



Registration of a Charge

Company name: **CHITTERING SOLAR TWO LIMITED**

Company number: **08286179**



X4J29JP4

Received for Electronic Filing: **29/10/2015**

Details of Charge

Date of creation: **22/10/2015**

Charge code: **0828 6179 0004**

Persons entitled: **THE ROYAL BANK OF SCOTLAND PLC**

Brief description: **NONE.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

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

Certified by:

ASHURST LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8286179

Charge code: 0828 6179 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd October 2015 and created by CHITTERING SOLAR TWO LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th October 2015 .

Given at Companies House, Cardiff on 30th October 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



ProjectCo Debenture

The persons listed in Schedule 1
as Chargors

and

The Royal Bank of Scotland Plc
as Security Trustee

relating to Project Windsor

22 October

2015

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THIS DEBENTURE is made on *22 October* 2015

BETWEEN:

- (1) THE PERSONS listed in schedule 1 (the "**Chargors**"); and
- (2) **THE ROYAL BANK OF SCOTLAND Plc** on behalf of the Secured Parties (the "**Security Trustee**").

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture and any Mortgage (as defined below):

"Account" means the Project Accounts and any other account opened or maintained by a Chargor with the Security Trustee, the Account Bank or any other person (and any replacement account or subdivision or subaccount of that account), the debt or debts represented thereby and all Related Rights;

"Charged Property" means all the assets and undertaking of a Chargor which from time to time are the subject of the Security created or expressed to be created in favour of the Security Trustee by or pursuant to this Debenture and any Mortgage;

"Collateral Rights" means all rights, powers and remedies of the Security Trustee provided by or pursuant to this Debenture or any Mortgage or by law;

"Disputes" has the meaning given to it in clause 33 (Jurisdiction and Enforcement);

"Facility Agreement" means the Facility Agreement dated 7 September 2015 between, amongst others, the Borrower, the Chargors, the Arrangers, the Original Lenders, the Facility Agent and the Security Trustee, each as defined in such agreement as amended, varied, novated or supplemented from time to time;

"Insurance Policy" means any policy of insurance in which a Chargor may from time to time have an interest including each of the contracts of insurance or reinsurance entered into pursuant to clause 26.26 (Insurance) and schedule 15 (Insurances) of the Facility Agreement, any other contracts or policies of insurance or reinsurance taken out by or on behalf of a Chargor or which a Chargor has the benefit of from time to time and any renewal or replacement of any such policy whether with the same or a different insurer or insurers and whether on the same or different terms;

"Intellectual Property" means any patents, trademarks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets and all Related Rights;

"Investments" means:

- (a) any stocks, shares, debentures, securities and certificates of deposit;
- (b) all interests in collective investment schemes; and
- (c) all warrants, options and other rights to subscribe or acquire any of the investments described in (a) and (b),

in each case whether held directly by or to the order of a Chargor or by any trustee, nominee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against any such trustee, nominee, fiduciary or clearance system);

"Monetary Claims" means any book and other debts and monetary claims owing to a Chargor and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, the proceeds of any Insurance Policy, any court order or judgment, any contract or agreement to which a Chargor is a party and any other assets, property, rights or undertaking of that Chargor);

"Mortgage" means a mortgage or legal charge in respect of all or any part of the Real Property in accordance with clause 6 (Further Assurance) substantially in the form of schedule 3 (Form of Legal Mortgage);

"Mortgaged Property" means all freehold, leasehold or immovable property which a Chargor purports to mortgage or charge pursuant to a Mortgage or this Debenture;

"Notice of Assignment" means a notice of assignment in substantially the form set out in schedule 2 (Forms of Notice of Assignment) or in such form as may be specified by the Security Trustee;

"Party" means a party to this Debenture;

"Real Property" means:

- (a) the Mortgaged Property;
- (b) any present or future freehold, leasehold or immovable property and any other interest in land or buildings and all rights relating thereto in which a Chargor has an interest; and
- (c) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property;

and includes all Related Rights;

"Receiver" means a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Charged Property and that term will include any appointee made under a joint and/or several appointment;

"Regulations" has the meaning given to it in clause 14.3 (Right of Appropriation);

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

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset;

"Specific Contracts" means each Lease, O&M Agreement, O&M Guarantee, Project Services Agreement, PSA Guarantee, PPA, EPC Contract, EPC Parent Company Guarantee, EPC Warranty Bank Guarantee, Connection Agreement (subject to consent being received in respect of Lovedean Limited), Warranty (subject to clause 26.33(d) of

the Facility Agreement), Warranty Document and any other Project Document to which a Chargor is a party; and

"Tangible Moveable Property" means any plant, machinery, office equipment, computers, vehicles and other chattels (excluding any for the time being forming part of a Chargor's stock in trade or work in progress) and all Related Rights.

1.2 Terms defined in other Finance Documents

Unless defined in this Debenture, or the context otherwise requires, a term defined in the Facility Agreement or in any other Finance Document has the same meaning in this Debenture and each Mortgage, or any notice given under or in connection with this Debenture or any Mortgage, as if all references in those defined terms to the Facility Agreement or other Finance Documents were a reference to this Debenture, each Mortgage or that notice.

1.3 Construction

In this Debenture or, as applicable, any Mortgage the rules of interpretation contained in clause 1.2 (Construction) of the Facility Agreement shall apply to the construction of this Debenture or any Mortgage or any notice given under or in connection with this Debenture or any Mortgage.

1.4 Third party rights

A person who is not a party to this Debenture has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Debenture.

1.5 Duplication

To the extent that the provisions of the Debenture duplicate those of any Mortgage the provisions of that Mortgage shall prevail.

1.6 Disposition of Property

The terms of the other Finance Documents and of any side letters between the parties in relation to the Finance Documents are incorporated into this Debenture, each Mortgage and each other Finance Document to the extent required for any purported disposition of the Real Property contained in any Finance Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.7 Incorporation of provisions into any Mortgage

Clauses 1.2 (Terms defined in other Finance Documents), 1.3 (Construction), 6.1 (Further Assurance: General), 6.3 (Implied Covenants for Title), 14 (Enforcement of Security), 15 (Extension and Variation of The Law of Property Act 1925), 15.3 (Power of leasing), 17 (Powers of Receiver), 20 (Power of Attorney), 21.7 (Partial Invalidity), 32 (Governing Law) and 33 (Jurisdiction and Enforcement) of this Debenture are incorporated into any Mortgage as if expressly incorporated into that Mortgage, as if references in those clauses to this Debenture were references to that Mortgage and as if all references in those clauses to Charged Property were references to the assets of the relevant Chargor from time to time charged in favour of, or assigned (whether at law or in equity) to the Security Trustee by or pursuant to that Mortgage.

1.8 Mortgage

It is agreed that each Mortgage is supplemental to this Debenture.

