



Registration of a Charge

Company name: **AIRVOLUTION ENERGY LIMITED**

Company number: **07070240**



X4L0X9XV

Received for Electronic Filing: **27/11/2015**

Details of Charge

Date of creation: **23/11/2015**

Charge code: **0707 0240 0008**

Persons entitled: **CLEAN ENERGY AND INFRASTRUCTURE 3 LIMITED**

Brief description:

Contains fixed charge(s).

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: **NORTON ROSE FULBRIGHT LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7070240

Charge code: 0707 0240 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd November 2015 and created by AIRVOLUTION ENERGY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th November 2015 .

Given at Companies House, Cardiff on 30th November 2015

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**

SHARE CHARGE

I certify that, save for material
redacted pursuant to s.859G
of the Companies Act 2006,
this copy instrument is a correct copy
of the original instrument.

Sign & Dated

23 November 2015 *Michael James Holgate LLP*

DATED 23 November 2015

AIRVOLUTION ENERGY LIMITED
as Chargor

(1)

and

CLEAN ENERGY AND INFRASTRUCTURE 3 LIMITED
as Chargee

(2)

CHARGE OVER SHARES

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DATE OF CHARGE 23 November 2015

PARTIES

- (1) **AIRVOLUTION ENERGY LIMITED** a company registered in England and Wales with registration number 07070240 whose registered office is at 6th Floor Palladium House, 1-4 Argyll Street, London W1F 7TA (the "**Chargor**"); and
- (2) **CLEAN ENERGY AND INFRASTRUCTURE 3 LIMITED** a company registered in England and Wales with registration number 09876829 whose registered office is at 1030 Slutchers Lane, Centre Park, Warrington, United Kingdom, WA1 1QL (the "**Chargee**").

1 INTERPRETATION

1.1 Definitions

In this Deed the following terms have the meanings given to them in this Clause.

"Business Day" shall have the meaning given thereto in the Option Agreement.

"**Charged Shares**" means the shares described in the Schedule to this Deed of which the Chargor is the beneficial or registered owner on the date of this Deed.

"**Company**" means Airvolution Energy (Middle Balbeggie) Limited, a company registered in England and Wales with registration number 08179237 whose registered office is at Palladium House, 1-4 Argyll Street, London W1F 7TA.

"**Completion**" shall have the meaning given thereto in the Option Agreement.

"**Enforcement Event**" means each of:

- (a) failure by the Chargor to perform its obligation to transfer the Charged Shares in accordance with the Option Agreement; or
- (b) an 'Event of Default' as defined in the Loan Facility.

"**Liability**" means any present or future obligation or liability for the payment of money, whether in respect of principal, interest or otherwise, whether actual or contingent, whether owed jointly or severally and whether as principal or surety or in any other capacity and including any amount which would constitute such a liability but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

"**Loan Facility**" means the Construction Funding Facility Agreement dated on or around the date of this Deed between the Company and the Chargee.

"**Option Agreement**" means the option agreement of even date herewith entered into between the Chargor and the Chargee in relation to shares in the Company.

"Receiver" means a receiver and manager or any other receiver (whether appointed pursuant to this Deed or any statute, by a court or otherwise) of all or any of the Charged Shares and shall, where permitted by law, include an administrative receiver.

"Secured Obligations" means

(a) the obligation of the Chargor to transfer the Shares on Completion in accordance with the terms of the Option Agreement; and

(b) all obligations from time to time incurred by the Company under or in connection with the Loan Facility when they become due for payment or discharge; and

(c) all costs and expenses of the Chargee in enforcing this Deed.

"Security" means the security created or intended to be created by this Deed.

"Security Period" means the period beginning on the date of this Deed and ending on the date upon which all Secured Obligations have been unconditionally and irrevocably discharged in full.

