) The obligation on the part of the Security Agent to make further advances to the Chargor is deemed to be incorporated in this Agreement and the Chargor will apply or consent to the Security Agent applying by way of Form CH2 to the Chief Land Registrar for a note of such obligation to be entered on the Register of Title relating to any Real Property registered at HM Land Registry.

8.13 **Deposit of title deeds**

The Chargor shall:

- (a) on the date of this Agreement (and promptly upon the acquisition by it of any interest in Real Property at any time) deposit with the Security Agent (or procure the deposit of) all deeds, certificates and other documents constituting or evidencing title to that Real Property; and
- (b) at any time thereafter deposit with the Security Agent (or procure the deposit of) any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items.

8.14 **Third party interests**

- (a) The Chargor shall do all things within its power to procure that no person is registered as proprietor of any right or interest in respect of its Real Property (other than pursuant to this Agreement) and that no new right or interest arises under schedules 1, 3 or 12 to the Land Registration Act 2002 after the date of this Agreement.
- (b) Whether or not the title to the Real Property is registered at HM Land Registry, in the event that any caution against first registration or any notice (whether agreed or unilateral) is registered against the title to all or any part of the Real Property, the Chargor shall immediately provide the Security Agent with full particulars of the circumstances relating to such registration of notice and if such notice or caution shall have been registered in order to protect a purported interest, the creation of which is not permitted under this Agreement or the Finance Documents, the Chargor shall immediately and at the Chargor's expense take such steps as the Security Agent may require to ensure that the caution or notice (as applicable) is withdrawn or cancelled.

8.15 **Compensation monies**

The Chargor shall hold on trust for the benefit of the Security Agent (and the Chargor hereby declares itself as a trustee accordingly) the amount of any statutory or other compensation (including the proceeds of any defective title, restrictive covenant or other indemnity policy or covenant relating to its Real Property) arising for its benefit from interference with the use and/or enjoyment of its Real Property or the curtailment of any easement, right or benefit relating thereto and all other compensation monies from time to time received by it in respect of its Real Property and (without prejudice to any rights, debts, claims and/or obligations having priority to the obligations imposed by this Agreement), apply the same in accordance with Clause 16 (*Application of proceeds*).

9 **MONETARY CLAIMS**

- (a) The Chargor shall not, at any time during the Security Period, without the prior consent of the Security Agent:
 - (i) deal with the Monetary Claims except by getting in and realising them in a prudent manner (on behalf of the Security Parties) and paying the proceeds of those Monetary Claims into an account held by the Chargor or as the Security Agent may require (and such proceeds shall be held by the Chargor for the Security Agent on behalf of the Secured Parties prior to such payment);
 - (ii) factor or discount any of the Monetary Claims or enter into any agreement for such factoring or discounting; or
 - (iii) be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of the account referred to in paragraph (i) above.
- (b) Unless a Saltfleetby Event of Default is continuing, the proceeds of the realisation of the Monetary Claims shall (subject to any restriction on the application of such proceeds contained in this Agreement), upon such proceeds being credited to an account held by the Chargor be released from the fixed charge created pursuant to Clause 3 (*Fixed Security*) and the Chargor shall be entitled to withdraw such proceeds from such account, provided that such proceeds shall continue to be subject to the floating charge created pursuant to Clause 4 (*Floating charge*) and the terms of this Agreement.
- (c) If a Saltfleetby Event of Default is continuing, the Chargor shall not, other than with the prior written consent of the Security Agent, be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any account.

- (d) The Chargor undertakes to provide to the Security Agent promptly upon its request (and in a form acceptable to the Security Agent acting reasonably) a certificate showing the aggregate value of the Monetary Claims due to the Chargor from any source.

10 **INSURANCES**

10.1 **Insurance undertakings**

The Chargor shall at all times during the Security Period:

- (a) subject to the rights of the Security Agent under Clause 10.4 (*After enforcement of Security*), diligently pursue its rights under each of its Insurances, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Saltfleetby Default under the terms of the Guarantee; and
- (b) if required by the Security Agent:
 - (i) procure that a note of the interest of the Security Agent is endorsed upon all Insurances which shall be held at any time during the Security Period;
 - (ii) ensure that the Security Agent is noted thereon as co-insured and/or loss payee;
 - (iii) procure that all Insurances which shall be held at any time during the Security Period include a standard mortgagee clause whereby such insurance shall not be vitiated or avoided as against the Security Agent in the event or as a result of any misrepresentation, act or neglect or failure to make disclosure on the part of any insured party or any circumstances beyond the control of an insured party;
 - (iv) procure that all Insurances which shall be held at any time during the Security Period include terms providing that it shall not be invalidated so far as the Security Agent is concerned for failure to pay any premium due without the insurer first giving to the Security Agent not less than 14 days prior written notice; and
 - (v) deposit all Insurances relating to Security Assets (or certified copies thereof) with the Security Agent.

10.2 **Non-vitiation**

The Chargor shall not do or omit to do or permit to be done or omitted, anything which might render any Insurance void, voidable or unenforceable and promptly pay or procure payment of all premiums and all monies payable thereunder and shall do all other things necessary to keep all of the Insurances in force and on demand of the Security Agent, produce the policy, certificate or cover note relating to each Insurance and related premium receipt.

10.3 **Defaults**

If the Chargor defaults in effecting or maintaining the Insurances, or fails to produce on demand by the Security Agent, copies of any policy, certificate, cover note or premium receipt, the Security Agent may (at the Chargor's expense) arrange such insurances of the Security Assets of the Chargor or any of them as it thinks fit.

10.4 **After enforcement of Security**

At any time a Saltfleetby Event of Default is continuing:

- (a) the Security Agent may exercise (without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor) any of the rights of the Chargor in connection with amounts payable to it under any of its Insurances;

- (b) the Chargor must take such steps (at its own cost) as the Security Agent may require to enforce those rights; this includes initiating and pursuing legal or arbitration proceedings in the name of the Chargor; and
- (c) the Chargor must hold any payment received by it under any of its Insurances on trust for the Security Agent.

10.5 **Notice of security over Insurance Policies**

The Chargor shall:

- (a) within five (5) Business Days of the date of this Agreement (and within five (5) Business Days of obtaining of any Insurance after the date of this Agreement), give notice of this Agreement to each of the other parties to each of the Insurances by sending a Notice of Assignment in the form set out in Schedule 3 (*Form of Notice for Insurances*); and
- (b) use its reasonable endeavours to procure that each such other party delivers a letter of undertaking to the Security Agent within ten (10) days of the date of this Agreement or, if later, the date of entry into that Insurance (as applicable).

10.6 **Liability of Security Agent**

The Chargor agrees with the Security Agent that no Secured Party nor any nominee will have any liability for:

- (a) failing to present any coupon or other document relating to any of the Investments;
- (b) accepting or failing to accept any offer relating to any of the Investments;
- (c) failing to attend or vote at any meetings relating to any of the Investments;
- (d) failing to notify the Company of any matters referred to in this paragraph 13.6 or of any communication received by a Secured Party in relation to any of the Investments; or
- (e) any loss arising out of or in connection with the exercise or non-exercise of any rights or powers attaching or accruing to the Investments or which may be exercised by the Security Agent or any nominee of the Security Agent under this Deed (whether or not on sale or other realisation of the Investments a better price could have or might have been obtained by either deferring or advancing the date of sale or realisation or otherwise).

11 **SPECIFIED CONTRACTS**

11.1 **Undertakings**

The Chargor shall:

- (a) duly and promptly perform its obligations under each of its Specified Contracts; and
- (b) provide, as soon as practicable upon receipt, the Security Agent and any Receiver with copies of each of its Specified Contracts and any information, documentation and notices relating to any of its Specified Contracts which it may from time to time receive from any other party to any Specified Contract, or otherwise as requested by the Security Agent or any Receiver.

11.2 **Rights**

- (a) Subject to the rights of the Security Agent under paragraph (b) below, the Chargor shall (where applicable, as agent for the Security Agent) diligently pursue its rights under each of its Specified Contracts, but only if and to the extent that the exercise of those

rights in the manner proposed would not result in a Saltfleetby Default under the terms of the Guarantee.

- (b) At any time a Saltfleetby Event of Default is continuing, the Security Agent may exercise (without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor) any of the Chargor's rights under its Specified Contracts.

11.3 **Preservation**

The Chargor may not, without the prior consent of the Security Agent or unless expressly permitted by the Facilities Agreement:

- (a) amend or waive any term of, or terminate, any of its Specified Contracts; or
- (b) take any action which might jeopardise the existence or enforceability of any of its Specified Contracts.

11.4 **Notices of Assignment**

The Chargor must:

- (a) within five (5) Business Days of the date of this Agreement (and within five (5) Business Days of the execution of any Specified Contract executed after the date of this Agreement) serve a Notice of Assignment in the form set out in Schedule 4 (*Form of notice for Specified Contracts*) on each of the other parties to each of its Specified Contracts; and
- (b) use all reasonable endeavours to procure that each of those other parties acknowledges that Notice of Assignment within ten (10) days of the date of this Agreement or, if later, the date of entry into that Specified Contract (as applicable).

12 **POWER OF ATTORNEY**

12.1 **Appointment**

The Chargor, by way of security, irrevocably and severally appoints the Security Agent, any Receiver and any of their respective delegates or sub-delegates to be its attorney (with full power of substitution and delegation) in its name, on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which the attorney may consider to be required or desirable for:

- (a) carrying out any obligation of the Chargor under this Agreement or any other document or agreement referred to or entered into pursuant to this Agreement;
- (b) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by this Agreement, by law or otherwise (including, after the occurrence of a Saltfleetby Event of Default, the exercise of any right of a legal or beneficial owner of any Security Asset).

12.2 **Ratification**

The Chargor undertakes to ratify and confirm all acts and things made, done or executed by an attorney under Clause 12.1 (*Appointment*).

13 **ENFORCEMENT OF SECURITY**

13.1 **Enforcement**

At any time:

- (a) a Saltfleetby Event of Default is continuing;
- (b) after the occurrence of any event or the receipt by the Security Agent of any information or the coming to the attention of the Security Agent of any other matter or thing whatsoever which causes the Security Agent to believe that all or any part of the Security Assets is in danger of seizure, distress or other legal process or that all or any part of the Security created by or pursuant to this Agreement is otherwise for any reason whatsoever in jeopardy; or
- (c) after a request from the Chargor to the Security Agent that it exercise any of its powers by or pursuant to this Agreement,

the Security created by or pursuant to this Agreement is immediately enforceable.

13.2 **Exercise of powers**

At any time that the Security created by or pursuant to this Agreement is enforceable under Clause 13.1 (*Enforcement*), the Security Agent may, in its sole and absolute discretion and without notice to the Chargor or any prior authorisation from any court:

- (a) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets (at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration)); and
- (b) exercise:
 - (i) all or any of the rights, powers, authorities and discretions conferred by the LPA (as varied or extended by this Agreement) on mortgagees and by this Agreement on any Receiver or otherwise conferred by law on mortgagees or Receivers; and
 - (ii) all or any of the rights, powers, authorities and discretions conferred by this Agreement on a Receiver (whether expressly or implied),

irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Security Asset.

13.3 **Statutory powers**

- (a) The powers conferred on mortgagees, receivers or administrative receivers by the LPA and the Insolvency Act 1986 shall apply to the Security created by or pursuant to this Agreement, unless expressly or impliedly excluded.
- (b) The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Agreement shall operate as a variation and extension of the statutory power of sale under section 101 of the LPA, and such power shall arise, and the Secured Obligations are deemed to have become due and payable, on the date of this Agreement.
- (c) The restrictions contained in sections 93 and 103 of the LPA shall not apply to the Security created by or pursuant to this Agreement or to the exercise by the Security Agent of its right to consolidate all or any of the Security created by or pursuant to this Agreement with any other Security in existence at any time or to its power of sale.

13.4 **Power of leasing**

- (a) The statutory powers of leasing may be exercised by Security Agent at any time after the Security created by or pursuant to this Agreement is enforceable under Clause 13.1 (*Enforcement*), and the Security Agent may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options as it thinks fit, without the need to comply with any provision of section 99 or section 100 of the LPA.
- (b) The Chargor shall not have, at any time during the Security Period, the power pursuant to section 99 of the LPA to make any lease in respect of any Real Property, save as expressly permitted by the Facilities Agreement or otherwise with the prior consent of the Security Agent.

13.5 **Appropriation**

- (a) To the extent that any Security Asset constitutes "**financial collateral**" and this Agreement and the obligations of the Chargor under this Agreement constitute "security financial collateral arrangement" (in each case, as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Regulations**")), the Security Agent shall have the right to appropriate all or any part of such financial collateral in or toward the discharge of the Secured Obligations and may exercise that right to appropriate by giving written notice to the Chargor.
- (b) The Parties agree that the value of any financial collateral appropriated under paragraph (a) above shall be:
 - (i) in the case of securities, the price at which those securities can be disposed of by or on behalf of the Security Agent; or
 - (ii) in the case of any other asset, the market value of that financial collateral as determined in writing by an independent expert appointed by the Security Agent (on which it may rely without enquiry).
- (c) The Chargor agrees that the methods of valuation provided for in paragraph (b) above constitute a commercially reasonable method of valuation for the purposes of the Regulations.

13.6 **Fixtures**

The Security Agent may sever any fixtures from any property to which they are attached and sell them separately from that property.

14 **RECEIVER**

14.1 **Appointment of Receiver**

- (a) At any time that the Security created by or pursuant to this Agreement is enforceable under Clause 13.1 (*Enforcement*), the Security Agent may (acting through an authorised officer of the Security Agent and whenever it deems appropriate):
 - (i) without prior notice to the Chargor:
 - (A) appoint one or more persons to be a Receiver of the whole or any part of the Security Assets;
 - (B) appoint two or more Receivers of separate parts of the Security Assets;
 - (C) remove (so far as it is lawfully able) any Receiver so appointed (subject to the provisions of section 45 of the Insolvency Act 1945 in the case of an administrative receivership);

- (D) appoint another person(s) as an additional or replacement Receiver(s); or
 - (E) apply for the appointment of one or more persons to be an administrator of the Chargor pursuant to paragraph 12 of schedule B1 of the Insolvency Act 1986; and
- (ii) following notice to the Chargor, appoint one or more persons to be an administrator of the Chargor pursuant to paragraph 12 of schedule B1 of the Insolvency Act 1986.
- (b) If, at any time, more than one Receiver has been appointed in respect of the Security Assets, each Receiver may separately exercise all of the powers conferred by this Agreement (unless the appointment specifies otherwise).
 - (c) The Security Agent may affect any appointment or removal under paragraph (a) above may be by deed, under seal or in writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver).
 - (d) Any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this Agreement.
 - (e) The Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

14.2 **Capacity of Receivers**

Each Receiver appointed pursuant to Clause 14.1 (*Appointment of Receiver*) shall:

- (a) be entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) be deemed to be the agent of the Chargor for all purposes (and accordingly the Chargor shall be solely responsible for its contracts, engagements, acts, omissions, defaults and losses and for the payment of its remuneration);
- (c) not act at any time as agent for the Security Agent or any other Secured Party (and accordingly no Secured Party shall have any responsibility or liability (either to the Chargor or to any other person) in respect of any Receiver); and
- (d) be entitled to remuneration for its services at a rate fixed by the Security Agent from time to time (and the maximum rate specified in section 109(6) of the LPA will not apply).

14.3 **Relationship with Security Agent and Secured Parties**

- (a) To the fullest extent allowed by law, any right, power or discretion conferred by this Agreement (either expressly or impliedly) or by law on a Receiver may after the Security created by or pursuant to this Agreement becomes enforceable be exercised by the Security Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.
- (b) Save as provided for in statute or as otherwise agreed in writing by that Secured Party, no Secured Party shall have any liability for the acts or omissions of an Administrator or Receiver.

15 POWERS OF RECEIVER

15.1 General

Each Receiver appointed under or pursuant to this Agreement shall (subject to any restrictions in the instrument appointing him and notwithstanding any winding-up or dissolution of the Chargor) have and be entitled to exercise in relation to the Security Assets in respect of which it was appointed and as varied and extended by the provisions of this Agreement (in the name of or on behalf of the Chargor or in its own name and, in each case, at the cost of the Chargor):

- (a) all the powers conferred by the LPA on mortgagors and on mortgagees in possession and on receivers appointed under the LPA (which are deemed to be incorporated into this Agreement);
- (b) all the powers of an administrative receiver set out in schedule 1 to the Insolvency Act 1986 (which are deemed to be incorporated into this Agreement), whether or not the Receiver is an administrative receiver;
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of the rights, powers and remedies of the Security Agent provided by or pursuant to this Agreement or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to its hands any assets of the Chargor forming part of, or which when got in would be, Security Assets.

15.2 Enumerated powers

Without limiting the generality of Clause 15.1 (*General*), each Receiver shall have the power to:

- (a) manage, 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 the Security created by or pursuant to this Agreement or not;
- (d) let or lease or concur in letting or leasing, and vary the terms of, determine, surrender leases or tenancies of, or grant options and licences over, or otherwise deal with, all or any of the Security Assets, without being responsible for loss or damage;
- (e) establish subsidiaries to acquire interests in any of the Security Assets and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Security Assets on any terms and conditions;
- (f) make and effect all repairs, renewals and improvements to any of the Security Assets and maintain, renew, take out or increase insurances;
- (g) redeem any prior Security on or relating to the Security Assets 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;

- (h) appoint and discharge officers and others for any of the purposes of this Agreement and/or to guard or protect the Security Assets upon terms as to remuneration or otherwise as it may think fit;
- (i) settle, adjust 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 Security Assets;
- (j) implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on any real property comprised in the Security Assets;
- (k) purchase or acquire any land or any interest in or right over land; and
- (l) 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 Real Property.
- (m) 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 15.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Security Assets, 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 it may think fit.

15.3 Other powers

A Receiver may:

- (a) 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 15.3 or otherwise incidental or conducive to the preservation, improvement or realisation of the Security Assets, and use the name of the Chargor for all such purposes;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset;
- (c) use the name of the Chargor for any of the purposes set out in this Clause 15.3;
- (d) exercise any power set out in this Clause 15.3 in any manner which it may think fit; and
- (e) delegate any of its powers in accordance with the terms of this Agreement.

16 APPLICATION OF PROCEEDS

16.1 Order of application

All amounts (including any non-cash recoveries) from time to time received or recovered by the Security Agent or any Receiver pursuant to this Agreement or in connection with the realisation or enforcement of all or any part of the Security created by or pursuant to this Agreement will be held by the Security Agent and applied in accordance with the Facilities Agreement.

16.2 Application against Secured Obligations

Subject to Clause 16.1 (*Order of application*), any moneys or other value received or realised by the Security Agent from the Chargor or a Receiver under or in connection with this Agreement may be applied by the Security Agent to any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any manner in which the Security Agent may determine.

16.3 Receivers

Sections 109(6) and 109(8) of the LPA shall not apply to a Receiver appointed under or pursuant to this Agreement.

16.4 General

This Clause 16:

- (a) is subject to the payment of any claims having priority over the Security created by or pursuant to this Agreement; and
- (b) does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

17 PROTECTION OF SECURITY AGENT AND RECEIVER

17.1 Terms of appointment

The provisions set out in clause 28 (*Role of the Agent and Security Agent*) of the Facilities Agreement shall govern the rights, duties and obligations of the Security Agent under this Agreement, mutatis mutandis, in the same way that they apply to the Finance Documents.

17.2 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Agreement by the Security Agent or any Receiver may, subject to the terms and conditions of the Facilities Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

17.3 Delegation

- (a) Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically and whether by power of attorney or otherwise) all or any of the rights, powers, authorities and discretions conferred on it by this Agreement (including the power of attorney set out in Clause 12 (*Power of attorney*)) on such terms and conditions as it shall see fit, which delegation shall not preclude the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself.
- (b) Neither the Security Agent nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

17.4 No liability

Neither the Security Agent nor any Receiver shall be liable in respect of any of the Security Assets 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 gross negligence or wilful default under the Finance Documents.

17.5 Indemnity

The Security Agent and every Receiver, attorney, delegate, manager, agent or other person appointed by the Security Agent hereunder shall be entitled to be indemnified out of the Security Assets or any part thereof in respect of all liabilities and expenses incurred by it or him in the execution of any of the powers, authorities or discretions vested in it or him pursuant to this Agreement and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Security Assets or any part of them. The Security Agent and any such Receiver may retain and pay all sums in respect of which it is indemnified out of any monies received by it under the powers conferred by this Agreement.

17.6 Possession of Security Asset

Without prejudice to Clause 17.4 (*No liability*), if the Security Agent, a Secured Party or any Receiver enters into possession of any Security Asset, it will not be liable to account as mortgagee in possession and may (in its sole discretion) at any time go out of such possession.

17.7 Powers cumulative

The rights, powers, authorities and discretions conferred on the Security Agent, the other Secured Parties and any Receiver appointed under or pursuant to this Agreement are cumulative, without prejudice to their respective rights, powers and authorities under laws of general application and may be exercised as often as that persona may deem appropriate from time to time.

17.8 Primary liability of Chargor

The Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Security Assets shall be deemed to be a principal security for the Secured Obligations. The liability of the Chargor under this Agreement and the Security created by or pursuant to this Agreement shall not be impaired by any forbearance, neglect, indulgence, abandonment, extension or time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Agent or any other Secured Party, or by any other act, event or matter whatsoever whereby the liability of the Chargor (as a surety only) or the Security created by or pursuant to this Agreement (as secondary or collateral charges only) would, but for this provision, have been discharged.

17.9 Waiver of defences

The obligations of, and the Security created by, the Chargor under this Agreement will not be affected by an act, omission, matter or thing which, but for this Clause 17.9, would reduce, release or prejudice any of its obligations under this Agreement (without limitation and whether or not known to it or the Security Agent or any other Secured Party):

- (a) any time, waiver or consent granted to, or composition with, the Chargor, any Obligor or other person;
- (b) the release of the Chargor, other Obligor or any other person under the terms of any composition or arrangement with any creditor of the Chargor or any Obligor or 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, the Chargor or any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or an Obligor or any other person;

- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or the Guarantee or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person in relation to any Finance Document or the Guarantee or any other document or Security or of the Secured Obligations; or
- (g) any insolvency or similar proceedings.

17.10 **Chargor intent**

Without prejudice to the generality of Clause 17.9 (*Waiver of defences*), the Chargor expressly confirms that it intends that this Agreement and the Security created by or pursuant to this Agreement shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to the Guarantee or any Finance Document and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

17.11 **Immediate recourse**

The Chargor waives any right it may have of first requiring the Security Agent or any other Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Agreement. This waiver applies irrespective of any law or any provision of the General Security Agreement to the contrary.

17.12 **Deferral of rights**

Until the expiry of the Security Period, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Agreement:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor'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 any Secured Party in respect of any of the Guaranteed Obligations or of any other guarantee or security taken pursuant to, or in connection with, the Guaranteed Obligations by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Transaction Guarantor has given a guarantee, undertaking or indemnity under other Finance Documents;
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

If the Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution on trust for the Secured Parties to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Obligors under or in connection with the Finance Documents to be repaid in full and shall

promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 16 (*Application of proceeds*).

17.13 Additional security

The Security created by or pursuant to this Agreement by the Chargor are in addition to and not in any way prejudiced by any other guarantee or security now or subsequently held by the Security Agent or any other Secured Party.

18 PROTECTION OF THIRD PARTIES

18.1 No obligation to enquire

No person (including a purchaser) dealing with the Security Agent or any Receiver (or their agents, delegates or sub-delegates) shall be obliged or concerned to enquire:

- (a) whether the Secured Obligations remain outstanding and/or are due and payable or be concerned with notice to the contrary;
- (b) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Agent or to that Receiver is to be applied.

18.2 Receipt conclusive

- (a) The receipt of the Security Agent or any Receiver shall be an absolute and conclusive discharge to a purchaser and shall relieve it of any obligation to see the application of any monies paid to or by the discretion of the Security Agent or any Receiver.
- (b) All the protections to purchasers and persons dealing with receivers contained in sections 104, 107 and 109(4) of the LPA shall apply to any person purchasing from or dealing with the Security Agent or any Receiver.

19 SET-OFF

19.1 Set-off (generally)

A Secured Party may set off any matured obligation due from the Chargor under this Agreement or any other Finance Document (to the extent beneficially owned by it) against any matured obligation owed by the Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

19.2 Unliquidated claims

If, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Security Agent to the Chargor, the relevant obligation or liability is unliquidated or unascertained, the Security Agent may set off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

19.3 No set-off by Chargor

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

20 **PRIOR SECURITY INTERESTS**

- (a) The Security Agent may, concurrently with or at any time after the commencement of any action, proceeding or step to exercise any powers or remedies conferred by any prior ranking Security against any of the Security Assets or the exercise by the Security Agent or any Receiver of any power of sale under this Agreement, redeem any prior ranking Security on or relating to any of the Security Assets or procure the transfer of that Security to itself. The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor.
- (b) the Chargor will on demand pay to the Security Agent all principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer.

21 **SUBSEQUENT SECURITY INTERESTS**

If the Security Agent (acting in its capacity as trustee or otherwise) or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Security Assets (other than any Security or other interest expressly permitted by the Finance Documents), all payments thereafter by or on behalf of the Chargor to the Security Agent (whether in its capacity as trustee or otherwise) or any other Secured Party will (in the absence of any express contrary intention) 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 as from the time that notice was received.

22 **SUSPENSE ACCOUNTS**

- (a) All monies received, recovered or realised by the Security Agent or any Receiver under or in connection with this Agreement (including the proceeds of any conversion of currency) may, in the sole discretion of the Security Agent, be credited to any suspense or impersonal account(s) maintained with any bank, building society, financial institution or other person which the Security Agent considers appropriate (including itself) for so long as it may think fit, pending application from time to time at the Security Agent's discretion, in or towards the discharge of any of the Secured Obligations.
- (b) Any suspense or impersonal account(s) opened under paragraph (a) above may be to the credit of the Chargor, the Security Agent or any Receiver, as selected by the Security Agent.
- (c) No Party (other than the Security Agent) will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account(s) opened under paragraph (a) above, save as otherwise provided in this Agreement.

23 **COSTS AND EXPENSES**

23.1 **Transaction expenses**

The Chargor shall, promptly on demand, reimburse the Security Agent and any Receiver or Delegate for all the costs and expenses (including legal fees) properly incurred by it in connection with:

- (a) the negotiation, preparation and execution of this Agreement and the completion of the transactions and perfection of the Security contemplated by this Agreement;
- (b) any amendment, waiver or consent relating to this Agreement.

23.2 **Enforcement and preservation costs**

The Chargor shall, within three (3) Business Days of demand, pay to the Security Agent, any Receiver and each other Secured Party the amount of all costs and expenses (including legal

fees) incurred by it in connection with the enforcement of or the preservation of any rights under this Agreement and any document referred to in this Agreement and any proceedings instituted by or against the Security Agent, any Receiver or any other Secured Party as a consequence of taking or holding the Security created under this Agreement or enforcing these rights.

23.3 Stamp taxes

The Chargor shall pay, and within three (3) Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration or other similar Taxes payable in respect of this Agreement.

23.4 Default interest

If the Chargor fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount (both before and after judgment) at the rate determined in accordance with clause 11.3 (*Default interest*) of the Facilities Agreement, as if set out in full in this Agreement, in relation to this Agreement, *mutatis mutandis*.

23.5 English language

- (a) Any notice given under or in connection with this Agreement must be in English.
- (b) All other documents provided under or in connection with this Agreement must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

24 CHANGES TO THE PARTIES

24.1 Assignments and transfers by the Security Agent

- (a) The Security Agent may assign any of its rights or transfer any of its rights and obligations under this Agreement.
- (b) Subject to the provisions of the other Finance Document the Security Agent shall be entitled to disclose such information concerning the Chargor and this Agreement as the Security Agent considers appropriate to any actual or proposed direct or indirect successor, assignee or transferee of the Security Agent or to any person to whom information may be required to be disclosed by applicable law or regulation.

24.2 No assignments or transfers by the Chargor

The Chargor may not assign any of its rights or transfer any of its rights and obligations under this Agreement. Notwithstanding this, this Agreement is binding on the assigns of the Chargor.

25 RELEASE

25.1 Release upon expiry of the Security Period

- (a) Upon the expiry of the Security Period, the Security Agent and each other Secured Party shall (at the request and cost of the Chargor) execute any documents or take any action which may be necessary to release the Security Assets from the Security created by or pursuant to this Agreement and procure the reassignment to the Chargor of the property and assets assigned to the Security Agent pursuant to this Agreement, in each case, without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

- (b) Any release or reassignment by the Security Agent or any other Secured Party under paragraph (a) above shall be subject to Clause 25.2 (*Amounts avoided*) and Clause 25.3 (*Discharge conditional*).
- (c) Upon any release by the Security Agent or any other Secured Party under paragraph (a) above, the Security Agent or the relevant Secured Party shall not be liable to return the identical securities which were deposited, held or transferred to it, and the Chargor will accept securities of the same class and denomination or such securities as shall then represent the relevant Security Assets being released.

25.2 **Amounts avoided**

If any amount paid or credited to any Secured Party in respect of the Secured Obligations is capable of being avoided or reduced or set aside by virtue of the bankruptcy, insolvency or liquidation of the Chargor or otherwise, then the liability of the Chargor under this Agreement and the Security created by or pursuant to this Agreement will continue and such amount will not be considered to have been irrevocably discharged.

25.3 **Discharge conditional**

Any settlement or discharge between the Chargor and any Secured Party shall be conditional upon no security or payment to that Secured Party by the Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly that Secured Party shall be entitled to recover from the Chargor the value which that Secured Party has placed on that Security or the amount of any such payment as if that settlement or discharge had not occurred.

26 **MISCELLANEOUS**

26.1 **Partial invalidity**

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the Security intended to be created by or pursuant to this Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security.

26.2 **Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent or any other Secured Party any right, power or remedy under this Agreement or at law shall operate as a waiver or such right, power or remedy or constitute an election to affirm this Agreement. No election to affirm this Agreement on the part of the Security Agent or any other Secured Party shall be effective unless it is in writing. No single or partial exercise of any right, power or remedy shall prevent any further or other exercise or the exercise of any other right, power or remedy. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

26.3 **Effect as a deed**

This Agreement is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

27 **COUNTERPARTS**

This Agreement 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 Agreement.

28 **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

29 **ENFORCEMENT**

29.1 **Jurisdiction of the English courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (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) Notwithstanding paragraph (a) above, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS AGREEMENT has been executed and delivered as, and is intended to take effect as, a deed by the Chargor and has been signed by the Security Agent on the date stated at the beginning of this Agreement.

**SCHEDULE 1
MORTGAGED PROPERTY**

Property description	Title number
All the leasehold land being the site of a Gas pipeline at Theddlethorpe and South Cockerington	LL184745
All the leasehold land being two Gas pipelines lying to the west of Saddleback Road Skidbrooke	LL170365
All the leasehold land being the site of two Gas pipelines at South Cockerington	LL171777
All the leasehold land being the site of a Gas pipeline at South Cockerington	LL171563
All the leasehold land being Gas Pipeline, South Cockerington, Louth	LL173144
All the leasehold land being the site of a Gas pipeline at Saltfleetby	LL170450
All the leasehold land being the site of an oil pipeline, Long Gate Road, Saltfleetby, Louth	LL209360
All the leasehold land being the site of a Gas pipe line at Saltfleetby	LL171025
All the leasehold land being Pipeline, Fishmere Gate Road, Saltfleetby, Louth	LL212254
All the leasehold land being the site of a Gas pipeline at Saltfleetby, Saint Peter	LL174958
All the leasehold land being the Gas Pipeline, Theddlethorpe, Mablethorpe	LL173113
All the leasehold land being the site of a Gas pipeline at Theddlethorpe, All Saints	LL173962
All the leasehold land being the site of a Gas pipe line at Theddlethorpe, All Saints and Theddlethorpe, Saint Helen	LL170344
All the leasehold land being the site of a Gas pipeline at Theddlethorpe, St Helen	LL172306
All the leasehold land being the site of a Gas pipeline at Theddlethorpe, St Helen	LL174866
All the leasehold land being the site of a Gas pipeline at Theddlethorpe	LL174892
All the leasehold land being the site of a Gas pipeline at Theddlethorpe	LL174861
All the leasehold land being the site of a Gas pipeline at Theddlethorpe, St Helen	LL172517
All the leasehold land being the site of a Gas pipeline at Theddlethorpe and South Cockerington	LL184745
All the leasehold land being the site of a Gas pipeline at Theddlethorpe	LL196969

All the leasehold land for well site known as Saltfleetby A at Howdales Farm, South Cockerington, Near Louth Lincolnshire pursuant to a lease dated 9 October 2019 between (1) Albert John Tuxworth and Doris Elizabeth Tuxworth and (2) Saltfleetby Energy Limited	To be registered: <i>LL395047 provisionally allocated by the Land Registry</i>
All the leasehold land being parcel of land situated at Sykes Field, Off Saddleback Road, Howdales, South Cockerington, Louth, Lincolnshire (also known as Saltfleetby B Extension, Saddleback Road, Skidbrooke, Louth)	LL394258
All the leasehold land being Saltfleetby B at Pridgeons Field off Saddleback Road, Howdales Farm, South Cockerington, Louth	LL399787

**SCHEDULE 2
INSURANCE POLICIES**

INSURER	INSURANCE COVER	POLICY NUMBER
Zurich Insurance	Employers' liability policy	054/4H01/JT544519/1
MS Amlin Insurance SE	Motor insurance	ACTUFL004279

**SCHEDULE 3
FORM OF NOTICE FOR INSURANCES**

**PART 1
FORM OF NOTICE OF ASSIGNMENT
(FOR ATTACHMENT BY WAY OF ENDORSEMENT TO THE INSURANCE POLICIES)**

To: [Insurer]

Copy: Security Agent

Date: [•]

Dear Sirs

General Security Agreement dated [•] between [•] and [•] as the Security Agent (the "General Security Agreement")

This letter constitutes notice to you that under the General Security Agreement, [•] (the "**Chargor**") has [assigned/charged] in favour of [•] as agent and trustee for the Secured Parties referred to in the General Security Agreement (the "**Security Agent**") as first priority [assignee/chargee] all amounts payable to it under or in connection with any contract of insurance taken out with you by or on behalf of it or under which it has a right to claim and all of its rights in connection with those amounts:

[insert details of relevant insurance policies]

A reference in this letter to any amounts excludes all amounts received or receivable under or in connection with any third party liability insurance and required to settle a liability of the Chargor to a third party.

We confirm that:

- (a) we will remain liable under [each] such contract of insurance to perform all the obligations assumed by us under the contract of insurance; and
- (b) none of the Security Agent, 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 [any] such contract of insurance.

We will also remain entitled to exercise all of its rights under [each] such contract of insurance and you should continue to give notices under [each] such contract of insurance to us, unless and until you receive notice from the Security Agent to the contrary stating that the security has become enforceable. In this event, unless the Security Agent otherwise agrees in writing:

- (a) all amounts payable to us under [each] such contract of insurance must be paid to the Security Agent; and
- (b) any rights of the Chargor in connection with those amounts will be exercisable by, and notices must be given to, the Security Agent or as it directs.

Please note that we have agreed that we will not amend or waive any term of, or terminate [any] such contract of, insurance without the prior consent of the Security Agent.

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

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

[Please note on the relevant contracts the Security Agent's interest as co-insured and loss payee and the Security Agent's interest as first priority assignee of those amounts and rights and send to the Security Agent at [●] with a copy to ourselves the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.]

Please send to the Security Agent at [●] with a copy to ourselves the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

Authorised signatory for
[CHARGOR]

PART 2
FORM OF LETTER OF UNDERTAKING

To: Security Agent

Copy: [Chargor]

Date: [•]

Dear Sirs

General Security Agreement dated [•] between [•] and [•] as the Security Agent (the "General Security Agreement")

We confirm receipt from [•] (the "**Chargor**") of a notice dated [•] (the "**Notice**") of [an assignment/a charge] by the Chargor upon the terms of the General Security Agreement of all amounts payable to it under or in connection with any contract of insurance taken out with us by or on behalf of it or under which it has a right to claim and all of its rights in connection with those amounts.

A reference in this letter to any amounts excludes all amounts received or receivable under or in connection with any third party liability insurance and required to settle a liability of the Chargor to a third party.

In consideration of your agreeing to the Chargor or any of them continuing their insurance arrangements with us we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) confirm that we have not received notice of the interest of any third party in those amounts and rights;
- (c) [undertake to note on the relevant contracts your interest as [co-insured and loss payee] and as first priority [assignee/chargee] of those amounts and rights;]
- (d) undertake to disclose to you without any reference to or further authority from the Chargor any information relating to those contracts which you may at any time request;
- (e) undertake to notify you of any breach by the Chargor of any of those contracts and to allow you [or any of the other Secured Parties (as defined in the General Security Agreement)] to remedy that breach; and
- (f) undertake not to amend or waive any term of or terminate any of those contracts on request by the Chargor without your prior consent.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

Authorised signatory for
[INSURER]

**SCHEDULE 4
FORM OF NOTICE FOR SPECIFIED CONTRACTS**

**PART 1
NOTICE TO COUNTERPARTY**

To: [Counterparty]

Copy: Security Agent

Date: [•]

Dear Sirs

General Security Agreement dated [•] between [•] and [•] as the Security Agent (the "General Security Agreement")

This letter constitutes notice to you that under the General Security Agreement, [•] (the "**Chargor**") has assigned in favour [•] as agent and trustee for the Secured Parties referred to in the General Security Agreement (the "**Security Agent**") as first priority assignee all of its rights in respect of *[insert details of Specified Contract(s)]* (the "**Specified Contract[s]**").

We confirm that:

- (a) we will remain liable under [the]/[each] Specified Contract to perform all the obligations assumed by us under [the]/[that] Specified Contract; and
- (b) none of the Security Agent, 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]/[any] Specified Contract.

We will also remain entitled to exercise all of its rights under [the]/[each] Specified Contract and you should continue to give notice under [the]/[each] Specified Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security has become enforceable. In this event, all of its rights will be exercisable by, and notices must be given to, the Security Agent or as it directs.

Please note that we have agreed that we will not [amend or waive any term of or] terminate [any of] the Specified Contract[s] without the prior consent of the Security Agent.

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

Please send to the Security Agent at [•] with a copy to ourselves the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.

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

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

Authorised signatory for
[CHARGOR]

PART 2
ACKNOWLEDGEMENT OF COUNTERPARTY

To: Security Agent

Copy: [Chargor]

Date: [•]

Dear Sirs

General Security Agreement dated [•] between [•] and [•] as the Security Agent (the "General Security Agreement")

We confirm receipt from [•] (the "**Chargor**") of a notice dated [•] (the "**Notice**") of an assignment on the terms of the General Security Agreement of all of Chargor's rights in respect of *[insert details of the Specified Contract(s)]* (the "**Specified Contract[s]**").

We confirm that we:

- (a) 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 [any of] the Specified Contract[s];
- (c) undertake to disclose to you without any reference to or further authority from the Chargor any information relating to [any of] the Specified Contract[s] which you may at any time request;
- (d) [undertake to notify you of any breach by any Chargor of [any of] the Specified Contract[s] and to allow you [or any of the other Secured Parties (as defined in the General Security Agreement)] referred to in the General Security Agreement to remedy that breach;] and
- (e) [undertake not to [amend or waive any term of or] terminate [any of] the Specified Contract[s] on request by the Chargor or any of the [other] Chargors without your prior consent.]¹

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

Authorised signatory for
[COUNTERPARTY]

¹ Delete in acknowledgments connected to the hedging agreements.

SIGNATURE PAGES TO THE SECURITY DOCUMENT

The Chargor

Executed as a deed by **SALTFLEETBY ENERGY LIMITED**

DocuSigned by:

[Redacted Signature]

signature of director
Paul Forrest

print name of director
Director

DocuSigned by:
in the presence of

[Redacted Signature]

signature of witness
Pawel Piotr Dudek

print name of witness
Address

[Redacted Address]

Occupation

[Redacted Occupation]

The Security Agent

Executed as a deed for and on behalf of

THE LAW DEBENTURE TRUST CORPORATION P.L.C. acting by:


RD Rance

Director


Representing Law Debenture Corporate Services Ltd.
Secretary