1.9 Present and future assets

- (a) A reference in this Debenture and any Mortgage to any Mortgaged Property or other asset includes, unless the contrary intention appears, present and future Mortgaged Property and other assets.
- (b) The absence of or incomplete details of any Charged Property in any schedule shall not affect the validity or enforceability of any Security under this Debenture or any Mortgage.

1.10 Fixed Security

Clauses 3.1 (Fixed Charges) and 3.2 (Assignments) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Debenture or any Mortgage and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Debenture or any Mortgage or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment imposed on any other asset whether within that same class of assets or not.

1.11 No obligation

The Security Trustee shall not be under any obligation in relation to the Charged Property as a consequence of this Debenture or any Mortgage and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Charged Property.

2. PAYMENT OF SECURED OBLIGATIONS

2.1 Covenant to Pay

Each Chargor covenants with the Security Trustee as trustee for the Secured Parties that it shall discharge all Secured Obligations on their due date in accordance with their respective terms and each Chargor shall pay to the Security Trustee when due and payable every sum at any time owing, due or incurred by that Chargor to the Security Trustee (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties in respect of any such Secured Obligations. Provided that neither such covenant nor the Security constituted by this Debenture or any Mortgage shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or Security to be unlawful or prohibited by any applicable law.

2.2 Interest on Demands

If a Chargor fails to pay any sum on the due date for payment of that sum that Chargor shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the date of demand until the date of payment calculated on a daily basis at the rate determined in accordance with the provisions of clause 10.3 (Default interest) of the Facility Agreement.

3. FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE

3.1 Fixed Charges

- (a) Each Chargor charges with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured Obligations, by way of first fixed charge (which so far as it relates to the Mortgaged Property or land in England and Wales vested in that Chargor at the date of this Debenture shall be a charge by way of first legal mortgage) (subject to obtaining

any necessary consent to such mortgage or fixed charge from any third party) the Real Property.

- (b) Each Chargor charges with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured Obligations, by way of first fixed charge all of its right, title and interest from time to time in and to (subject to obtaining any necessary consent to such fixed charge from any third party) the Tangible Moveable Property.
- (c) Each Chargor charges, to the extent permitted by law, with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured Obligations, by way of first fixed charge all its right, title and interest from time to time in and to (subject to obtaining any necessary consent to such fixed charge from any third party) its PV Plant.
- (d) Each Chargor charges with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured Obligations, by way of first fixed charge all of its right, title and interest from time to time in and to (subject to obtaining any necessary consent to such fixed charge from any third party) the Accounts.
- (e) Each Chargor charges with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured Obligations, by way of first fixed charge all of its right, title and interest from time to time in and to (subject to obtaining any necessary consent to such fixed charge from any third party) the Intellectual Property.
- (f) Each Chargor charges with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured Obligations, by way of first fixed charge all of its right, title and interest from time to time in and to (subject to obtaining any necessary consent to such fixed charge from any third party) any goodwill and rights in relation to the uncalled capital of that Chargor.
- (g) Each Chargor charges with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured Obligations, by way of first fixed charge all of its right, title and interest from time to time in and to (subject to obtaining any necessary consent to such fixed charge from any third party) the Investments.
- (h) Each Chargor charges with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured Obligations, by way of first fixed charge all of its right, title and interest from time to time in and to (subject to obtaining any necessary consent to such fixed charge from any third party) all Monetary Claims and all Related Rights other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Debenture.
- (i) Each Chargor charges with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured Obligations, by way of first fixed charge all of its right, title and interest from time to time in and to (subject to obtaining any necessary consent to such fixed charge from any third party) the benefit of all Consents and all Related Rights.

3.2 Assignments

- (a) Each Chargor, to the extent permitted by applicable law, assigns and agrees to assign absolutely with full title guarantee to the Security Trustee as trustee for the

Secured Parties as security for the payment and discharge of the Secured Obligations all of its right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to that assignment from any third party):

- (i) the proceeds of any Insurance Policy and all Related Rights; and
 - (ii) the Specific Contracts, all proceeds paid or payable thereunder and all Related Rights.
- (b) For the avoidance of doubt, prior to the occurrence of an Event of Default (which is continuing) each Chargor shall be permitted to continue to exercise its rights, powers and discretions in relation to its Specific Contracts and retain payments of receivables assigned hereunder, subject always to the provisions of the Finance Documents and this Debenture.

3.3 Floating Charge

- (a) Each Chargor, with full title guarantee, charges in favour of the Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured Obligations by way of first floating charge all present and future assets and undertaking of that Chargor.
- (b) The floating charge created by clause 3.3(a) above shall be deferred in point of priority to all fixed Security and assignments validly and effectively created by the Chargors under the Finance Documents in favour of the Security Trustee as trustee for the Secured Parties as security for the Secured Obligations.
- (c) Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this clause 3.3 (Floating Charge).

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation: By Notice

The Security Trustee may at any time by notice in writing to one or more of the Chargors convert the floating charge created by clause 3.3 (Floating Charge) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) an Event of Default has occurred and is continuing; or
- (b) the Security Trustee reasonably considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (c) the Security Trustee reasonably considers that it is necessary in order to protect the priority of the Security.

4.2 Crystallisation: Automatic

Notwithstanding clause 4.1 (Crystallisation: By Notice) and without prejudice to any law which may have a similar effect, the floating charge will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if:

- (a) any Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Facility Agreement), over any of the Charged Property;

- (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property;
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of a Chargor or an administrator is appointed to a Chargor; or
- (d) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to a Chargor or files such a notice with the court.

5. PERFECTION OF SECURITY

5.1 Notices of Assignment

Each Chargor shall deliver to the Security Trustee (or procure delivery of) Notices of Assignment duly executed by, or on behalf of, that Chargor:

- (a) in respect of each Specific Contract (other than the Warranties and Warranty Documents in respect of the mounting structures) or Insurance Policy entered into by it on or prior to the date of this Debenture, promptly after the date of this Debenture;
- (b) in respect of any Specific Contract (other than the Warranties and Warranty Documents in respect of the mounting structures) or Insurance Policy entered into by it after the date of this Debenture, within three Business Days of the date of such Specific Contract or Insurance Policy; and
- (c) in respect of any other asset which is the subject of an assignment pursuant to clause 3.2 (Assignments) promptly upon the request of the Security Trustee from time to time,

and in each case shall use all reasonable endeavours to procure that each notice is acknowledged by the obligor or debtor specified by the Security Trustee and shall retain and, if requested to do so, promptly deliver to the Security Trustee written evidence of the delivery of such Notices of Assignment to the relevant counterparties specified in such Notices of Assignment, provided that the obligation under this clause 5.1 shall not apply if such notices and acknowledgements have been incorporated into:

- (i) in the case of a Specific Contract, the relevant Direct Agreement entered into between, amongst others, the Security Trustee and the counterparty to the relevant Specific Contract; or
- (ii) in the case of any Insurance Policy, the endorsements contained in such policy.