1.2 References to Agreements

Unless otherwise stated, any reference in this Deed to any agreement or document (including any reference to this Deed or to any agreement or document entered into pursuant to or in accordance with such agreement or document) shall be construed as a reference to:

(a) such agreement or document as amended, restated, varied, novated or supplemented from time to time; and

(b) any agreement or document whereby such agreement or document is so amended, restated, varied, novated or supplemented or which is entered into pursuant to or in accordance with any such agreement or document.

1.3 Statutes

Any reference in this Deed to a statute or statutory provision shall, unless the contrary is indicated, be construed as a reference to such statute or statutory provision as the same shall have been amended or re-enacted.

1.4 Third Party Rights

A person which is not a party to this Deed shall have no rights to enforce any of its provisions.

1.5 Clause and Schedule Headings

(a) Unless otherwise stated, any reference in this Deed to a Clause or a Schedule shall be construed as a reference to a clause of or a schedule to this Deed.

(b) Clause and Schedule headings are for ease of reference only and shall not affect the construction of this Deed.

2 CHARGE

2.1 Charge

The Chargor charges with full title guarantee the Charged Shares together with any rights accruing to, derived from or otherwise connected with the Charged Shares (including dividends and proceeds of disposal) to the Chargee as security for the discharge of the Secured Obligations.

2.2 Deposit of Share Certificates

Upon execution of this Deed, the Chargor shall deposit with the Chargee all share certificates and other documents of title relating to the Charged Shares together with stock transfer forms in respect of the Charged Shares duly executed with the date, transferee and consideration left blank by or on behalf of the Chargor.

2.3 Calls on Shares

The Chargor shall pay when due prior to this Security becoming enforceable all calls or other requests for payments made in respect of any unpaid or partly paid capital on the Charged Shares, but if the Chargor fails to make any such payment within 10 Business Days the Chargee may (but shall not be obliged to) make such payment on behalf of the Chargor and if the Chargee does so the Chargor shall within 5 Business Days of demand pay to the Chargee an amount equal to such payment.

3 DIVIDENDS, VOTING AND INFORMATION

3.1 Before Security Enforceable

Unless and until the Security has become enforceable the Chargor shall continue to be entitled to:

- (a) receive and retain all dividends, interest and other monies arising from the Charged Shares; and
- (b) exercise all voting rights in relation to the Charged Shares;

provided that the Chargor shall not exercise such voting rights, or otherwise permit or agree to (i) any variation of the rights attaching to or conferred by all or any part of the Charged Shares or (ii) any increase in the issued share capital of any company whose shares are charged pursuant to this Deed, in any manner which would be in contravention of the Option Agreement except with the prior written consent of the Chargee.

3.2 After Security Enforceable

At any time after the Security has become enforceable the Chargee shall be entitled to cause the Charged Shares to be registered in its name and may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

- ~~(a) exercise or refrain from exercising any voting rights in respect of the Charged Shares and revoke, or cause to be revoked, any proxies given by the Chargor;~~

- (b) exercise or refrain from exercising the rights of a legal owner of the Charged Shares;

in each case in such manner and on such terms as the Chargee may think fit.

4 CONTINUING SECURITY

4.1 Continuing and Independent Security

This Deed shall constitute and be continuing security which shall not be released or discharged by partial discharge of any of the Secured Obligations, shall continue in full force and effect until the end of the Security Period and is in addition to and independent of, and shall not prejudice or merge with, any other security (or any right of set-off) which the Chargee may have at any time for the Secured Obligations or any of them.

4.2 Avoidance of Payments

Where any release, discharge or other arrangement in respect of any Secured Obligation or any security the Chargee may have for such Secured Obligation is given or made in reliance on any payment or other disposition which is avoided or must be repaid, whether in an insolvency, liquidation or otherwise and whether or not the Chargee has conceded or compromised any claim that any such payment or other disposition will or should be avoided or repaid, this Deed and the Security shall continue as if such release, discharge or other arrangement had not been given or made.