5.2 Notices of Charge

- (a) Each Chargor shall if requested by the Security Trustee from time to time promptly deliver to the Security Trustee (or procure delivery of) notices of charge (in form and substance reasonably satisfactory to the Security Trustee) duly executed by, or on behalf of, that Chargor and shall use all reasonable endeavours to procure that each notice is acknowledged by each of the banks or financial institutions with which any of the Accounts (other than the Assigned Accounts and the Proceeds Account) are opened or maintained.
- (b) The execution of this Debenture by a Chargor and the Security Trustee shall constitute notice to the Security Trustee of the charge created over any Account opened or maintained with the Security Trustee.

5.3 **Real Property: Delivery of Documents of Title**

Each Chargor shall:

- (a) immediately upon the execution of this Debenture or any Mortgage (and upon the acquisition by it of any interest in any Real Property at any time) deposit (or procure the deposit) with the Security Trustee all deeds, certificates and other documents constituting or evidencing title to its Real Property (other than the Investments in relation to which clause 8.2 (Investments: Delivery of Documents of Title) shall apply) or shall procure that that Chargor's solicitor delivers appropriate undertakings satisfactory to the Security Trustee to hold the deeds, certificates and other documents of title to the order of the Security Trustee; and
- (b) deposit with the Security Trustee at any time thereafter any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items or shall procure that that Chargor's solicitor delivers appropriate undertakings satisfactory to the Security Trustee to hold the deeds, certificates and other documents of title to the order of the Security Trustee.

5.4 **Registration of Intellectual Property**

Each Chargor shall, if requested by the Security Trustee, execute all such documents and do all acts that the Security Trustee may reasonably require to record the interest of the Security Trustee in any registers relating to any registered Intellectual Property.

6. **FURTHER ASSURANCE**

6.1 **Further Assurance: General**

- (a) The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) act 1994 shall extend to include the obligations set out in clause 6.1(b) below.
- (b) Each Chargor shall promptly at its own cost enter into a Mortgage over any Real Property and do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may specify (and in such form as the Security Trustee may require in favour of the Security Trustee or its nominee(s)):
 - (i) to create, perfect, protect and maintain the Security created or intended to be created in respect of the Charged Property (which may include the execution by the a Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Charged Property) or for the exercise of the Collateral Rights;
 - (ii) to confer on the Security Trustee security over any property, assets or undertaking of that Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be conferred by or pursuant to this Debenture and each Mortgage; and/or
 - (iii) to facilitate the realisation of the Charged Property.

6.2 **Consents**

Each Chargor shall use all reasonable endeavours to obtain (in form and content reasonably satisfactory to the Security Trustee) as soon as possible any consents necessary (including any consent necessary for any Mortgage) to enable the assets of that Chargor to be the subject of an effective fixed charge or assignment pursuant to clause 3 (Fixed Charges, Assignments and Floating Charge) and, immediately upon obtaining any

such consent, the asset concerned shall become subject to such Security and that Chargor shall promptly deliver a copy of each consent to the Security Trustee.

6.3 Implied Covenants for Title

The obligations of each Chargor under this Debenture and any Mortgage shall be in addition to the covenants for title deemed to be included in this Debenture and any Mortgage by virtue of part 1 of the Law of Property (Miscellaneous Provisions) act 1994.

7. NEGATIVE PLEDGE AND DISPOSALS

7.1 Negative Pledge

Each Chargor undertakes that it shall not, at any time during the subsistence of this Debenture or any Mortgage, create or permit to subsist any Security over all or any part of the Charged Property other than Security permitted pursuant to the Facility Agreement.

7.2 No Disposal of Interests

Each Chargor undertakes that it shall not (and shall not agree to) at any time during the subsistence of this Debenture or any Mortgage, except as permitted pursuant to the Facility Agreement or by this clause 7 or, in relation to any Account, clause 9.2 (Accounts: Operation Before Event of Default):

- (a) execute any conveyance, transfer, lease or assignment of, or other right to use or occupy, all or any part of the Charged Property;
- (b) create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property;
- (c) grant or vary, or accept any surrender, or cancellation or disposal of, any lease, tenancy, licence, consent or other right to occupy in relation to any of the Charged Property or allow any person any right to use or occupy or to become entitled to assert any proprietary interest in, or right over, the Charged Property, which may, in each case, adversely affect the value of any of the Charged Property or the ability of the Security Trustee to exercise any of the Collateral Rights; or
- (d) assign or otherwise dispose of any interest in any Account.

8. INVESTMENTS

8.1 Investments: Payment of Calls

Each Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Investments, and in any case of default by a Chargor in such payment, the Security Trustee may, if it thinks fit, make such payment on behalf of that Chargor in which case any sums paid by the Security Trustee shall be reimbursed by that Chargor to the Security Trustee on demand and shall carry interest from the date of payment by the Security Trustee until reimbursed at the rate and in accordance with clause 2.2 (Interest on Demands).

8.2 Investments: Delivery of Documents of Title

After the occurrence of an Event of Default (which is continuing) each Chargor shall promptly on the request of the Security Trustee, deliver (or procure delivery) to the Security Trustee, and the Security Trustee shall be entitled to retain, all of the Investments and any certificates and other documents of title representing the Investments to which that Chargor (or its nominee(s)) is or becomes entitled together with any other document which the Security Trustee may reasonably request (in such

form and executed as the Security Trustee may reasonably require) with a view to perfecting or improving its Security over the Investments or to registering any Investment in its name or the name of any nominee(s).

8.3 Investments: Exercise of Rights

No Chargor shall exercise any of its rights and powers in relation to any of the Investments in any manner which, in the opinion of the Security Trustee (acting reasonably), would prejudice the value of, or the ability of the Security Trustee to realise, the Security created by this Debenture.

9. ACCOUNTS

9.1 Accounts: Notification and Variation

Each Chargor, during the subsistence of this Debenture:

- (a) shall promptly deliver to the Security Trustee on the date of this Debenture (and, if any change occurs thereafter, on the date of such change), details of each Account maintained by it with any bank or financial institution (other than with the Security Trustee or other than those Accounts the details of which are already set out in the Account Bank Agreement); and
- (b) shall not, except with the Security Trustee's prior written consent or as may be required pursuant to the terms of the Facility Agreement, permit or agree to any variation of the rights attaching to any Account or close any Account.

9.2 Accounts: Operation Before Event of Default

Each Chargor shall prior to the occurrence of an Event of Default (which is continuing) be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account subject to the terms of the Facility Agreement.

9.3 Accounts: Operation After Event of Default

After the occurrence of an Event of Default (which is continuing) no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior consent of the Facility Agent or the Security Trustee.

9.4 Accounts: Application of Monies

The Security Trustee shall, upon the occurrence of an Event of Default (which is continuing), be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with clause 18 (Application of Monies).

10. MONETARY CLAIMS

10.1 Dealing with Monetary Claims

No Chargor shall at any time during the subsistence of the Debenture, except as permitted under the Facility Agreement:

- (a) deal with the Monetary Claims except as set out in the Transaction Documents and upon realisation of the same paying the proceeds of those Monetary Claims into the Account specified in the Facility Agreement or, following the occurrence of an Event of Default (which is continuing), as the Security Trustee may require (and such

proceeds shall be held upon trust by that Chargor for the Security Trustee on behalf of the Secured Parties prior to such payment in);

- (b) factor or discount any of the Monetary Claims or enter into any agreement for such factoring or discounting; or
- (c) be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any Account.

10.2 Release of Monetary Claims: Before Event of Default

Prior to the occurrence of an Event of Default (which 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 Debenture or in the Facility Agreement), upon such proceeds being credited to an Account, be applied in accordance with the terms of the Facility Agreement.

10.3 Release of Monetary Claims: After Event of Default

After the occurrence of an Event of Default (which is continuing) no Chargor shall, except with the prior written consent of the Security Trustee, be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any Account.

11. INSURANCES

11.1 Insurance: Undertakings

Each Chargor shall at all times during the subsistence of this Debenture:

- (a) keep the Charged Property insured in accordance with the terms of the Facility Agreement;
- (b) if required by the Security Trustee, cause each insurance policy or policies relating to the Charged Property other than any Insurance Policy which has been the subject of a Notice of Assignment pursuant to clause 5 (Perfection of Security) to contain (in form and substance reasonably satisfactory to the Security Trustee) an endorsement naming the Security Trustee as sole loss payee in respect of all claims until such time as the Security Trustee notifies the insurer(s) to the contrary;
- (c) promptly pay all premiums and other monies payable under all its Insurance Policies and promptly upon reasonable request, produce to the Security Trustee a copy of each policy and evidence (reasonably acceptable to the Security Trustee) of the payment of such sums; and
- (d) if required by the Security Trustee (but subject to the provisions of any lease of the Charged Property), deposit all Insurance Policies relating to the Charged Property with the Security Trustee.

11.2 Insurance: Default

If a Chargor defaults in complying with clause 11.1 (Insurance: Undertakings), the Security Trustee may effect or renew any such insurance on such terms, in such name(s) and in such amount(s) as it reasonably considers appropriate, and all monies expended by the Security Trustee in doing so shall be reimbursed by that Chargor to the Security Trustee on demand and shall carry interest from the date of payment by the Security Trustee until reimbursed at the rate specified in clause 2.2 (Interest on Demands).

11.3 Application of Insurance Proceeds

All monies received under any Insurance Policies relating to the Charged Property shall be applied in accordance with the terms of the Facility Agreement.

12. REAL PROPERTY

12.1 Property: Notification

Each Chargor shall immediately notify the Security Trustee of any contract, conveyance, transfer or other disposition for the acquisition by that Chargor (or its nominee(s)) of any Real Property.

12.2 Lease Covenants

Each Chargor shall, in relation to any lease, agreement for lease or other right to occupy to which all or any part of its Charged Property is at any time subject:

- (a) pay the rents (if the lessee) and observe and perform in all material respects the covenants, conditions and obligations imposed (if the lessor) on the lessor or, (if the lessee) on the lessee; and
- (b) not do any act or thing whereby any lease or other document which gives any right to occupy any part of its Charged Property becomes or may become subject to determination or any right of re-entry or forfeiture prior to the expiration of its term.

12.3 General Property Undertakings

Each Chargor shall:

- (a) repair and keep in good and substantial repair and condition to the reasonable satisfaction of the Security Trustee all the Real Property, plant, machinery, fixtures (including trade fixtures), fittings, vehicles, computers and other equipment at any time forming part of its Charged Property;
- (b) not at any time without the prior written consent of the Security Trustee sever or remove any of the fixtures forming part of its Real Property or any of the plant or machinery (other than stock in trade or work in progress) on or in the Charged Property (except for the purpose of any necessary repairs, general maintenance, renewal, upgrade or replacement of it);
- (c) comply with and observe and perform:
 - (i) all applicable requirements of all planning and environmental legislation, regulations and bye-laws relating to its Real Property;
 - (ii) any conditions attaching to any planning permissions relating to or affecting its Real Property; and
 - (iii) any notices or other orders made by any planning, environmental or other public body in respect of all or any part of its Real Property;
- (d) not grant any lease, tenancy, contractual licence or right to occupy in respect of the whole or any part of its Real Property or otherwise part with possession of the whole or any part of its Real Property except as permitted by the Transaction Documents or with the prior written consent of the Security Trustee;
- (e) permit the Security Trustee and any person nominated by the Security Trustee to enter into and upon any of its Real Property at all reasonable times during business hours and on not less than 24 hours' notice to view the state and condition of its

Real Property and will remedy any material defect or want of repair forthwith after service by the Security Trustee of notice of the defect or want of repair; and

- (f) give immediate notice to the Security Trustee if it receives any notice under Section 146 of the Law of Property Act 1925 or any proceedings are commenced against it for the forfeiture of any lease comprised in any Real Property.

12.4 Entitlement to Remedy

If a Chargor fails to comply with any of the undertakings contained in this clause 12 (Real Property), the Security Trustee shall be entitled (with such agents, contractors and others as it sees fit), to do such things as may in the reasonable opinion of the Security Trustee be required to remedy such failure and all monies spent by the Security Trustee in doing so shall be reimbursed by that Chargor on demand with interest from the date of payment by the Security Trustee until reimbursed in accordance with clause 2.2 (Interest on Demands).

13. GENERAL UNDERTAKINGS

13.1 Intellectual Property

Each Chargor shall during the subsistence of this Debenture in respect of any Intellectual Property which is material to or required in connection with its business:

- (a) take all such steps and do all such acts as may be reasonably necessary to preserve and maintain the subsistence and the validity of any such Intellectual Property; and
- (b) not use or permit any such Intellectual Property to be used in any way which may materially and adversely affect its value.

13.2 Information and Access

Each Chargor shall from time to time on request of the Security Trustee, furnish the Security Trustee with such information as the Security Trustee may reasonably require about that Chargor's business and affairs, its Charged Property and its compliance with the terms of this Debenture and Mortgage and that Chargor shall permit the Security Trustee, its representatives, professional advisers and contractors, free access at all reasonable times and on reasonable notice to (a) inspect and take copies and extracts from the books, accounts and records of that Chargor and (b) to view that Chargor's Charged Property (without becoming liable as mortgagee in possession).

13.3 Amendments

Each Chargor undertakes that it shall not, at any time during the subsistence of this Debenture, agree to or acquiesce in any material variation, amendment or waiver of any provision of, or grant any material consent under, any of the Specific Contracts to which it is a party save as permitted under the Facility Agreement.