5 REPRESENTATIONS AND WARRANTIES

The Chargor makes the representations and warranties set out in Clauses 5.1 (*Status and Due Authorisation*) to 5.4 (*The Charged Shares*) on the date of this Deed and acknowledges that the Chargee has entered into this Deed in reliance on those representations and warranties.

5.1 Status and Due Authorisation

It is a corporation duly incorporated with limited liability under the laws of England and Wales with power to enter into this Deed and to exercise its rights and perform its obligations under this Deed and all corporate and other action required to authorise its execution of this Deed and its performance of its obligations under this Deed has been duly taken.

5.2 Binding Obligations

The obligations expressed to be assumed by it in this Deed are legal and valid obligations binding on and enforceable against it in accordance with the terms of this Deed which constitutes a fixed charge over the Charged Shares and no limit on its powers will be exceeded as a result of the creation of the Security or its performance of its obligations under this Deed.

5.3 All Actions Taken

All acts, conditions and things required to be done, fulfilled and performed in order (a) to enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Deed and (b) to ensure that the

obligations expressed to be assumed by it in this Deed are legal, valid and binding have been done, fulfilled and performed.

5.4 The Charged Shares

Each Charged Share is fully paid or credited as fully paid, no calls have been made in respect thereof and remain unpaid and the terms of each Charged Share and of the memorandum and articles of association of the issuer of such Charged Share do not restrict or otherwise limit the Chargor's right to transfer or charge such Charged Share.

The Chargor has legal and beneficial title to the Charged Shares and they are not subject to any security or similar rights in favour of any other person. The Charged Shares represent the entire share capital of the Company.

6 ENFORCEMENT OF SECURITY

6.1 Security Enforceable

The Security shall become immediately enforceable if an Enforcement Event has occurred which is continuing.

6.2 Enforcement

At any time after the Security has become enforceable, the Chargee may in its absolute discretion enforce all or any part of the Security and exercise any of the rights conferred on it by this Deed or by law at such times and in such manner as it thinks fit.

6.3 Power of Sale

At any time after the Security has become enforceable, the Chargee may (without notice to the Chargor) sell or otherwise dispose of the Charged Shares or any part of it.

6.4 Statutory Powers

For the purposes of all powers implied by statute the Secured Obligations shall be deemed to have arisen on the date of this Deed however the Chargee may not exercise such powers until such time as the Security created by this Deed becomes enforceable.

6.5 Law of Property Act

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed or to any exercise by the Chargee of its right to consolidate mortgages or its power of sale.

6.6 Registration of Shares and Power of Attorney

- (a) The Chargee shall be entitled at any time after the Security has become enforceable to complete any stock transfer forms then held by the Chargee pursuant to this Deed in the name of the Chargee and the Chargor shall, to the extent within its control do whatever the Chargee requires in order to procure the prompt registration of such transfer and the prompt issue of a new certificate or certificates for the relevant Charged Shares in the name of the Chargee.

- (b) The Chargor, by way of security, irrevocably appoints each of the Chargee and any Receiver severally to be its attorney to do anything:
 - (i) which the Chargor is obliged to do under this Deed but which it has failed to do at any time after an Event of Default has occurred or otherwise after a period of five Business Days; and
 - (ii) which the attorney may require to exercise any of the rights conferred on it by this Deed or by law.

6.7 Appropriation of Financial Collateral

To the extent that the Charged Shares constitute "financial collateral" and this Deed constitutes a "security financial collateral arrangement" (as defined in the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003 No.3226)), the Chargee may appropriate all or any part of the Charged Shares in or towards satisfaction of the Secured Obligations, the value of the property so appropriated being such amount as the Chargee shall determine in a commercially reasonable manner provided that the Chargee may not make such appropriation until such time as the Security created by this Deed becomes enforceable.

7 PROTECTION OF CHARGE

7.1 No Liability as Mortgagee in Possession

The Chargee shall not by reason of its entering into possession of all or any part of the Charged Shares, be liable to account as mortgagee in possession or otherwise be liable for any loss of any kind or for any default or omission for which a mortgagee in possession might be liable.

7.2 Mortgagees rights and powers

The Chargee shall be entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 (as extended by this Deed) on mortgagees.

8 DELEGATION BY CHARGE

The Chargee may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the powers, authorities and discretions which are for the time being exercisable by the Chargee under this Deed in relation to all or any part of the Charged Shares.

9 REDEMPTION OF PRIOR MORTGAGES

The Chargee may, at any time after the Security has become enforceable, redeem any prior encumbrance over all or any part of the Charged Shares or procure the transfer of such encumbrance to itself and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargor. All principal interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Chargor to the Chargee on demand.

10 RELEASE OF THE SECURITY

After the end of the Security Period, the Chargee shall execute all such documents and do all such other things as may be required to release the Security and reassign the Charged Shares to the Chargor.

11 ASSIGNMENTS AND TRANSFERS

None of the rights and benefits of the Chargor or the Chargee under this Deed shall be capable of being assigned or transferred and the Chargor and the Chargee undertakes not to seek to assign or transfer all or any of such rights and benefits.

12 REMEDIES AND WAIVERS

No failure by the Chargee to exercise, nor any delay by the Chargee in exercising, any right or remedy under this Deed shall operate as a waiver thereof nor shall any single or partial exercise of any such right or remedy prevent any further or other exercise thereof or the exercise of any other such right or remedy.

13 ADDITIONAL PROVISIONS

13.1 Partial Invalidity

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect or any or all of the Security is or becomes ineffective in any respect under the law of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Deed or the effectiveness in any other respect of the Security under such law; or
- (b) the legality, validity or enforceability of such provision or the effectiveness of such Security under the law of any other jurisdiction.

13.2 Rights Cumulative

The rights and remedies provided by this Deed are cumulative and not exclusive of any rights or remedies provided by law.

13.3 Further assurance

- (a) The Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Chargee may reasonably specify in favour of the Security Agent or its nominee(s):
 - (i) to perfect the security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other security over all or any of the assets which are, or are intended to be, the subject of this Deed) or for the exercise of any rights, powers and remedies of the Chargee pursuant to this Deed or by law;

(ii) to facilitate the realisation of the assets which are, or are intended to be, the subject of this Deed.

- (b) The Chargee shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Chargee by or pursuant to this Deed.

14 NOTICES

Every notice, request, demand or other communication under this Deed shall:

- (a) be in writing delivered personally or by first-class pre-paid letter or facsimile transmission only;
- (b) be deemed to have been received, subject as otherwise provided in this Deed, in the case of a letter, when delivered and, in the case of a facsimile transmission, when a complete and legible copy is received by the addressee (unless the time of despatch is after close of business in which case it shall be deemed to have been received at the opening of business on the next business day); and
- (c) be sent to the address or facsimile number set out in the Option Agreement or to such other address or facsimile number as is notified by the relevant party to the other party.

15 GOVERNING LAW

15.1 This Deed shall be governed by and construed in accordance with English law.

15.2 The parties hereto irrevocably submit to this jurisdiction of the courts of England in respect of any dispute arising under or in connection with this deed.

16 COUNTERPARTS AND EFFECTIVENESS

16.1 Counterparts

This Deed may be executed in counterparts and such counterparts taken together shall constitute one and the same instrument.

16.2 Effectiveness

This Deed shall take effect and be delivered as a deed on the date on which it is stated to be made.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Chargor and has been signed on behalf of the Chargee.