14. ENFORCEMENT OF SECURITY

14.1 Enforcement

At any time after the occurrence of an Event of Default (which is continuing) or if a Chargor requests the Security Trustee to exercise any of its powers under this Debenture or any Mortgage or if a petition or application is presented for the making of an administration order in relation to a Chargor or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of a Chargor or files such a notice with the court, the Security created by or pursuant to this Debenture and each

Mortgage is immediately enforceable and the Security Trustee may, without notice to the Chargors or prior authorisation from any court, in its absolute discretion:

- (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, sell or otherwise dispose of all or any part of the Charged Property (at the time, in the manner and on the terms it thinks fit);
- (b) deliver Notices of Assignment duly executed on behalf of, one or more of the Chargors (and the Chargors irrevocably authorise the Security Trustee to sign such Notices of Assignment on their behalf pursuant to the power of attorney granted under clause 20 (Power of Attorney) below); and
- (c) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Law of Property act 1925 (as varied or extended by this Debenture and each Mortgage) on mortgagees and by this Debenture and each Mortgage on any Receiver or otherwise conferred by law on mortgagees or Receivers.

14.2 No Liability as Mortgagee in Possession

Neither the Security Trustee nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission of any nature whatsoever in connection with the Charged Property to which a mortgagee or mortgagee in possession might otherwise be liable.

14.3 Right of Appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Debenture and the obligations of the Chargors hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226), as amended, (the "**Regulations**")) the Security Trustee shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the relevant Chargors or the Obligors' Agent. For this purpose, the Parties agree that the value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (b) in the case of Investments, the market price of such Investments determined by the Security Trustee by reference to a public index or by such other process as the Security Trustee may select, including independent valuation. In each case, the Parties agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

14.4 Effect of Moratorium

The Security Trustee shall not be entitled to exercise its rights under clause 14.1 (Enforcement) or clause 4.2 (Crystallisation: Automatic) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to schedule A1 of the Insolvency act 1986.

15. EXTENSION AND VARIATION OF THE LAW OF PROPERTY ACT 1925

15.1 Extension of Powers

The power of sale or other disposal conferred on the Security Trustee and on any Receiver by this Debenture and each Mortgage shall operate as a variation and extension of the

statutory power of sale under section 101 of the Law of Property act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Debenture and each Mortgage.

15.2 Restrictions

The restrictions contained in sections 93 and 103 of the Law of Property act 1925 shall not apply to this Debenture and each Mortgage or to the exercise by the Security Trustee of its right to consolidate all or any of the Security created by or pursuant to this Debenture and each Mortgage with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Trustee without notice to any Chargor on or at any time after the occurrence of an Event of Default (which is continuing).

15.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Trustee at any time on or after this Debenture or any Mortgage has become enforceable in accordance with clause 14 (Enforcement of Security) and the Security Trustee and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with Sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under a Chargor and neither section (18) of section 99 nor section (12) of section 100 of the Law of Property Act 1925 will apply.
- (c) No Chargor shall have, at any time prior to the Final Discharge Date, the power pursuant to section 99 of the Law of Property act 1925, to make any Lease in respect of any Real Property without the prior written consent of the Security Trustee or as permitted pursuant to the terms of the Facility Agreement.

16. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

16.1 Appointment and Removal

After the occurrence of an Event of Default (which is continuing) or if a petition or application is presented for the making of an administration order in relation to a Chargor or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of a Chargor or files such a notice with the court or if requested to do so by a Chargor, the Security Trustee may by deed or otherwise (acting through an authorised officer of the Security Trustee), without prior notice to any Chargor:

- (a) appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;
- (b) appoint two or more Receivers of separate parts of the Charged Property;
- (c) remove (so far as it is lawfully able) any Receiver so appointed;
- (d) appoint another person(s) as an additional or replacement Receiver(s); or
- (e) appoint one or more persons to be an administrator of that Chargor,

and, except as provided hereunder, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Law of Property act 1925) does not apply to this Debenture.

16.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to clause 16.1 (Appointment and Removal) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes deemed to be the agent of the relevant Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Trustee; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the Law of Property act 1925).

16.3 Statutory Powers of Appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the Law of Property act 1925 and the Insolvency Act 1986 (as extended by this Debenture and each Mortgage) or otherwise and such powers shall remain exercisable from time to time by the Security Trustee in respect of any part of the Charged Property.

17. POWERS OF RECEIVER

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of a Chargor) have and be entitled to exercise, in relation to all or any part of the Charged Property (and any assets of a Chargor which, when got in, would be Charged Property) in respect of which he was appointed, and as varied and extended by the provisions of this Debenture and each Mortgage (in the name of or on behalf of the relevant Chargor or in his own name and, in each case, at the cost of the relevant Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in schedule 1 to the Insolvency Act 1986 (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 a 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 relevant 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 Collateral Rights (including realisation of all or any part of the Charged Property); or
 - (iii) bringing to his hands any assets of the relevant Chargor forming part of, or which when got in would be, Charged Property.

18. APPLICATION OF MONIES

18.1 Order of Application

All monies received or recovered by the Security Trustee or any Receiver pursuant to this Debenture and each Mortgage or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Trustee (notwithstanding any purported appropriation by any Chargor) in accordance with clauses 28.25 (Post-enforcement Payment Priorities) and 28.26 (Insufficient Amounts) of the Facility Agreement.

18.2 Section 109 Law of Property Act 1925

Section 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this deed.

19. PROTECTION OF PURCHASERS

19.1 Consideration

The receipt of the Security Trustee or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, the Security Trustee or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

19.2 Protection of Purchasers

No purchaser or other person dealing with the Security Trustee or any Receiver shall be bound to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee or such Receiver in such dealings.

20. POWER OF ATTORNEY

20.1 Appointment and Powers

Each Chargor by way of security irrevocably appoints the Security Trustee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (a) carrying out any obligation imposed on that Chargor by this Debenture or any other agreement binding on that Chargor to which the Security Trustee is party (including the execution and delivery of any Mortgages, deeds, charges, assignments or other Security and any transfers of the Charged Property); and
- (b) enabling the Security Trustee and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Debenture or any Mortgage or by law (including, after the occurrence of an Event of Default (which is continuing), the exercise of any right of a legal or beneficial owner of the Charged Property).

20.2 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

21. EFFECTIVENESS OF SECURITY

21.1 Continuing Security

- (a) The Security created by or pursuant to this Debenture and any Mortgage shall remain in full force and effect as a continuing Security for the Secured Obligations unless and until discharged by the Security Trustee.
- (b) No part of the Security from time to time intended to be constituted by this Debenture or any Mortgage will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

21.2 Tacking

Subject to the terms of the Facility Agreement, each Secured Party is under an obligation to make further advances to the Borrower and that obligation is a Secured Obligation under this Deed.

21.3 Cumulative Rights

The Security created by or pursuant to this Debenture and any Mortgage and the Collateral Rights shall be cumulative, in addition to and independent of every other Security which the Security Trustee or any other Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior Security held by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall merge into the Security constituted by this Debenture and any Mortgage.

21.4 No Prejudice

The Security created by or pursuant to this Debenture and any Mortgage and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to a Chargor or any other person, or the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Trustee holds the Security or by any other thing which might otherwise prejudice that Security or any Collateral Right.

21.5 Remedies and Waivers

No failure on the part of the Security Trustee to exercise, nor any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right or constitute an election to affirm this Debenture or any Mortgage. No single or partial exercise of any Collateral Right shall preclude any further or other exercise of that or any other Collateral Right.

21.6 No Liability

None of the Security Trustee, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Debenture or any Mortgage or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all

or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part.

21.7 Partial Invalidity

If, at any time, any provision of this Debenture or any Mortgage 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 Debenture or any Mortgage 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 Debenture or any Mortgage is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security.

21.8 Waiver of defences

The obligations of each Chargor under this Debenture and each Mortgage, the Security created pursuant to this Debenture and each Mortgage and the Collateral Rights will not be affected by an act, omission, matter or thing which, but for this clause 21.8 (Waiver of defences), would reduce, release or prejudice any of its obligations under this Debenture and each Mortgage (whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor, the Parent or other person;
- (b) the release of any Obligor, the Parent or any other person under the terms of any composition or arrangement with any creditor of any Obligor or the Parent;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor, the Parent or other person or any non-presentment 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 any Obligor, the Parent or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or Security or of the Secured Obligations (including any change in the purpose of, any extension of, or any variation or increase in any facility or the addition of any new facility under any Finance Document or other document);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations; or
- (g) any insolvency or similar proceedings.

21.9 Immediate recourse

Each Chargor waives any right it may have of first requiring the Security Trustee or a Secured Party to proceed against or enforce any other rights or Security or claim payment from any person before claiming from that Chargor under this Debenture or any Mortgage. This waiver applies irrespective of any provision of this Debenture or any Mortgage to the contrary.

21.10 Deferral of Rights

Until such time as the Secured Obligations have been discharged in full, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Debenture or any Mortgage:

- (a) to be indemnified by any Obligor;
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Debenture, any Mortgage or any other Finance Document;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee under this Debenture or any Mortgage or the Security Trustee or any other Secured Party under any other guarantee or other Finance Document or Security taken pursuant to, or in connection with, this Debenture, any Mortgage or any other Finance Document by the Security Trustee or any Secured Party;
- (d) bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which that Chargor has given an undertaking under clause 2.1 (Covenant to pay);
- (e) exercise any right of set-off against any Obligor; or
- (f) claim, rank, prove or vote as a creditor of any Obligor in competition with any Secured Party.

21.11 Turnover Trust

- (a) No Chargor shall accept or permit to subsist any collateral from any Obligor or any other person in respect of any rights that Chargor may have arising out of this Debenture or any Mortgage: if, despite this provision, any such collateral shall be accepted or subsisting the relevant Chargor(s) acknowledges that its rights under such collateral shall be held on trust for the Security Trustee and the Secured Parties, to the extent necessary to enable all amounts which may be or become payable to the Security Trustee and the Secured Parties by the Obligors under or in connection with the Finance Documents to be repaid in full, and that Chargor shall if requested promptly transfer the same to the Security Trustee or as it may direct for application in accordance with clauses 28.25 (Post-enforcement Payment Priorities) and 28.26 (Insufficient Amounts) of the Facility Agreement.
- (b) If a Chargor receives any benefit, payment or distribution relating to the rights mentioned in clause 21.10 (Deferral of Rights) above, it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Security Trustee and the Secured Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Security Trustee and the Secured Parties and shall promptly pay or transfer the same to the Security Trustee or as it may direct for application in accordance with clauses 28.25 (Post-enforcement Payment Priorities) and 28.26 (Insufficient Amounts) of the Facility Agreement.

22. RELEASE OF SECURITY

22.1 Redemption of Security

Upon the Secured Obligations being discharged in full and none of the Secured Parties being under any further actual or contingent obligation to make advances or provide other financial accommodation to the Borrower or any other person under any of the Finance Documents, the Security Trustee shall, at the request and cost of the Obligors' Agent, release and cancel the Security constituted by this Debenture and each Mortgage and procure the reassignment to each Chargor of the property and assets assigned by it to the

Security Trustee pursuant to this Debenture, in each case subject to clause 22.2 (Avoidance of Payments) and without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees.

22.2 Avoidance of Payments

If the Security Trustee (acting reasonably) considers that any amount paid or credited to it or any other Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Chargor under this Debenture and each Mortgage and the Security constituted by those documents shall continue and such amount shall not be considered to have been irrevocably paid.

23. RETENTION OF DEBENTURE

The Security Trustee may retain this Debenture, each Mortgage, the Security constituted by or pursuant to this Debenture and each Mortgage and all documents relating to or evidencing ownership of all or any part of the Charged Property for a period of seven months after any discharge in full of the Secured Obligations provided that if at any time during that seven month period a petition or application is presented for an order for the winding-up of, or the making of an administration order in respect of, any Chargor or any person who is entitled to do so gives written notice of its intention to appoint an administrator of any Chargor or files such a notice with the court or any Chargor commences to be wound-up voluntarily or any analogous proceedings are commenced in respect of a Chargor, the Security Trustee may continue to retain such Security and such documents for such further period as the Security Trustee may determine and the Security and such documents shall be deemed to have continued to be held as Security for the Secured Obligations.

24. SET-OFF

Each Chargor authorises the Security Trustee (but the Security Trustee shall not be obliged to exercise such right), after the occurrence of an Event of Default (which is continuing), to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Trustee to that Chargor and apply any credit balance to which that Chargor is entitled on any account with the Security Trustee in accordance with clause 18 (Application of Monies) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

25. SUBSEQUENT SECURITY INTERESTS

If the Security Trustee (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Debenture, any Mortgage or the Facility Agreement, all payments thereafter by or on behalf of any Chargor to the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations as at the time when the Security Trustee received such notice.

26. SUSPENSE ACCOUNTS AND CURRENCY CONVERSION

26.1 Suspense Accounts

All monies received, recovered or realised by the Security Trustee under this Debenture or any Mortgage (including the proceeds of any conversion of currency) may in the discretion of the Security Trustee be credited to any interest bearing suspense or impersonal account maintained with the Security Trustee or any bank, building society or financial institution as it considers appropriate and may be held in such account for so long as the

Security Trustee may think fit pending their application from time to time (as the Security Trustee is entitled to do in its discretion) in or towards the discharge of any of the Secured Obligations and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

26.2 Currency Conversion

For the purpose of or pending the discharge of any of the Secured Obligations the Security Trustee may convert any money received, recovered or realised or subject to application by it under this Debenture or any Mortgage from one currency to another, as the Security Trustee thinks fit and any such conversion shall be effected at the Security Trustee's spot rate of exchange for the time being for obtaining such other currency with the first currency.

27. ASSIGNMENT

- (a) No Chargor may assign or transfer all or part of its rights or obligations under this Debenture or any Mortgage without the prior written consent of the Facilities Agent and the Security Trustee.
- (b) The Security Trustee may assign and transfer all or any of its rights and obligations under this Debenture or any Mortgage to any person to whom it transfers its rights and/or obligations under the Facility Agreement.
- (c) Subject to clause 50 (Confidentiality) of the Facility Agreement, the Security Trustee shall be entitled to disclose such information concerning any Chargor (or any other person) and this Debenture or any Mortgage as the Security Trustee considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

28. NOTICES

Each communication to be made under or in connection with this Debenture or any Mortgage shall be made in writing and in accordance with clause 45 (Notices) of the Facility Agreement.

29. COSTS, EXPENSES, STAMP TAXES AND INDEMNITY

29.1 Costs and Expenses

Without double-counting, clauses 18.1 (Transaction expenses) to 18.4 (Enforcement and preservation costs) of the Facility Agreement shall apply to this Debenture and each Mortgage, mutatis mutandis, as if set out in full herein and therein.

29.2 Stamp Taxes

Each Chargor shall pay all stamp, registration and other taxes to which this Debenture, the Security contemplated in this Debenture and any Mortgage or any judgment given in connection with it is or at any time may be subject and shall, from time to time, indemnify the Security Trustee on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any such tax.

29.3 Indemnity

Each Chargor shall, notwithstanding any release or discharge of all or any part of the Security, indemnify the Security Trustee, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a

consequence of any breach by any Chargor of the provisions of this Debenture or any Mortgage, the exercise or purported exercise of any of the rights and powers conferred on them by this Debenture or any Mortgage or otherwise relating to the Charged Property.

30. DISCRETION AND DELEGATION

30.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Debenture or under any Mortgage by the Security Trustee or any Receiver may, subject to the terms and conditions of the Facility Agreement or except as otherwise provided under this Debenture, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

30.2 Delegation

Each of the Security Trustee and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Debenture (including the power of attorney) or any Mortgage on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Trustee or the Receiver itself.

31. WAIVERS AND COUNTERPARTS

31.1 Waivers

No waiver by the Security Trustee of any of its rights under this Debenture or any Mortgage shall be effective unless given in writing.

31.2 Counterparts

This Debenture 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 Debenture.

32. GOVERNING LAW

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

33. JURISDICTION AND ENFORCEMENT

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture or any Mortgage (including a dispute relating to the existence, validity or termination of this Debenture or any Mortgage, the consequences of their nullity or any non-contractual obligations arising out of or in connection with this Debenture or any Mortgage) (a "Dispute").
- (b) The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 33 (Jurisdiction and Enforcement) is for the benefit of the Security Trustee only. As a result, and notwithstanding clause 33(a), it does not prevent the Security Trustee from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

THIS DEBENTURE has been signed on behalf of the Security Trustee and executed as a deed by each Chargor and is delivered by it on the date specified above.

SCHEDULE 1

The Chargors

	Company Name	Registered Number	Site Name
1.	MTS Hatchlands Solar Limited	(08122931)	Hatchlands
2.	Lovedean Limited (Formerly Lightsource SPV 64 Limited)	(07984502)	Lovedean
3.	MSP Tregassow Limited	(08044706)	Tregassow
4.	Chittering Solar Two Limited	(08286179)	Chittering 2

SCHEDULE 2

Forms of Notice of Assignment

Part 1

Form of Notice of Assignment of Insurance

To: **[Insurer]**

Date: **[●]**

Dear Sirs,

We hereby give you notice that we have assigned to The Royal Bank of Scotland plc (the "**Security Trustee**") pursuant to a debenture entered into by us in favour of the Security Trustee dated **[●]** all our right, title and interest in and to the proceeds of [insert details of relevant insurance policy] (the "**Policy of Insurance**").

With effect from your receipt of this notice we instruct you to:

1. make all payments and claims under or arising from the Policy of Insurance to the Security Trustee **[insert an account number if required]** (relevant ProjectCo's Proceeds Account) or to its order as it may specify in writing from time to time;
2. note the interest of the Security Trustee on the Policy of Insurance; and
3. disclose to the Security Trustee, without further approval from us, such information regarding the Policy of Insurance as the Security Trustee may from time to time request and to send it copies of all notices issued by you under the Policy of Insurance.

With effect from your receipt of this notice all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Policy of Insurance (including all rights to compel performance) belong to and are exercisable by the Security Trustee.

We shall continue to be solely responsible for the performance of our obligations under or in connection with the Policy of Insurance.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee at 9th Floor, 280 Bishopsgate, London EC2M 4RB marked for the attention of Luigi Sasso.

Yours faithfully,

for and on behalf of

[●]

On copy only: **[●]**

To: The Royal Bank of Scotland plc (the **Security Trustee**)

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, title and

interests and benefits referred to in such notice and that we will comply with the terms of that notice.

We confirm that (i) the Policy of Insurance is in full force and effect; (ii) we are not aware of any breach of the Policy of Insurance by the Chargor or any other insured party; (iii) we will make any payments due under the Policy of Insurance as provided in the Policy of Insurance; and (iv) no amendment, waiver or release of any rights, interests and benefits in the Policy of Insurance shall be effective without your prior written consent.

For and on behalf of [Insurer]

By:

Dated:

Part 2

Form of Notice of Assignment of Account

To: National Westminster Bank plc (as Account Bank)

Date: [●]

Dear Sirs,

We hereby give you notice that we have assigned and charged to The Royal Bank of Scotland plc (the "**Security Trustee**") all of our right, title and interest in and to the following accounts:

[specify accounts]

(including any renewal or redesignation of such account) and all monies standing to the credit of that account from time to time (the "**Accounts**").

With effect from the date of your receipt of a notice from the Security Trustee:

- (a) any existing payment instructions affecting the Accounts are to be terminated and all payments and communications in respect of the Accounts should be made to the Security Trustee or to its order (with a copy to **[RELEVANT CHARGOR]**); and
- (b) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Account belong to the Security Trustee.

Please accept this notice by signing the enclosed acknowledgement and returning it to the Security Trustee at 9th Floor, 280 Bishopsgate, London, EC2M 4RB marked for the attention of Luigi Sasso.

Yours faithfully

for and on behalf of

[●]

On copy only: [●]

To: The Royal Bank of Scotland plc (the **Security Trustee**)

Date: [●]

At the request of the Security Trustee and [●] we acknowledge receipt of the notice of assignment and charge, on the terms attached, in respect of the Accounts (as described in those terms). We confirm that:

- (a) there are no restrictions on (a) the payment of the credit balance on the Accounts or (b) the assignment of the Accounts to the Security Trustee or any third party;
- (b) we have not received notice of any previous assignments of, charges over or trusts in respect of, the Accounts and we will not, without the Security Trustee's consent (a) exercise any right of combination, consolidation or set off which we may have in respect of the Accounts or (b) amend or vary any rights attaching to the Accounts;

- (c) we shall send all statements and other notices given by us relating to the Accounts to the Security Trustee; and
- (d) following receipt of a notice from the Security Trustee we will act only in accordance with the instructions given by persons authorised by the Security Trustee.

For and on behalf of [●]

By:

Part 3

Form of Notice of Assignment of Specific Contract

To: [●]

Date: [●] 2015

Dear Sirs,

We hereby give you notice that we have assigned to The Royal Bank of Scotland plc (the "**Security Trustee**") pursuant to a debenture (the "**Debenture**") entered into by us in favour of the Security Trustee dated [●] 2015 all our right, title and interest in and to [**details of Specific Contract**] (the "**Contract**") including all monies which may be payable in respect of the Contract.

With effect from your receipt of this notice:

- (a) all remedies provided for in the Contract (including in respect of relevant warranties and indemnities) or available at law or in equity are exercisable by the Security Trustee although we may continue to exercise all rights and remedies granted to us under the Contract, subject to a further notice from the Security Trustee indicating otherwise;
- (b) we shall remain entitled to exercise all rights, powers and discretions under the Contract and you should give notices under the Contract to us, in each case, unless and until you receive a further notice from the Security Trustee indicating otherwise following which all rights to compel performance of the Contract (including in respect of relevant warranties and indemnities) are exercisable by the Security Trustee, although we shall continue to remain liable to perform all the obligations assumed by us under the Contract;
- (c) until such time as the Security Trustee reassigns all rights, title and interest in and to the Contract in accordance with the terms of the Debenture, all of our rights, title and interest from time to time in and to the Contract, all proceeds paid or payable under the Contract and all related rights shall be assigned to the Security Trustee and no changes may be made to the terms of the Contract nor may the Contract be terminated without the Security Trustee's consent (save to the extent required in order to ensure compliance with applicable law);
- (d) all payments by you to us under or arising from the Contract should be made to our Proceeds Account, and following notice from the Security Trustee, to the Security Trustee or to its order as it may specify in writing from time to time; and
- (e) you are authorised and instructed, without requiring further approval from us, to provide the Security Trustee with such information relating to the Contract as it may from time to time request and to send it copies of all notices issued by you under the Contract to the Security Trustee as well as to us.

These instructions may not be revoked, nor may the terms of the Contract be amended, varied or waived without the prior written consent of the Security Trustee.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Trustee at 9th Floor, 280 Bishopsgate, London, EC2M 4RB marked for the attention of Luigi Sasso.

Yours faithfully,

for and on behalf of

[●]

On copy only: [●]

To: The Royal Bank of Scotland plc (the **Security Trustee**)

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the Contract and that we will comply with the terms of that notice.

We confirm that no amendment, waiver or release of any of such rights, interests and benefits shall be effective without the prior written consent of the Security Trustee.

For and on behalf of [relevant contract counterparty]

By:

Dated:

SCHEDULE 3

Form of Legal Mortgage

ashurst

Mortgage

[•]

as Chargor

and

The Royal Bank Of Scotland Plc
as Security Trustee

2015

THIS DEED is made on

2015

BETWEEN:

- (3) **[RELEVANT PROJECT COMPANY]**, registered in England and Wales (No. [●] and registered address [●] (the "**Chargor**"); and
- (4) **THE ROYAL BANK OF SCOTLAND PLC** as trustee for the Secured Parties (the "**Security Trustee**" which expression shall include any person for the time being appointed as trustee or as an additional trustee for the purpose of, and in accordance with, the Facility Agreement).

BACKGROUND:

It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Deed:

"Mortgaged Property" means:

- (a) the leasehold property specified in schedule 1 (Details of Mortgaged Property); and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property,

and includes all Related Rights;

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

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

2. LEGAL CHARGE

The Chargor charges with full title guarantee in favour of the Security Trustee (as Security Trustee for the Secured Parties) with the payment and discharge of the Secured Obligations, by way of first legal mortgage the Mortgaged Property.

3. IMPLIED COVENANTS FOR TITLE

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to clause 2 (Legal Charge).
- (b) It shall be implied in respect of clause 2 (Legal Charge) that the Chargor is disposing of the Mortgaged Property free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

4. **APPLICATION TO THE LAND REGISTRY**

The Chargor consents to an application being made to the Land Registry to enter the following restriction in the Proprietorship register of any registered land forming part of the Mortgaged Property:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of [security trustee] referred to in the charges register."

5. **THIRD PARTY RIGHTS**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

6. **GOVERNING LAW**

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

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1

Details of Mortgaged Property

Description of Property

Title Number

[●]

[●]

EXECUTION PAGES (LEGAL MORTGAGE)

THE CHARGOR

Executed as a deed)
by [●])
in the presence of:)

Signature

Signature of witness

Name of witness

Address of witness

.....

.....

Occupation of witness

THE SECURITY TRUSTEE

Executed as a deed)
by)
for and on behalf of **THE ROYAL BANK**)
OF SCOTLAND PLC:)

EXECUTION PAGES (DEBENTURE)

THE CHARGORS

Executed as a deed)
by **MTS HATCHLANDS SOLAR LIMITED**)
in the presence of:)

Signature

Signature of witness

Name of witness

Address of witness

.....
Anita Oluyede
Dentons UKMEA LLP
One Fleet Place
London EC4M 7WS
.....
.....

Occupation of witness

Executed as a deed)
by **LOVEDEAN LIMITED**)
in the presence of:)

Signature

Signature of witness

Name of witness

Address of witness

.....
Anita Oluyede
Dentons UKMEA LLP
One Fleet Place
London EC4M 7WS
.....
.....

Occupation of witness

Executed as a deed)
By **MSP TREGASSOW LIMITED**)
in the presence of:)

Signature

Signature of witness

Name of witness

Address of witness

.....
Anita Oluyede
Dentons UKMEA LLP
One Fleet Place
London EC4M 7WS
.....
.....

Occupation of witness

Executed as a deed)
by **CHITTERING SOLAR TWO LIMITED**)
in the presence of:)

Signature

Signature of witness

Name of witness

Address of witness

.....
Anita Oluyede
Dentons UKMEA LLP
One Fleet Place
London EC4M 7WS
.....
.....

Occupation of witness

THE SECURITY TRUSTEE

Executed as a deed)
by)
for and on behalf of **THE ROYAL BANK**)
OF SCOTLAND PLC:)