SCHEDULE 1

THE CHARGED SHARES

A Company Name: Airvolution Energy (Middle Balbeggie) Limited

Company No: 08179237

Number of Shares	Share Type	Certificate Numbers
11	Ordinary Shares of £1.00 each	3 and 4

Signed as a deed by **AIRVOLUTION ENERGY LIMITED** acting by a director

.....


in the presence of:

Name:

Witness

Signature :



Name :



Occupation :



Address :

Squire Patton Boggs (UK) LLP
DX 136546
Bishopsgate 2

Notices

Address:



Attention:



Fax:



Signed as a deed by **CLEAN ENERGY AND
INFRASTRUCTURE 3 LIMITED** acting by

a director in the presence of:

.....

Name:

Witness

Signature

:

Name

:

Occupation

:

Address

:

Notices

Address:

Attention:

Fax:

SHARE CHARGE

DATED 23 November 2015

AIRVOLUTION ENERGY LIMITED (1)
as Chargor

and

CLEAN ENERGY AND INFRASTRUCTURE 3 LIMITED (2)
as Chargee

CHARGE OVER SHARES

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DATE OF CHARGE

23 November

2015

PARTIES

- (1) **AIRVOLUTION ENERGY LIMITED** a company registered in England and Wales with registration number 07070240 whose registered office is at 6th Floor Palladium House, 1-4 Argyll Street, London W1F 7TA (the "**Chargor**"); and
- (2) **CLEAN ENERGY AND INFRASTRUCTURE 3 LIMITED** a company registered in England and Wales with registration number 09876829 whose registered office is at 1030 Slutchers Lane, Centre Park, Warrington, United Kingdom, WA1 1QL (the "**Chargee**").

1 INTERPRETATION

1.1 Definitions

In this Deed the following terms have the meanings given to them in this Clause.

"Business Day" shall have the meaning given thereto in the Option Agreement.

"**Charged Shares**" means the shares described in the Schedule to this Deed of which the Chargor is the beneficial or registered owner on the date of this Deed.

"**Company**" means Airvolution Energy (Middle Balbeggie) Limited, a company registered in England and Wales with registration number 08179237 whose registered office is at Palladium House, 1-4 Argyll Street, London W1F 7TA.

"**Completion**" shall have the meaning given thereto in the Option Agreement.

"**Enforcement Event**" means each of:

- (a) failure by the Chargor to perform its obligation to transfer the Charged Shares in accordance with the Option Agreement; or
- (b) an 'Event of Default' as defined in the Loan Facility.

"**Liability**" means any present or future obligation or liability for the payment of money, whether in respect of principal, interest or otherwise, whether actual or contingent, whether owed jointly or severally and whether as principal or surety or in any other capacity and including any amount which would constitute such a liability but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

"**Loan Facility**" means the Construction Funding Facility Agreement dated on or around the date of this Deed between the Company and the Chargee.

"**Option Agreement**" means the option agreement of even date herewith entered into between the Chargor and the Chargee in relation to shares in the Company.

"Receiver" means a receiver and manager or any other receiver (whether appointed pursuant to this Deed or any statute, by a court or otherwise) of all or any of the Charged Shares and shall, where permitted by law, include an administrative receiver.

"Secured Obligations" means

- (a) the obligation of the Chargor to transfer the Shares on Completion in accordance with the terms of the Option Agreement; and
- (b) all obligations from time to time incurred by the Company under or in connection with the Loan Facility when they become due for payment or discharge; and
- (c) all costs and expenses of the Chargee in enforcing this Deed.

"Security" means the security created or intended to be created by this Deed.

"Security Period" means the period beginning on the date of this Deed and ending on the date upon which all Secured Obligations have been unconditionally and irrevocably discharged in full.

1.2 References to Agreements

Unless otherwise stated, any reference in this Deed to any agreement or document (including any reference to this Deed or to any agreement or document entered into pursuant to or in accordance with such agreement or document) shall be construed as a reference to:

- (a) such agreement or document as amended, restated, varied, novated or supplemented from time to time; and
- (b) any agreement or document whereby such agreement or document is so amended, restated, varied, novated or supplemented or which is entered into pursuant to or in accordance with any such agreement or document.

1.3 Statutes

Any reference in this Deed to a statute or statutory provision shall, unless the contrary is indicated, be construed as a reference to such statute or statutory provision as the same shall have been amended or re-enacted.

1.4 Third Party Rights

A person which is not a party to this Deed shall have no rights to enforce any of its provisions.

1.5 Clause and Schedule Headings

- (a) Unless otherwise stated, any reference in this Deed to a Clause or a Schedule shall be construed as a reference to a clause of or a schedule to this Deed.
- (b) Clause and Schedule headings are for ease of reference only and shall not affect the construction of this Deed.

2 CHARGE

2.1 Charge

The Chargor charges with full title guarantee the Charged Shares together with any rights accruing to, derived from or otherwise connected with the Charged Shares (including dividends and proceeds of disposal) to the Chargee as security for the discharge of the Secured Obligations.

2.2 Deposit of Share Certificates

Upon execution of this Deed, the Chargor shall deposit with the Chargee all share certificates and other documents of title relating to the Charged Shares together with stock transfer forms in respect of the Charged Shares duly executed with the date, transferee and consideration left blank by or on behalf of the Chargor.

2.3 Calls on Shares

The Chargor shall pay when due prior to this Security becoming enforceable all calls or other requests for payments made in respect of any unpaid or partly paid capital on the Charged Shares, but if the Chargor fails to make any such payment within 10 Business Days the Chargee may (but shall not be obliged to) make such payment on behalf of the Chargor and if the Chargee does so the Chargor shall within 5 Business Days of demand pay to the Chargee an amount equal to such payment.

3 DIVIDENDS, VOTING AND INFORMATION

3.1 Before Security Enforceable

Unless and until the Security has become enforceable the Chargor shall continue to be entitled to:

- (a) receive and retain all dividends, interest and other monies arising from the Charged Shares; and
- (b) exercise all voting rights in relation to the Charged Shares;

provided that the Chargor shall not exercise such voting rights, or otherwise permit or agree to (i) any variation of the rights attaching to or conferred by all or any part of the Charged Shares or (ii) any increase in the issued share capital of any company whose shares are charged pursuant to this Deed, in any manner which would be in contravention of the Option Agreement except with the prior written consent of the Chargee.

3.2 After Security Enforceable

At any time after the Security has become enforceable the Chargee shall be entitled to cause the Charged Shares to be registered in its name and may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

- (a) exercise or refrain from exercising any voting rights in respect of the Charged Shares and revoke, or cause to be revoked, any proxies given by the Chargor;

- (b) exercise or refrain from exercising the rights of a legal owner of the Charged Shares;

in each case in such manner and on such terms as the Chargee may think fit.

4 CONTINUING SECURITY

4.1 Continuing and Independent Security

This Deed shall constitute and be continuing security which shall not be released or discharged by partial discharge of any of the Secured Obligations, shall continue in full force and effect until the end of the Security Period and is in addition to and independent of, and shall not prejudice or merge with, any other security (or any right of set-off) which the Chargee may have at any time for the Secured Obligations or any of them.

4.2 Avoidance of Payments

Where any release, discharge or other arrangement in respect of any Secured Obligation or any security the Chargee may have for such Secured Obligation is given or made in reliance on any payment or other disposition which is avoided or must be repaid, whether in an insolvency, liquidation or otherwise and whether or not the Chargee has conceded or compromised any claim that any such payment or other disposition will or should be avoided or repaid, this Deed and the Security shall continue as if such release, discharge or other arrangement had not been given or made.

5 REPRESENTATIONS AND WARRANTIES

The Chargor makes the representations and warranties set out in Clauses 5.1 (*Status and Due Authorisation*) to 5.4 (*The Charged Shares*) on the date of this Deed and acknowledges that the Chargee has entered into this Deed in reliance on those representations and warranties.

5.1 Status and Due Authorisation

It is a corporation duly incorporated with limited liability under the laws of England and Wales with power to enter into this Deed and to exercise its rights and perform its obligations under this Deed and all corporate and other action required to authorise its execution of this Deed and its performance of its obligations under this Deed has been duly taken.

5.2 Binding Obligations

The obligations expressed to be assumed by it in this Deed are legal and valid obligations binding on and enforceable against it in accordance with the terms of this Deed which constitutes a fixed charge over the Charged Shares and no limit on its powers will be exceeded as a result of the creation of the Security or its performance of its obligations under this Deed.

5.3 All Actions Taken

All acts, conditions and things required to be done, fulfilled and performed in order (a) to enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Deed and (b) to ensure that the

obligations expressed to be assumed by it in this Deed are legal, valid and binding have been done, fulfilled and performed.

5.4 The Charged Shares

Each Charged Share is fully paid or credited as fully paid, no calls have been made in respect thereof and remain unpaid and the terms of each Charged Share and of the memorandum and articles of association of the issuer of such Charged Share do not restrict or otherwise limit the Chargor's right to transfer or charge such Charged Share.

The Chargor has legal and beneficial title to the Charged Shares and they are not subject to any security or similar rights in favour of any other person. The Charged Shares represent the entire share capital of the Company.

6 ENFORCEMENT OF SECURITY

6.1 Security Enforceable

The Security shall become immediately enforceable if an Enforcement Event has occurred which is continuing.

6.2 Enforcement

At any time after the Security has become enforceable, the Chargee may in its absolute discretion enforce all or any part of the Security and exercise any of the rights conferred on it by this Deed or by law at such times and in such manner as it thinks fit.

6.3 Power of Sale

At any time after the Security has become enforceable, the Chargee may (without notice to the Chargor) sell or otherwise dispose of the Charged Shares or any part of it.

6.4 Statutory Powers

For the purposes of all powers implied by statute the Secured Obligations shall be deemed to have arisen on the date of this Deed however the Chargee may not exercise such powers until such time as the Security created by this Deed becomes enforceable.

6.5 Law of Property Act

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed or to any exercise by the Chargee of its right to consolidate mortgages or its power of sale.

6.6 Registration of Shares and Power of Attorney

- (a) The Chargee shall be entitled at any time after the Security has become enforceable to complete any stock transfer forms then held by the Chargee pursuant to this Deed in the name of the Chargee and the Chargor shall, to the extent within its control do whatever the Chargee requires in order to procure the prompt registration of such transfer and the prompt issue of a new certificate or certificates for the relevant Charged Shares in the name of the Chargee.

- (b) The Chargor, by way of security, irrevocably appoints each of the Chargee and any Receiver severally to be its attorney to do anything:
 - (i) which the Chargor is obliged to do under this Deed but which it has failed to do at any time after an Event of Default has occurred or otherwise after a period of five Business Days; and
 - (ii) which the attorney may require to exercise any of the rights conferred on it by this Deed or by law.

6.7 Appropriation of Financial Collateral

To the extent that the Charged Shares constitute "financial collateral" and this Deed constitutes a "security financial collateral arrangement" (as defined in the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003 No.3226)), the Chargee may appropriate all or any part of the Charged Shares in or towards satisfaction of the Secured Obligations, the value of the property so appropriated being such amount as the Chargee shall determine in a commercially reasonable manner provided that the Chargee may not make such appropriation until such time as the Security created by this Deed becomes enforceable.

7 PROTECTION OF CHARGEES

7.1 No Liability as Mortgagee in Possession

The Chargee shall not by reason of its entering into possession of all or any part of the Charged Shares, be liable to account as mortgagee in possession or otherwise be liable for any loss of any kind or for any default or omission for which a mortgagee in possession might be liable.

7.2 Mortgagees rights and powers

The Chargee shall be entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 (as extended by this Deed) on mortgagees.

8 DELEGATION BY CHARGEES

The Chargee may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the powers, authorities and discretions which are for the time being exercisable by the Chargee under this Deed in relation to all or any part of the Charged Shares.

9 REDEMPTION OF PRIOR MORTGAGES

The Chargee may, at any time after the Security has become enforceable, redeem any prior encumbrance over all or any part of the Charged Shares or procure the transfer of such encumbrance to itself and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargor. All principal interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Chargor to the Chargee on demand.

10 RELEASE OF THE SECURITY

After the end of the Security Period, the Chargee shall execute all such documents and do all such other things as may be required to release the Security and reassign the Charged Shares to the Chargor.

11 ASSIGNMENTS AND TRANSFERS

None of the rights and benefits of the Chargor or the Chargee under this Deed shall be capable of being assigned or transferred and the Chargor and the Chargee undertakes not to seek to assign or transfer all or any of such rights and benefits.

12 REMEDIES AND WAIVERS

No failure by the Chargee to exercise, nor any delay by the Chargee in exercising, any right or remedy under this Deed shall operate as a waiver thereof nor shall any single or partial exercise of any such right or remedy prevent any further or other exercise thereof or the exercise of any other such right or remedy.

13 ADDITIONAL PROVISIONS

13.1 Partial Invalidity

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect or any or all of the Security is or becomes ineffective in any respect under the law of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Deed or the effectiveness in any other respect of the Security under such law; or
- (b) the legality, validity or enforceability of such provision or the effectiveness of such Security under the law of any other jurisdiction.

13.2 Rights Cumulative

The rights and remedies provided by this Deed are cumulative and not exclusive of any rights or remedies provided by law.

13.3 Further assurance

- (a) The Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Chargee may reasonably specify in favour of the Security Agent or its nominee(s)):
 - (i) to perfect the security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other security over all or any of the assets which are, or are intended to be, the subject of this Deed) or for the exercise of any rights, powers and remedies of the Chargee pursuant to this Deed or by law;

(ii) to facilitate the realisation of the assets which are, or are intended to be, the subject of this Deed.

- (b) The Chargee shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Chargee by or pursuant to this Deed.

14 NOTICES

Every notice, request, demand or other communication under this Deed shall:

- (a) be in writing delivered personally or by first-class pre-paid letter or facsimile transmission only;
- (b) be deemed to have been received, subject as otherwise provided in this Deed, in the case of a letter, when delivered and, in the case of a facsimile transmission, when a complete and legible copy is received by the addressee (unless the time of despatch is after close of business in which case it shall be deemed to have been received at the opening of business on the next business day); and
- (c) be sent to the address or facsimile number set out in the Option Agreement or to such other address or facsimile number as is notified by the relevant party to the other party.

15 GOVERNING LAW

15.1 This Deed shall be governed by and construed in accordance with English law.

15.2 The parties hereto irrevocably submit to this jurisdiction of the courts of England in respect of any dispute arising under or in connection with this deed.

16 COUNTERPARTS AND EFFECTIVENESS

16.1 Counterparts

This Deed may be executed in counterparts and such counterparts taken together shall constitute one and the same instrument.

16.2 Effectiveness

This Deed shall take effect and be delivered as a deed on the date on which it is stated to be made.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Chargor and has been signed on behalf of the Chargee.

SCHEDULE 1

THE CHARGED SHARES

A **Company Name: Airvolution Energy (Middle Balbeggie) Limited**

Company No: 08179237

Number of Shares	Share Type	Certificate Numbers
11	Ordinary Shares of £1.00 each	3 and 4

Signed as a deed by **AIRVOLUTION ENERGY
LIMITED** acting by a director

in the presence of:

Name:

Witness

Signature :

Name :

Occupation :

Address :

Notices

Address:

Attention:

Fax:

Signed as a deed by **CLEAN ENERGY AND
INFRASTRUCTURE 3 LIMITED** acting by



a director in the presence of:

Name:



Witness

Signature



Name

:



Occupation

:

Address

:



Notices

Address:

Attention:

Fax: