



Registration of a Charge

Company name: **INEOS UK E&P Holdings Limited**

Company number: **SC200459**

Received for Electronic Filing: **12/09/2016**



Details of Charge

Date of creation: **05/09/2016**

Charge code: **SC20 0459 0005**

Persons entitled: **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**

Brief description:

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:

CLIFFORD CHANCE LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 200459

Charge code: SC20 0459 0005

The Registrar of Companies for Scotland hereby certifies that a charge dated 5th September 2016 and created by INEOS UK E&P Holdings Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th September 2016 .

Given at Companies House, Edinburgh on 13th September 2016

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**

EXECUTION VERSION

Dated 5 SEPTEMBER 2016

INEOS UK E&P HOLDINGS LIMITED

- and -

HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED

as Security Agent

DEED OF CHARGE

Slaughter and May
One Bunhill Row
London EC1Y 8YY
(SRG/JVZS/TGXN)

539078527

CONTENTS

Clause	Page
1. Interpretation	1
2. Evidence of Indebtedness	6
3. Security	6
4. Dealing with Secured Assets	11
5. Perfection of Security	13
6. Nature and Protection of Security	17
7. Insurances	20
8. Covenants Relating to Shares and any Authorised Investments	20
9. Covenants Relating to Intellectual Property Rights	22
10. Release of Security	23
11. Enforcement	24
12. Enforcement Powers	24
13. Extension and Variation of Powers Conferred by Law	28
14. Appointment of Receivers	29
15. Delegation	31
16. Application of Enforcement Proceeds	32
17. Protection of Third Parties	32
18. Liability of Security Agent, Receivers and Delegates	33
19. Costs and Expenses	34
20. Stamp Taxes	34
21. Power of Attorney	35
22. Assignment	35
23. Amendments and Waivers	36

24.	Exercise of Rights and Remedies	37
25.	Invalidity and Severability	37
26.	Notices	37
27.	Counterparts	39
28.	Execution as a Deed	39
29.	Perpetuity Period	39
30.	Governing Law	40
31.	Jurisdiction	40
	Schedule 1 Notice of Assignment of Insurance Documents	41
	Schedule 2 Notice of Assignment of Assigned Documents	45
	Schedule 3 Letter of Undertaking to Register Share Transfer	49
	Schedule 4 Details of Accounts	50
	Schedule 5 Licences	51
	Schedule 6 Joint Operating Agreements	52
	Schedule 7 Project Documents	53
	Schedule 8 Shares	54

ENGLISH LAW SECURITY ASSIGNMENT AND DEBENTURE

THIS DEED is dated 5 SEPTEMBER 2016

AND MADE BY:

- (1) **INEOS UK E&P HOLDINGS LIMITED** a company incorporated under the laws of Scotland with registered number SC200459 and having its registered office at Brodies House, 31-33 Union Grove, Aberdeen, Scotland AB10 6SD (the "**Chargor**"); and
- (2) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED** (the "**Security Agent**", as agent and trustee for and on behalf of the Secured Parties).

WHEREAS:

- (A) The Chargor is the Original Borrower under the Facility Agreement.
- (B) The Chargor has agreed to create the Security Interests set out in this Deed and the other Security Documents to which it is a party in favour of the Security Agent to secure its obligations under the Finance Documents.

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

Terms defined in Clause 1.1 (Definitions) of the Facility Agreement dated on or about the date of this Deed and made by, *inter alios*, the Chargor and the Security Agent (the "**Facility Agreement**") shall, unless otherwise defined herein, have the same meaning when used in this Deed (including the recitals).

1.2 Additional definitions

In this Deed (including the recitals):

"**Accounts**" means the bank accounts opened in the Chargor's name referred to in Schedule 4 (Details of Accounts) and any other bank account opened or maintained in the Chargor's name from time to time other than the Distributions Reserve Account.

"**Assets**" means any business, covenant, property, assets, revenues, rights, present and future, and any interest therein.

"**Assigned Assets**" means all of the Chargor's rights, title, benefit, interests and claims, whether existing now or in the future and whether actual or contingent, under and in respect of:

- (a) each of the Assigned Documents (whether entered into before, on or after the date of this Deed) including, without limitation, in each case:

- (i) any form of security, bond, guarantee, indemnity or other support of any kind issued to, or expressed to be for the benefit of, the Chargor under or in respect of any such Assigned Document;
- (ii) any and all rights to make claims or otherwise require payment of any amount under, or performance of, any provision of any Assigned Document;
- (iii) the benefit of the right to sue on all representations, warranties, undertakings or other assurances given to the Chargor under and in respect of any such Assigned Document; and
- (iv) all causes and rights of action arising under or in respect of that Assigned Document against any counterparty to an Assigned Document,

but subject, in the case of any Hedging Document, to any Payment Netting or Close-out Netting under that Hedging Document;

- (b) each of the Assigned Insurances;
- (c) each of the Accounts including (in each case) all moneys from time to time standing to the credit of, and all debts from time to time represented by, each of the Accounts; and
- (d) all Authorised Investments from time to time,

and including, in each case, all other rights from time to time accruing or arising in connection with any of the above and all proceeds (of whatever kind and however arising) of any of the above and all cash and other property or rights at any time and from time to time receivable or distributable in respect of or in exchange for any of the above except, in each case, to the extent that any such assignment:

- (A) is unlawful or impossible as a matter of law;
- (B) would result in any breach of any applicable regulation of any regulatory authority to which the Chargor or the relevant insurer or reinsurer is subject; or
- (C) would render any insurance contract void or voidable or unenforceable by the Chargor or any other insured party or result in this Deed being ineffective,

and references to the "**Assigned Assets**" include references to any part of them.

"**Assigned Documents**" means:

- (a) any Hedging Document to which the Chargor is a party;
- (b) any Intercompany Loan Agreement to which the Chargor is a party;
- (c) any Joint Operating Agreements; and

- (d) the Project Documents.

"Assigned Insurances" means all of the Chargor's rights, whether existing now or in the future:

- (a) to make claims; and
- (b) in respect of all cash and other proceeds or property receivable or distributable pursuant to any claim or otherwise,

(in each case) under or in connection with any Insurance Documents which may be entered into by the Chargor before, on or after the date of this Deed and references to **"Assigned Insurances"** include reference to any of them.

"Company" means each of:

- (a) INEOS UK SNS Limited, a company incorporated under the laws of England and Wales with registered number 01021338 and having its registered office at 4th Floor, 90 High Holborn, London, WC1V 6LJ;
- (b) INEOS Clipper South B Limited, a company incorporated under the laws of England and Wales with registered number 04649606 and having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, England SO43 7FG; and
- (c) INEOS Clipper South B Limited, a company incorporated under the laws of England and Wales with registered number 04967270 and having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, England SO43 7FG.

"Charged Property" means the assets and undertakings of the Chargor expressed to be charged in favour of the Security Agent by or pursuant to this Deed.

"Delegate" means a delegate or sub-delegate appointed pursuant to Clause 15 (Delegation).

"Derived Assets" means all shares, rights or other property which accrue or are offered, issued, paid or distributed at any time (by way of bonus, rights issue, redemption, conversion, exchange, substitution, consolidation, reclassification, subdivision, preference, warrant, option, purchase, stock split or otherwise) in respect of:

- (a) the Original Shares; or
- (b) the Further Shares; or
- (c) any Authorised Investments; or
- (d) any shares, rights or other property previously accruing, offered, issued or paid as described in this definition.

"Dividends" means all payments (annual or otherwise) to shareholders in respect of distributable profits of the payer.

"Dispute" has the meaning specified by Clause 31(a) (*Jurisdiction*).

"full title guarantee" has the meaning given to that expression by the LP(MP)A.

"Further Shares" means all shares in the capital of each Company (other than the Original Shares and any shares comprised in any Derived Assets) which the Chargor may from time to time hold.

"Insolvency Act" means the Insolvency Act 1986 as it may have been, or may from time to time be, amended, modified or re-enacted.

"Insurance Documents" means each document effecting, evidencing or relating to any of the Agreed Insurances entered into by the Chargor.

"Intellectual Property Rights" means patents, trade marks, signs and service marks, rights in designs, trade or business names or signs, copyrights (including rights in computer software), database rights, topography rights and rights in know how (whether or not any of these are registered and including applications for registration of any such thing) of the Chargor and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world.

"Joint Operating Agreement" means each joint operating agreement listed in Schedule 6 (*Joint Operating Agreements*) and any other joint operating agreement entered into by the Chargor and designated as a Project Agreement pursuant to the Facility Agreement from time to time.

"Licences" means each licence listed in Schedule 5 (*Licences*) and any other licence that the Chargor may have an interest in and designated as a Project Agreement pursuant to the Facility Agreement from time to time.

"LPA 1925" means the Law of Property Act 1925.

"LP(MP)A" means the Law of Property (Miscellaneous Provisions) Act 1994.

"OGA Notice" means the notice of charge relating to the Licences addressed to the Oil and Gas Authority in Agreed Form.

"Original Shares" means all of the shares in the capital of each Company as listed in Schedule 8 (*Shares*).

"Project Document" means each document listed in Schedule 7 (*Project Documents*) and any other project document entered into by the Chargor and designated as a Project Agreement pursuant to the Facility Agreement from time to time other than the Joint Operating Agreements and Licences.

"Real Property" means:

- (a) any freehold, leasehold or other interest in immovable property; and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of the foregoing,

and includes all Related Rights.

"Receivables" means all book and other debts of any nature whatsoever and all other moneys due or owing at any time to the Chargor and all proceeds, rights, securities and guarantees of any nature enjoyed or held by the Chargor in relation to any of the foregoing.

"Receiver" has the meaning specified by Clause 14.1 (*Appointment*).

"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 other assets and rights at any time receivable or distributable in respect of, or in exchange for, that asset;
- (d) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (e) any monies and proceeds paid or payable in respect of that asset,

and (to the extent not included in paragraphs (a) to (e) above) includes all Derived Assets and Dividends paid or payable in respect of the Shares and the Authorised Investments.

"Shares" means the Original Shares and any Further Shares, together with any Related Rights.

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

1.3 Interpretation and construction

- (a) The rules of interpretation and construction set out in Clause 1.2 (*Construction and interpretation*) of the Facility Agreement (as amended from time to time) shall apply to this Deed as if set out in full herein.
- (b) The covenants implied by the LP(MP)A in respect of any disposition, mortgage or charge created in this Clause 1.3 shall be construed with the omission of section 6(2) of the LP(MP)A.

1.4 Third party rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party to this Deed may not enforce, or enjoy the benefit of, any term of this Deed by virtue of the Contracts (Rights of Third Parties) Act 1999 provided that the Secured Parties shall be entitled to enforce and rely on Clause 6.5 (*New account*).
- (b) Variation or rescission of this Deed or waiver of any obligation or liability hereunder shall not, subject to any express provision herein to the contrary, require the consent of any person who is not a Party hereto.

2. EVIDENCE OF INDEBTEDNESS

2.1 Chargor's obligation to pay the Secured Liabilities

The Chargor undertakes to the Security Agent as agent for the Secured Parties to perform, observe, pay and discharge all Secured Liabilities when due and payable and, upon demand by the Security Agent, pay those Secured Liabilities which are due in accordance with the Finance Documents but remain unpaid.

2.2 Evidence of indebtedness

For all purposes in connection with the exercise by the Security Agent of any of its rights and powers hereunder, including any Dispute, a copy of a certificate signed by an authorised signatory on behalf of the Security Agent as to the amount of any indebtedness comprised in the Secured Liabilities or as to any applicable rate of interest shall, in the absence of manifest or proven error, be conclusive evidence against the Chargor as to the amount or rate thereof.

2.3 Default Interest

If the Chargor fails to pay any sum payable by it under this Deed on the due date for payment of that sum, the Chargor shall, without double counting, pay interest on such sum at the rate and in accordance with Clause 11.4 (*Default interest*) of the Facility Agreement.

3. SECURITY

3.1 Creation

- (a) Subject to paragraph (b) of this Clause 3.1 and Clause 10 (*Release of Security*), as continuing security for the full and punctual payment, performance, observance and discharge of all Secured Liabilities, the Chargor, with full title guarantee or, so far as relating to assets located in Scotland or otherwise governed by Scots law only, with absolute warrandice, hereby:
 - (i) assigns and agrees to assign by way of security to the Security Agent absolutely with full title guarantee, each as a separate and independent assignment, all Assigned Assets and all Related Rights to which it is or

may become entitled including all monies payable to the Chargor and any claims, awards and judgments in favour of the Chargor, under or in connection with the Assigned Assets but excluding all Assigned Assets and Related Rights located in Scotland or otherwise governed by Scots law;

- (ii) charges and agrees to charge to the Security Agent by way of first fixed charge to the extent not effectively assigned by sub-paragraph (a)(i) of this Clause 3.1 all Assigned Assets and Related Rights now or which may be vested in the Chargor but excluding all Assigned Assets and Related Rights located in Scotland or otherwise governed by Scots law and, without limitation to the foregoing:

- (A) all Licences;
- (B) all Shares;
- (C) all the present and future Intellectual Property Rights of the Chargor;
- (D) all Receivables of the Chargor;
- (E) all Tangible Moveable Property; and
- (F) its goodwill,

and all Related Rights but excluding all such assets in sub-paragraphs (a)(ii)(A) to (a)(ii)(F) of this Clause 3.1 which are located in Scotland or otherwise governed by Scots law;

- (iii) where legally possible, and without imposing any personal liability on any person other than the Chargor, it charges and agrees to charge (and perform all other associated activities) any Real Property acquired by it in accordance with the terms of any Finance Document (1) by way of first legal mortgage and, to the extent not validly and effectively charged by way of first legal mortgage pursuant to this sub-paragraph (a)(iii) of this Clause 3.1, all of its rights, title and interest from time to time in and to all such Real Property by way of first fixed charge; and (2) where such Real Property is situated in a jurisdiction other than England, such other Security Interest as the Security Agent may reasonably require, in a form and substance satisfactory to the Security Agent acting reasonably; and
- (iv) charges by way of first floating charge, all its Assets, (including all Assets located in Scotland or otherwise governed by Scots law but excluding all rights and interests of the Chargor under or in respect of any Distributions Reserve Account in the name of the Chargor and in respect of uncalled capital),

free from any other Security Interest or encumbrance (except Permitted Security) to the Security Agent to hold absolutely as trustee for the Secured Parties in accordance with the Facility Agreement, subject to Clause 10 (Release of Security) of this Deed.

- (b) Notwithstanding any other provision contained in this Deed, no asset shall be charged pursuant to sub-paragraph (a)(ii), (a)(iii) or (a)(iv) of this Clause 3.1 or assigned pursuant to sub-paragraph (a)(i) of this Clause 3.1 while and to the extent that such assignment or charge is prohibited by law and/or prohibited by any contract to which the Chargor is a party (whether due to a requirement for third party consent or otherwise).
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charge created pursuant to sub-paragraph (a)(iv) of this Clause 3.1.

3.2 Ranking of Floating Charge

The floating charge created pursuant to Clause 3.1(a)(iv) (*Creation*) shall rank behind all the assignments, fixed charges and other Security Interests created by or pursuant to this Deed and the other Security Documents, but shall rank in priority to any other security interest hereafter created by the Chargor except for: (a) any Permitted Security (unless a floating charge, in which case it shall rank *pari passu*); and (b) Security Interests ranking in priority in accordance with Clause 12.8 (*Borrow money*).

3.3 Conversion of Floating Charge

- (a) The Security Agent may at any time by notice to the Chargor convert the floating charge created by Clause 3.1(a)(iv) (*Creation*) into a fixed charge with immediate effect over any Assets which are the subject of such floating charge and referred to (generally or specifically) in that notice if:
 - (i) an Event of Default is continuing; or
 - (ii) the Security Agent considers such Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy; or
 - (iii) the Security Agent reasonably considers that it is desirable in order to protect the priority of the security.
- (b) If, without the prior written consent of the Security Agent:
 - (i) the Chargor creates, attempts to create or permits to subsist any Security Interest (other than Permitted Security or any Security Interest permitted under Clause 12.8 (*Borrow money*)) on, over or with respect to any of its Assets, or attempts to do so; or
 - (ii) any person levies or attempts to levy any distress, attachment, execution or other legal process against any of the Chargor's Assets; or

- (iii) a resolution is passed or an order made for the winding up, dissolution, administration, re-organisation, merger or consolidation of the Chargor or an administrator, receiver, receiver and manager, administrative receiver (where permitted by law), liquidator or provisional liquidator is appointed, or any person (who is entitled to do so) gives notice of its intention to appoint an administrator, receiver, receiver and manager, administrative receiver (where permitted by law), liquidator or provisional liquidator to the Chargor or filing of such notice with the court,

the floating charge created by this Deed over the Chargor's Assets which are the subject of such security interest or process shall be deemed to have been automatically converted into a fixed charge the instant before such event occurs.

3.4 Subordination of Security over Joint Operating Agreements

Any Security Interest in respect of any Joint Operating Agreement created under Clause 3.1 (Creation) shall be:

- (a) subordinated to the rights of the other Participants or Parties (as defined in the relevant Joint Operating Agreement) under the Joint Operating Agreement; and
- (b) without prejudice to the provisions of the Joint Operating Agreement.

3.5 Contractually excluded Intellectual Property

The Chargor shall use reasonable endeavours to ensure that all Intellectual Property Rights determined by the Chargor and the Security Agent (each acting reasonably) to be material to the Assigned Assets and acquired after the date of this Deed are capable of being assigned or charged as envisaged by Clause 3.1 (Creation) and where such Intellectual Property Rights are capable of being so assigned or charged, they shall immediately become subject to the relevant Security Interest and the Chargor shall promptly notify the Security Agent and take any action required pursuant to Clause 5 (Perfection of Security) to create and perfect the relevant Security Interest.

3.6 Contractually excluded Licences, Joint Operating Agreements and Project Documents

- (a) Subject to paragraphs (c) and (d) of this Clause 3.6 and Clause 5.9(b) (Limitations on Security Interests), in the event that any Licence, Joint Operating Agreement or Project Document to which the Chargor is a party, whether entered into by the Chargor before or after the date of this Deed, requires the consent of a third party to the assignment or charge envisaged by this Deed, the Chargor shall use its reasonable endeavours to obtain such consent within 90 days of:
 - (i) the date of this Deed in relation to Licences, Joint Operating Agreements and Project Documents in existence at the date of this Deed; and

- (ii) the date of entry into the relevant Licence, Joint Operating Agreement or Project Document in relation to Licences, Joint Operating Agreements and Project Documents entered into after the date of this Deed.
- (b) Where a consent sought pursuant to paragraph (a) of this Clause 3.6 has:
 - (i) been obtained, the Licence, Joint Operating Agreement or Project Document under which it is required shall immediately become subject to the relevant Security Interest and the Chargor shall promptly notify the Security Agent and take any action required pursuant to Clause 5 (*Perfection of Security*) to create and perfect such Security Interest; and
 - (ii) been refused or otherwise not been obtained within the time stated in paragraph (a) of this Clause 3.6, the Chargor shall be under no further obligation to obtain such consent and, for the avoidance of doubt:
 - (A) to the extent such consent is required for assignment of the relevant Joint Operating Agreement or Project Document pursuant to Clause 3.1(a)(i) (*Creation*), such Joint Operating Agreement or Project Document shall not be assigned and shall instead be subject to a first fixed charge created pursuant to Clause 3.1(a)(ii) (*Creation*) (subject to sub-paragraph (b)(ii)(B) of this Clause 3.6);
 - (B) to the extent such consent is required for the creation of a first fixed charge in respect of the relevant Licence, Joint Operating Agreement or Project Document pursuant to Clause 3.1(a)(ii) (*Creation*), such Licence, Joint Operating Agreement or Project Document shall not be subject to a first fixed charge and shall instead be subject to a first floating charge created pursuant to Clause 3.1(a)(iv) (*Creation*) (subject to sub-paragraph (b)(ii)(C) of this Clause 3.6); and
 - (C) to the extent such consent is required for the creation of a first floating charge in respect of the relevant Licence, Joint Operating Agreement or Project Document pursuant to Clause 3.1(a)(iv) (*Creation*), such Licence, Joint Operating Agreement or Project Document shall not become subject to any Security Interest created pursuant to Clause 3.1 (*Creation*).
- (c)
 - (i) If the Chargor enters into or proposes to enter into any Licence, Joint Operating Agreement or Project Document after the date of this Deed the Chargor shall use its reasonable endeavours to ensure that it is permitted by the terms of the relevant Licence, Joint Operating Agreement or Project Document to assign or charge its rights thereunder as envisaged by this Deed. If the Chargor is so permitted under the terms of the relevant Licence, Joint Operating Agreement or

Project Document, that document shall immediately become subject to the relevant Security Interest and the Chargor shall promptly notify the Security Agent and take any action required pursuant to Clause 5 (*Perfection of Security*) to create and perfect such Security Interest.

- (ii) For the avoidance of doubt, the Chargor will in no circumstances be prevented from entering into any Joint Operating Agreement or Project Document in the event that the Chargor has been unable to ensure, pursuant to paragraph (c)(i) of this Clause 3.6, that the relevant document permits the granting of an assignment or charge as envisaged by this Deed.
- (d) Where any Licence, Joint Operating Agreement or Project Document to which the Chargor is a party, whether entered into by the Chargor before or after the date of this Deed, requires the consent of a governmental or regulatory body to the assignment or charge envisaged by this Deed, the Chargor shall be under no obligation to seek such consent provided that the Security Agent:
 - (i) acting reasonably, determines that such consent is unlikely to be given notwithstanding the Chargor using its reasonable endeavours to obtain the relevant consent pursuant to paragraph (a) of this Clause 3.6; and
 - (ii) notifies the Chargor in writing of its determination (such notification not to be unreasonably delayed or withheld).

4. DEALING WITH SECURED ASSETS

4.1 Negative Pledge

The Chargor shall not, without the prior written consent of the Security Agent, at any time during the subsistence of this Deed, create or permit to exist any Security Interest over any or all of its Assets other than Permitted Security.

4.2 Disposals

Except for Permitted Disposals, the Chargor shall not, without the prior written consent of the Security Agent sell, transfer, assign, lease or hire out, create any legal or equitable estate or other interest in or over, factor, discount, licence, lend, part with its interest in or otherwise dispose of any of its Assets or permit the same to occur, or agree to do any of the foregoing, provided that, until the floating charge created by Clause 3.1(a)(iv) (*Creation*) is converted into a fixed charge, the Chargor may, subject to any contrary provision of any other Security Document, hold, enjoy and deal with, in accordance with the terms of the Finance Documents, those of its Assets which at the relevant time are not and are not expressed to be assigned or subject to a fixed charge.

4.3 Exercise of rights

- (a) Subject to Clause 3.1(b) (*Creation*), each of the assignments and charges on the terms set out in Clause 3 (*Security*) constitutes and effects an immediate and full assignment of Assigned Assets or charge of Charged Property (as

applicable) and shall be effective under English law immediately upon execution of this Deed.

- (b) Notwithstanding but without prejudice to paragraph (a) of this Clause 4.3, the Security Agent (on behalf of the Secured Parties) agrees that, subject to paragraph (c) of this Clause 4.3, the Chargor shall continue to be entitled to receive payments and to exercise all rights, powers, discretions, claims and remedies which would (but for this Deed) be vested in the Chargor under and in respect of the Assigned Assets and the Charged Property unless and except to the extent that:
 - (i) any such exercise would contravene, or result in a contravention of, or would conflict with the provisions of any Finance Document; or
 - (ii) the Security Agent requests otherwise by notice in writing to the Chargor following the occurrence of an Event of Default which is continuing and has not been waived.
- (c) The Security Agent shall be entitled to instruct the Account Bank in accordance with the terms of the Project Accounts Agreement.
- (d) Nothing in this Clause 4 limits the rights of the Security Agent and the Secured Parties under Clauses 11 (*Enforcement*) to 16 (*Application of Enforcement Proceeds*) (inclusive).
- (e) The Chargor shall not exercise any of its rights and powers in relation to any of its Authorised Investments in any manner which, in the reasonable opinion of the Security Agent, would prejudice the value of, or the ability of the Security Agent to realise, the security created by this Deed.

4.4 Performance of the Chargor's obligations

- (a) The Chargor shall remain at all times bound by and liable to perform all of the obligations and liabilities assumed by it under or in respect of the Assigned Assets to the same extent as if the Security Interests and assignments envisaged by this Deed had not been created or effected.
- (b) The exercise by the Security Agent or any Delegate of the Security Agent, or any of their respective agents or nominees, of any of the rights, benefits, interests or claims created pursuant to this Deed shall not release the Chargor from any of its obligations towards the Security Agent or any Secured Party.
- (c) Neither the Security Agent nor any Secured Party shall, by reason of this Deed or anything arising out of this Deed or anything done or permitted to be done under or in connection with it, have any obligation or liability whatsoever to any person (including the Chargor) to:
 - (i) perform any of the obligations assumed by the Chargor under or in respect of the Finance Documents, the Secured Liabilities, or the Assigned Assets; or

- (ii) enforce payment or performance of any obligations of any person or party to any agreement comprised in the Assigned Assets or the Finance Documents; or
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it under or in respect of this Deed or any Finance Document or to make any claim or take any action to collect any moneys or to exercise any of the rights assigned to the Security Agent to which the Security Agent may be at any time entitled pursuant to this Deed, or to make any payment in respect of the Assigned Assets.
- (d) The provisions of this Clause 4.4 shall apply notwithstanding any other provision of this Deed or any contrary or inconsistent provision of any Assigned Document or Finance Document.

5. PERFECTION OF SECURITY

5.1 Assigned Insurances

- (a) The Chargor shall, as soon as reasonably practicable (and in any event within five Business Days) following the date of this Deed or, if later, following the date it enters into any Insurance Document, give notice substantially in the form set out in Part 1 of Schedule 1 (*Notice of Assignment of Insurance Documents*), duly completed, to each issuer of any Insurance Document in force at that date (to the extent that such notice has not previously been provided).
- (b) Subject to Clause 5.9(b) (*Limitations on Security Interests*), the Chargor shall use all reasonable endeavours to procure that, as soon as practicable, each recipient of any notice given pursuant to paragraph (a) of this Clause 5.1 acknowledges that notice in writing to the Security Agent, and gives the other undertakings required of it as set out in the relevant acknowledgment substantially, in each case, in the form set out in Part 2 of Schedule 1 (*Form of Acknowledgement of Assignment of the Insurance Documents*).

5.2 Assigned Documents

- (a) Subject to Clause 3.6 (*Contractually excluded Licences, Joint Operating Agreements and Project Documents*), the Chargor shall as soon as reasonably practicable (and in any event within five Business Days) after the date of this Deed or, if later, the date of execution of each Assigned Document give notice substantially in the form set out in Part 1 of Schedule 2 (*Notice of Assignment of Assigned Documents*), in each case duly completed, to each of the relevant addressee(s) specified in the relevant form of notice.
- (b) Subject to Clause 5.9(b) (*Limitations on Security Interests*), the Chargor shall use all reasonable endeavours to procure that each of the addressees of the notices referred to in paragraph (a) of this Clause 5.2 acknowledges that notice in writing to the Security Agent substantially in the form set out in Part 2 of Schedule 2 (*Form of Acknowledgement of Assignment of Assigned Documents*).

5.3 Shares

- (a) The Chargor shall, as soon as reasonably practicable (and in any event within five Business Days) after the execution of this Deed in the case of the Original Shares, and within two Business Days of coming into the possession of any Further Shares, deliver or cause to be delivered to the Security Agent:
 - (i) all share certificates (if any), documents of title and other documentary evidence of ownership representing such Shares and a certified copy of the Register of Members of each Company;
 - (ii) an executed but undated stock transfer form in respect of the Original Shares or Further Shares in favour of the Security Agent or its nominees (as the Security Agent shall direct) and any other documents which from time to time may be requested by the Security Agent in order to enable the Security Agent or its nominees or after the occurrence of an Event of Default that is continuing, any purchaser, to be registered as the owner or otherwise obtain legal title to the Shares in each case at the time and in the manner permitted under Clause 11 (Enforcement); and
 - (iii) an executed irrevocable undertaking from each Company to register, and permit the Security Agent to register, transfers of the Original Shares or Further Shares to the Security Agent or its nominee or any purchaser in the form set out in Schedule 3 (Letter of Undertaking to Register Share Transfer).
- (b) The Chargor shall also, in relation to any Derived Asset in respect of the Original Shares or any Further Shares perform each of the obligations set out in paragraph (a) of this Clause 5.3 within two Business Days of the accrual, offer, issue or payment or other receipt by it, of such Derived Assets.

5.4 Authorised Investments

- (a) The Chargor shall, within five Business Days of the acquisition of (or the date on which it becomes aware that it holds) any Authorised Investment (vested in or acquired by or on behalf of the Chargor from the proceeds of any Project Account after the date of this Deed), deliver to the Security Agent or such agent or custodian as the Security Agent may specify:
 - (i) all certificates, documents of title and other documentary evidence of ownership in relation to such Authorised Investment;
 - (ii) transfers of such Authorised Investment duly executed by it or its nominee with the name of the transferee left blank or, if the Security Agent so requires, in favour of the Security Agent (or the Security Agent's nominee) and duly stamped in accordance with applicable law; and

- (iii) all other documents the Security Agent may require to enable the Security Agent (or the Security Agent's nominee) or any purchaser to be registered as the owner of, or otherwise to obtain legal title to, such Authorised Investment.
- (b) The Chargor shall promptly:
 - (i) notify any nominee or custodian holding any Authorised Investment on its behalf that the Authorised Investment is held as security pursuant to provisions of this Deed; and
 - (ii) notify any subsequent chargee or person acquiring or purporting to acquire any interest whatsoever in any Authorised Investment of the security created pursuant to this Deed.
- (c) The Chargor shall also, in relation to any Derived Asset in respect of any Authorised Investment perform each of the obligations set out in paragraphs (a) and (b) of this Clause 5.4 within two Business Days of the accrual, offer, issue or payment or other receipt by it, of such Derived Assets.

5.5 Notices of Security: further Assets

- (a) Without prejudice to the other provisions of this Clause 5, the Chargor shall, as soon as reasonably practicable (and in any event within five Business Days) after the date of this Deed or, if later, when requested by the Security Agent from time to time, promptly deliver (or procure the delivery of) notices of assignment or charge (as relevant) (in form and substance reasonably satisfactory to the Security Agent) to the appropriate party and relating to any asset (other than the Insurance Documents, Assigned Documents, Shares and Authorised Investments) which is the subject of any assignment or charge created (i) under Clauses 3.1(a)(i) to 3.1(a)(iii) (*Creation*) or (ii) as a result of the conversion of the floating charge created by Clause 3.1(a)(iv) (*Creation*) into a fixed charge in accordance with Clause 3.3 (*Conversion of Floating Charge*).
- (b) Subject to Clause 5.9(b) (*Limitations on Security Interests*), the Chargor shall use its reasonable endeavours to procure an acknowledgement from such party (in form and substance reasonably satisfactory to the Security Agent).
- (c) Without prejudice to paragraph (a) of this Clause 5.5, the Chargor shall, as soon as reasonably practicable (and in any event within 10 days of the date of this Deed), deliver (or procure the delivery of) the OGA Notice.
- (d) The execution of this Deed by the Chargor and the Security Agent shall constitute notice to the Security Agent of the charge over any Account opened or maintained with the Security Agent.

5.6 Registration of Intellectual Property Rights

Subject to Clause 3.5 (*Contractually excluded Intellectual Property*), the Chargor shall, if requested by the Security Agent, execute all such documents and do all such acts that

the Security Agent may reasonably require to record the interest of the Security Agent in any registers relating to any registered Intellectual Property Rights.

5.7 Further assurance

In addition and without prejudice to any other provision of this Deed, but subject to Clause 5.9(b) (*Limitations on Security Interests*), the Chargor shall at the request of the Security Agent or any Receiver but at its own cost, promptly take whatever action the Security Agent or the Receiver may from time to time reasonably request:

- (a) to ensure that the Security Interests intended to be constituted by this Deed are and remain valid, legally binding and enforceable;
- (b) to perfect, preserve or protect the Security Interests constituted or intended to be conferred on the Security Agent by or pursuant to this Deed or the priority of such interests;
- (c) to confer on the Security Agent, Security Interests over any asset or undertaking of the Chargor located in any jurisdiction other than England and Wales or Scotland equivalent or similar to the Security Interests intended to be conferred by or pursuant to this Deed;
- (d) to facilitate vesting of Security Interests as envisaged by this Deed in any replacement or additional Security Agent; and
- (e) to facilitate the exercise of any rights vested in the Security Agent or any Receiver by or pursuant to this Deed and to facilitate the realisation of the Assigned Assets and the Charged Property,

and for such purposes the Chargor shall, without limitation, execute all such documents and give all such notices, orders, instructions and directions as the Security Agent or any Receiver may reasonably consider expedient. The obligations of the Chargor under this Clause 5.7 shall be in addition to and not in substitution for the covenants of further assurance deemed to be included in this Deed by virtue of LP(MP)A.

5.8 Consents

Subject to Clause 3.6 (*Contractually excluded Licences, Joint Operating Agreements and Project Documents*) and Clause 5.9(b) (*Limitations on Security Interests*), the Chargor shall use all reasonable endeavours to obtain as soon as possible (in a form satisfactory to the Security Agent) any consent necessary to enable each Asset of the Chargor to be the subject of the Security Interest expressed to be created in respect of that Asset pursuant to Clause 3.1 (*Creation*). Immediately upon obtaining any such consent, the relevant Asset shall become subject to such Security Interest and the Chargor shall promptly deliver a copy of each consent to the Security Agent and take any other action required pursuant to Clause 5.7 (*Further assurance*) to create and perfect the relevant Security Interest.

5.9 Limitations on Security Interests

- (a) Without prejudice to Clause 3.4 (*Subordination of Security over Joint Operating Agreements*), where required by the terms of any agreement which is binding upon the Chargor, any Security Interest granted in favour of the Secured Parties shall be subordinated to the interests of the parties under such agreement.
- (b) For the avoidance of doubt, in relation to Clauses 3.6(a) (*Contractually excluded Licences, Joint Operating Agreements and Project Documents*), 5.1(b) (*Assigned Insurances*), 5.2(b) (*Assigned Documents*), 5.5 (*Notices of Security: further Assets*), 5.7 (*Further assurance*) and 5.8 (*Consents*), neither the obtaining of consent to the creation of the relevant Security Interest nor the receipt of acknowledgment of notice to the relevant Security Interest (as applicable) shall be a condition precedent to first Utilisation of the Facility.

6. NATURE AND PROTECTION OF SECURITY

6.1 Continuing Security Interests

The Security Interests created by this Deed shall be continuing Security Interests and will extend to the ultimate balance of all the Secured Liabilities regardless of any intermediate discharge or payment in whole or in part or any other matter whatsoever and will remain in full force and effect unless and until discharged by the Security Agent in accordance with the terms of the Finance Documents.

6.2 Additional Security Interests

The Security Interests created by this Deed and the rights given to the Security Agent under this Deed shall be cumulative and in addition to and shall not prejudice, or be prejudiced by, any other Security Interests or guarantee or any other right, power or remedy which the Security Agent or any Secured Party has or may at any time hold in respect of or in connection with any or all of the Secured Liabilities. All such rights, powers and remedies may be exercised from time to time as often as the Security Agent may deem expedient.

6.3 Immediate recourse

The Security Agent need not, before exercising any of the rights, title, benefit and interest conferred upon it by this Deed or by law:

- (a) take action or obtain judgment against the Chargor or any other person in any court; or
- (b) make or file any claim or proof on the rehabilitation, administration, custodianship, receivership, liquidation, winding-up or dissolution of the Chargor or any other person; or
- (c) enforce or seek to enforce the recovery of the moneys and liabilities hereby secured or enforce or seek to enforce any other Security Interest or guarantee.

6.4 Waiver of defences

Without prejudice to the other provisions of this Clause 6, neither this Deed nor the Security Interests created under this Deed nor the liability of the Chargor for the Secured Liabilities under this Deed shall be prejudiced or affected by:

- (a) any variation, amendment, novation, extension (whether of maturity or not), supplementation or replacement of, or waiver or release granted under or in connection with any Finance Document or other document or any Security Interest, guarantee or indemnity; or
- (b) any time, waiver, consent or other indulgence or concession granted, by any Secured Party to the Chargor or other person; or
- (c) the taking, holding, failure to take or hold, variation, realisation, non-enforcement, non-perfection or release by any Secured Party or any other person of any other Security Interest or any guarantee or indemnity or other right; or
- (d) any insolvency or similar proceedings including any corporate, legal proceeding or other procedure or step taken for or with a view to the rehabilitation, administration, custodianship, receivership, liquidation, winding-up or dissolution of the Chargor or any other person; or
- (e) any change in the constitution of the Chargor; or
- (f) any amalgamation, merger or reconstruction that may be effected by the Security Agent with any other person or any sale or transfer of the whole or any part of the assets of the Security Agent to any other person; or
- (g) the existence of any claim, set-off or other right which the Chargor may have at any time against any Secured Party or other person; or
- (h) the making or absence of any demand for payment or discharge of any Secured Liabilities on the Chargor or any other person, whether by any Secured Party or any other person; or
- (i) any arrangement or compromise (including release of any Obligor) entered into by any Secured Party with the Chargor or any other person; or
- (j) any incapability or lack of power, authority or legal personality of or dissolution or change in the numbers or status of the Chargor or any other person; or
- (k) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (l) any other thing done or omitted or neglected to be done by any Secured Party or any other person or any other dealing, fact, matter or thing which, but for this provision, might operate to prejudice or affect any of the Security Interests created under this Deed or the liability of the Chargor for the Secured Liabilities.

6.5 New account

At any time after:

- (a) any Secured Party receives, or is deemed to be affected by notice (either actual or constructive) of any subsequent Security Interest or any disposition affecting the Assigned Assets or the Charged Property or part thereof or interest therein; or
- (b) any corporate, legal proceeding or other procedure or step taken for or with a view to the rehabilitation, administration, custodianship, receivership, liquidation, winding-up or dissolution of the Chargor,

any Secured Party may open a new account in the name of the Chargor (whether or not it permits any existing account to continue). If any Secured Party does not open such a new account, it shall nevertheless be treated as if it had done so at the time when the notice was received or was deemed to have been received or, as the case may be, the corporate, legal proceeding or other procedure or step was taken. As from that time, all payments made by the Chargor to the Security Agent or any other Secured Party or received by the Security Agent or any other Secured Party for the account of the Chargor or any Secured Party shall be credited or treated as having been credited to the new account and will not operate to reduce the amount secured by this Deed at any time.

6.6 Non-competition

- (a) Until all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full, the Chargor shall not (other than in accordance with the Finance Documents or with the prior written consent of the Security Agent):
 - (i) claim, rank, prove or vote as a creditor of any other party to any Finance Document or its estate; or
 - (ii) receive, claim or have the benefit of any payment, distribution or security from or on account of any such party, or exercise any right of combination, counter-claim, "flawed-asset" arrangement or set-off as against such party.
- (b) The Chargor will hold on trust for, and forthwith pay or transfer to, the Security Agent all payments or benefits received by it contrary to the above. If the Chargor exercises any right of set-off, counterclaim or combination contrary to the above, it will forthwith pay an amount equal to the amount set-off, counterclaimed or combined to the Security Agent.

6.7 Further Advances

The Security Interests created by this Deed are intended to secure further advances.

6.8 No Prejudice

The security created by or pursuant to this Deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or

indulgence granted to the Chargor or any other person, or the Security Agent (whether in its capacity as agent or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Agent holds the security or by any other thing which might otherwise prejudice that security.

7. INSURANCES

The Chargor shall at all times during the subsistence of this Deed keep the Charged Property insured in accordance with the terms of the Finance Documents.

8. COVENANTS RELATING TO SHARES AND ANY AUTHORISED INVESTMENTS

8.1 Undertakings

The undertakings in this Clause 8 are given to the Security Agent by the Chargor and will remain in force from the date of this Deed for so long as any of the Secured Liabilities is outstanding or any Security Interest created under this Deed has not been released or discharged. All such undertakings are given with the intent that they apply in relation to the Shares and any Authorised Investments now vested in or acquired by or on behalf of the Chargor after the date of this Deed and any Derived Assets.

8.2 Calls

- (a) The Chargor shall duly and promptly pay, and indemnify the Security Agent (and its nominees) against all calls and other moneys which may lawfully be required to be paid and all other liabilities, costs and demands that may be sustained, incurred or made against the Security Agent (including its nominees and custodians) in respect of any of the Shares or Authorised Investments.
- (b) If the Chargor fails to pay any call or other moneys due pursuant to paragraph (a) of this Clause 8.2 within seven days of the due date, the Security Agent may elect to make such payments on behalf of the Chargor. The Chargor shall, without double counting, pay interest on any such overdue payment from the date of demand until so reimbursed at the rate and in accordance with Clause 11.4 (*Default interest*) of the Facility Agreement.

8.3 Liabilities

The Chargor shall remain liable to observe and perform all of the other conditions and obligations assumed by it in respect of any of its Shares or Authorised Investments. The Security Agent shall not be required to perform or fulfil any obligation of the Chargor in respect of any Share or Authorised Investment.

8.4 Documents and Information

The Chargor shall, if requested by the Security Agent, promptly upon receipt, deliver to the Security Agent a copy of every circular, notice, report, set of accounts or other document received by the Chargor or any nominee in connection with any of the Shares or Authorised Investments and all such other information within its possession

concerning the Shares or Authorised Investments as the Security Agent may reasonably request from time to time.

8.5 Exercise of rights in respect of Shares

- (a) The Chargor shall not, without the prior written consent of the Security Agent:
 - (i) cause or permit any rights attaching to the Shares to be materially varied or abrogated; or
 - (ii) cause or permit any of the Shares to be consolidated, sub-divided or converted or the capital of any Company to be re-organised, exchanged or repaid.
- (b) The Chargor shall procure that there shall be no reduction in the authorised or issued share capital of any Company (and shall not cause or permit any reduction) without the prior written consent of the Security Agent (such consent, in the case of a reduction in the authorised share capital of any Company, not to be unreasonably withheld).
- (c) The Chargor shall not amend or permit any Company to amend any of the constitutional documents of any Company in a manner which could have a material adverse effect on the interests of the Secured Parties.

8.6 Voting Rights and Dividends, etc.

- (a) Until an Event of Default occurs that is continuing and the Chargor receives written notification from the Security Agent or the Receiver (as relevant) of its intention to exercise any of its rights under paragraph (b) of this Clause 8.6:
 - (i) all voting and other rights relating to Shares and Authorised Investments may be exercised by the Chargor, or shall be exercised in accordance with its direction, for any purpose not inconsistent with the terms of this Deed or any other Finance Document; and
 - (ii) the Chargor shall be entitled to receive and retain all Dividends, interest and other distributions and income paid in respect of Shares and Authorised Investments.
- (b) If an Event of Default has occurred and is continuing:
 - (i) the Security Agent or its nominee or, as the case may be, the Receiver shall be entitled (in the name of the Chargor and without further consent or authority from it) to exercise or direct the exercise of all voting rights and other rights now or at any time relating to a Share or an Authorised Investment (including all the powers given to trustees by sections 10(3) and (4) of the Trustee Act 1925 as amended by section 9 of the Trustee Investments Act 1961 in respect of securities or property subject to a trust);

- (ii) the Chargor shall comply or procure the compliance with any direction of the Security Agent or its nominee or, as the case may be, the Receiver in respect of the exercise of such voting and other rights and shall deliver to the Security Agent or its nominee or, as the case may be, the Receiver such forms of proxy or other appropriate forms of authorisation to enable the Security Agent or its nominee or, as the case may be, the Receiver to exercise such voting and other rights;
- (iii) the Security Agent or its nominee or, as the case may be, the Receiver shall be entitled to receive and retain all Dividends, interest and other distributions and income paid in respect of the Shares and Authorised Investments and will apply them in or towards the payment or discharge of the Secured Liabilities;
- (iv) the Security Agent or, as the case may be, the Receiver shall be entitled and authorised to arrange for the Shares or any of the Authorised Investments which are in registered form to be registered in the name of the Security Agent or its nominee, if required by the Security Agent to perfect any of the security created under this Deed;
- (v) the Security Agent or its nominee or, as the case may be, the Receiver shall be entitled (under its powers of realisation) to transfer or cause the transfer of any Shares or Authorised Investments to be transferred and registered in the name of any purchaser or transferee; and
- (vi) the Chargor shall immediately on the request of the Security Agent or, as the case may be, the Receiver execute and sign all transfers, powers of attorney and other documents and give such instructions and directions as the Security Agent or, as the case may be, the Receiver may require for perfecting its title to any Share Authorised Investment or for vesting them in itself or its nominee or any purchaser or transferee.

8.7 People with Significant Control Register Regime

- (a) The Chargor shall
 - (i) comply with any notice served on it by any Company pursuant to Part 21A of the Companies Act 2006 and within the timeframe specified in the notice; and
 - (ii) promptly provide the Security Agent with a copy of any such notice.
- (b) The Chargor represents and warrants to the Security Agent on the date of this Charge that no "warning notice" or "restrictions notice" (in each case as defined in paragraph 1(2) of Schedule 1B of Part 21A of the Companies Act 2006) has been issued to the Chargor in respect of all or any part of the Shares and remains in effect.

9. COVENANTS RELATING TO INTELLECTUAL PROPERTY RIGHTS

9.1 Undertakings

The undertakings in this Clause 9 are given to the Security Agent by the Chargor and will remain in force from the date of this Deed for so long as any of the Secured Liabilities is outstanding or any Security Interest created under this Deed has not been released or discharged. All such undertakings are given with the intent that they apply in relation to all Intellectual Property Rights now vested in or acquired by the Chargor after the date of this Deed.

9.2 Preservation of Intellectual Property Rights

The Chargor shall do all things necessary to safeguard and maintain its Intellectual Property Rights now or hereafter used in or necessary for its business including:

- (a) maintaining any registrable Intellectual Property Rights on the relevant register, including, but without limitation, payment of all renewal fees due in respect thereof;
- (b) observing all covenants and stipulations relating to such Intellectual Property Rights;
- (c) not using or permitting any such Intellectual Property Rights to be used in a way which may materially and adversely affect its value; and
- (d) obtaining all available registrations in relation to such Intellectual Property Rights.

9.3 User agreements and licences

The Chargor shall not, without the prior written consent of the Security Agent, grant any exclusive registered user agreement or exclusive licence in relation to any Intellectual Property Rights.

9.4 Future Intellectual Property Rights

The Chargor shall promptly notify the Security Agent of any existing or future contract for it to acquire (by licence or otherwise), or application to register, any Intellectual Property Rights.

10. RELEASE OF SECURITY

- (a) Subject to paragraph (b) of this Clause 10, on the Discharge Date, the Security Agent shall, at the request and cost of the Chargor, release, discharge, retrocess and re-assign the Assigned Assets and the Charged Property (or such part thereof as may still be subsisting and vested in the Security Agent) from the Security Interests constituted by this Deed. The Security Agent shall not be obliged to re-assign all or any of the Assigned Assets, or otherwise discharge

any of the Security Interests constituted by this Deed in any other circumstances.

- (b) If the Security Agent considers that any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under this Deed and the Security Interests constituted by that document will continue and such amount will not be considered to have been irrevocably discharged.

11. ENFORCEMENT

- (a) Subject to the provisions of the Facility Agreement, immediately upon or at any time after the occurrence of an Event of Default which is continuing (but without prejudice to the Security Agent's rights), the Security Interests constituted by this Deed shall become immediately enforceable and the Security Agent shall be entitled in its absolute discretion (whether or not it shall have taken possession or appointed a Receiver) and without notice to the Chargor or prior authorisation from any court, to:
 - (i) enforce all or any part of the Security Interests constituted by this Deed (at the time, in the manner and on the terms it thinks fit);
 - (ii) take possession of and hold or dispose of all or any part of the Assigned Assets or the Charged Property (at the time, in the manner and on the terms it thinks fit); and
 - (iii) exercise the power of sale and other powers conferred by section 101 LPA 1925 (as varied by this Deed) and all or any of its rights and powers set out in this Clause 11 and Clause 12 (*Enforcement Powers*) in relation to all or any part of the Assigned Assets or the Charged Property or otherwise conferred by law on mortgagees or receivers.
- (b) The Security Agent shall promptly notify the Chargor in writing if it has been instructed to enforce any Security Interest created hereunder.

12. ENFORCEMENT POWERS

12.1 Exercise of enforcement powers

- (a) Subject to enforcing all or any part of the Security Interests constituted by this Deed in accordance with Clause 11 (*Enforcement*) and to paragraph (b) of this Clause 12.1, the Security Agent shall be able to exercise its rights and powers set out in this Clause 12.
- (b) The Security Agent acknowledges Clause 28.3(B) (*Encumbrance*) of the Breagh Gas Processing and Operational Services Agreement and Article 16.3 (*Assignment and Encumbrance*) of the Devenick Joint Operating Agreement in relation to any exercise of its rights and powers under this Clause 12 and the Chargor undertakes that it shall not amend or vary such provisions without the prior written consent of the Security Agent.

12.2 Full extent permitted by law

At any time after the occurrence of an Event of Default which is continuing, the Security Agent shall be entitled, subject to the provisions of the Facility Agreement, either itself (without first appointing a Receiver or notwithstanding the appointment of any Receiver) or acting jointly with or through any Delegate (or Delegates), in the name of or on behalf of the Chargor or otherwise and at the cost of the Chargor to exercise all or any of the rights, powers and discretions set out in this Clause 12 to the fullest extent permitted by law.

12.3 Notice of enforcement

The Security Agent may, without prejudice to Clause 4.3 (*Exercise of rights*), give any notice or notices to any person, giving directions (which shall apply to the exclusion of any directions given at any time by or on behalf of the Chargor) regarding the exercise of all or any of the rights, powers, discretions and remedies which would (but for this Deed) be vested in the Chargor under and in respect of the Assigned Assets or the Charged Property.

12.4 Possession

The Security Agent may enter upon, take immediate possession of, get in and collect all or any of the Assigned Assets or the Charged Property.

12.5 Carry on business

The Security Agent may manage and carry on any business of the Chargor (including the right to enter into any contract or arrangement and to perform, repudiate, rescind or vary any contract or arrangement to which the Chargor is a party).

12.6 Deal with assets

The Security Agent may sell, transfer, assign, redeem, exchange, hire out and lend the Assigned Assets and the Charged Property and otherwise apply, dispose of or realise any or all of the Assigned Assets or the Charged Property, either by public offer or auction, tender or private contract (with or without advertisement and in any lots) to any person (including the Security Agent) and for any form of compensation or consideration comprising cash, debentures or other obligations, investments or other valuable consideration and whether payable or deliverable in a lump sum or by instalments and generally in any manner and on any terms it thinks proper. The Security Agent may give valid receipts for all moneys and execute all assurances and things which it considers to be proper or desirable for realising the value of any of the Assigned Assets or the Charged Property.

12.7 Transfer business

Without prejudice to the generality of Clause 12.6 (*Deal with assets*), the Security Agent may do any of the following acts and things as may to it seem expedient:

- (a) promote or procure the formation of any new company, whether or not a wholly owned subsidiary of the Security Agent;
- (b) subscribe for or acquire (for cash or otherwise) any investment in or of such new company;
- (c) sell, transfer, assign, redeem, hire out and lend the Assigned Assets and the Charged Property to any such new company or any person whatsoever and accept as consideration or part of the consideration therefor any investments in or of any such new company or person or allow the payment of the whole or any part of such consideration to remain deferred or outstanding; and
- (d) sell, transfer, assign, exchange and otherwise dispose of or realise any such investments or deferred consideration or part thereof or any rights relating thereto.

12.8 Borrow money

For the purpose of exercising any of the rights conferred on it by or pursuant to this Deed or of defraying any costs, charges, losses, liabilities or expenses (including its remuneration) incurred by or due to it in the exercise thereof or for any other purpose, the Security Agent may borrow or raise money either unsecured or on the security of the Assigned Assets and the Charged Property (either in priority to the security interests under this Deed or otherwise) and generally on such terms and conditions as it may think fit. No person lending that money shall be concerned to enquire into the propriety or purpose of the exercise of this power or to check the application of any money so raised or borrowed.

12.9 Covenants and guarantees

The Security Agent may enter into bonds, covenants, commitments, guarantees, indemnities and like matters and may make all payments needed to effect, maintain or satisfy them, as it sees fit.

12.10 Rights of ownership

The Security Agent may manage, use and apply all or any of the Assigned Assets and the Charged Property and may exercise and do (or permit the Chargor or its nominee to exercise and do) all such rights and things as it would be capable of exercising or doing if it were the absolute beneficial owner of the Assigned Assets and the Charged Property and in particular, but without limitation, to exercise any rights of enforcing any security by foreclosure, sale or otherwise and all rights relating to investments and to arrange for or provide all services which he may deem proper for the efficient management or use of the Assigned Assets and the Charged Property or the exercise of such rights, in each case as it sees fit.

12.11 Protection of assets, etc.

The Security Agent may do such things in connection with the Assigned Assets and the Charged Property as it may think desirable for the purpose of the protection or

improvement thereof or making them more productive, increasing their market value, or protecting the security interests created under this Deed, in each case as it sees fit.

12.12 Compromise and settle claims

The Security Agent may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating in any way to the Assigned Assets or the Charged Property, in each case as it sees fit.

12.13 Legal actions

The Security Agent may bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Assigned Assets and the Charged Property or any of the businesses of the Chargor, in each case as it sees fit.

12.14 Redemption of security

The Security Agent may redeem or transfer to the Secured Parties any prior security interest over the Assigned Assets and the Charged Property or settle and pass the accounts of the prior mortgagee, chargee or encumbrancers, as it sees fit. Any accounts so settled and passed shall be conclusive and binding on the Chargor. All (i) principal moneys and (ii) costs, charges, losses, liabilities and expenses (including legal fees) reasonably incurred and documented by the Security Agent in connection with any such redemption and/or transfer shall on demand be paid by the Chargor.

12.15 Employees, etc.

The Security Agent may appoint, hire and employ officers, employees, contractors, agents and advisers of all kinds and upon such terms as to remuneration or otherwise as it may think proper and may discharge any such persons and any such persons appointed, hired or employed by the Chargor.

12.16 Insolvency Act

The Security Agent may exercise all the powers set out in Schedule 1 to the Insolvency Act as are in force at the date of this Deed (whether or not in force at the date of exercise and whether or not any Receiver has been appointed and whether or not such Receiver is an administrative receiver).

12.17 Set-off

Subject to the provisions of the Facility Agreement, the Security Agent may, without prejudice to any of the Secured Parties' other rights, set off any matured obligation owed by any Secured Party to the Chargor (regardless of the place of payment, banking branch or currency of either obligation) against any or all of the Secured Liabilities which are due and unpaid. For this purpose the Security Agent may convert one currency into another at the rate of exchange determined by the Security Agent in its absolute discretion to be prevailing at the date and time of set-off.

12.18 Other rights

The Security Agent may do all such other acts and things it may consider necessary or expedient for the realisation of any Assigned Assets or the Charged Property or incidental to the exercise of any of the rights conferred upon it under or in connection with this Deed or any applicable law and may concur in the doing of anything which the Security Agent has the right to do and to do any such thing jointly with any other person.

12.19 Rights of Secured Parties

The Secured Parties shall not prior to the first date on which all Secured Liabilities have been fully and unconditionally discharged have any independent power to enforce this Deed or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to this Deed or otherwise have direct recourse to the security interests constituted by this Deed except through the Security Agent. The Security Agent shall take such action (including but not limited to the exercise of all rights, powers and discretions and the grants of all consents or releases) or refrain from taking action pursuant to this Deed as it may be instructed in writing in accordance with the Facility Agreement. The Chargor shall not be concerned with whether the Security Agent shall be acting in accordance with any instructions from the Secured Parties and shall be conclusively entitled to assume that the Security Agent has all the necessary right, title and authority.

12.20 Financial Collateral Arrangements

To the extent that any of the Charged Property constitutes "financial collateral" and this Deed and the obligations of the Chargor 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 Agent shall have the right following enforcement of this Deed to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities. 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 Authorised Investments, the market price of such Authorised Investment determined by the Security Agent by reference to a public index or by such other process as the Security Agent may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in the Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

13. EXTENSION AND VARIATION OF POWERS CONFERRED BY LAW**13.1 Power of sale**

- (a) Notwithstanding any other provision of this Deed, the Secured Liabilities shall be deemed for the purposes of section 101 of the LPA 1925 to have become due and payable within the meaning of section 101 of the LPA 1925, and the power of sale and other powers conferred on mortgagees by the LPA 1925 as

varied or extended by this Deed including the power to appoint a Receiver shall arise, immediately on execution of this Deed.

- (b) Section 103 of the LPA 1925 shall not restrict the exercise by the Security Agent of the statutory power of sale conferred on it by section 101 of the LPA 1925 which power may be exercised by the Security Agent without notice to the Chargor on or at any time after the occurrence of an Event of Default that is continuing and the provisions of the LPA 1925 relating to and regulating the exercise of the said power of sale shall, so far as they relate to the Assigned Assets or the Charged Property, be varied and extended accordingly.
- (c) Section 109(1) of the LPA 1925 shall not apply to this Deed.

13.2 Consolidation

The Security Agent shall, so far as it is lawful, be entitled to consolidate all or any of the security interests created under this Deed with any other securities whether now in existence or hereafter created. The restriction on the right of consolidating mortgage securities which is contained in Section 93(1) of the LPA 1925 shall not apply to this Deed.

14. APPOINTMENT OF RECEIVERS

14.1 Appointment

Subject to the terms of the Facility Agreement, at any time:

- (a) after any of the Security Interests created by this Deed has become enforceable (whether or not the Security Agent shall have taken possession of any of the Assigned Assets or the Charged Property); or
- (b) at the written request of the Chargor to the Security Agent; or
- (c) following any corporate, legal proceeding or other procedure or step taken for or with a view to the rehabilitation, administration, custodianship, receivership, liquidation, winding-up or dissolution of the Chargor,

the Security Agent may:

- (i) without notice to the Chargor:
 - (A) appoint under seal or by instrument in writing under the hand of any officer or other person authorised for such purpose by it, one or more persons to be a receiver, receiver and manager or administrative receiver of the Chargor and/or the whole or any part of the Assigned Assets or the Charged Property or any other property which is the subject of any Security Interest created or evidenced by or pursuant to any Security Document (a "Receiver"). If the Security Agent appoints more than one person to be Receiver, the Security Agent may give the relevant

persons power to exercise all or any of the powers conferred on Receivers individually as well as jointly and to the exclusion of the other or others of them and over all or separate parts of the Assigned Assets or the Charged Property; or

- (B) appoint one or more persons to be an administrator of the Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act; and
- (ii) following notice to the Chargor, appoint one or more persons to be an administrator of the Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act.

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Agent under the LPA 1925 (as extended by this Deed) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Assigned Assets or the Charged Property.

14.2 Scope of appointment

Any Receiver may be appointed either Receiver of all the Assigned Assets and the Charged Property or of such part thereof as may be specified in the appointment. In the latter case, the rights and powers conferred by Clause 14.4 (Powers of Receivers) shall have effect as though every reference in that Clause to "rights and powers" was a reference to rights and powers in respect of the part of such Assigned Assets or Charged Property so specified or any part thereof.

14.3 Removal

The Security Agent may, by deed or by instrument in writing under the hand of any officer or other person authorised for such purpose by it (so far as it is lawfully able and subject to any requirement of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it deems expedient, appoint any one or more other persons in place of or to act jointly with any other Receiver.

14.4 Powers of Receivers

- (a) Any Receiver appointed under this Deed will (subject to any contrary provision specified in his appointment but notwithstanding the rehabilitation, administration, custodianship, receivership, liquidation, winding-up or dissolution of the Chargor) have:
 - (i) all the rights and powers conferred by the LPA 1925 on mortgagors and on mortgagees in possession and on any receiver appointed under the LPA 1925;
 - (ii) all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do;

- (iii) in addition, all the rights and powers of an administrative receiver set out in Schedule 1 to the Insolvency Act (and whether or not the Receiver is in fact an administrative receiver) and (in the event that the Receiver is an administrative receiver) all the rights, powers and discretions exercisable by an administrative receiver by virtue of the provisions of the Insolvency Act;
 - (iv) in addition, all the rights and powers expressed to be conferred upon the Security Agent set out in Clause 12 (Enforcement Powers); and
 - (v) the power to do all things (including bringing or defending proceedings in the name of the Chargor) which seem to the Receiver to be incidental or conducive to (a) any of the functions, powers, authorisations or discretions conferred on or vested in him, (b) the exercise of all rights, powers and remedies of the Security Agent provided by or pursuant to this Deed or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed) or (c) bringing to his hand any assets of the Chargor forming part of, or which when got in would be, the Charged Property.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receivers.

14.5 Agent of the Chargor

Any Receiver shall for all purposes and at all times be and be treated as the agent of the Chargor and accordingly any Receiver is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA 1925. The Chargor shall be solely responsible for its contracts, engagements, acts, omissions, defaults and losses and for all liabilities incurred by him and for the payment of his remuneration. No Receiver shall at any time act as, or be deemed to be, agent of any Secured Party. No Secured Party shall incur any liability whatsoever to the Chargor.

14.6 Remuneration

Subject to Section 36 of the Insolvency Act, the Security Agent may from time to time determine the remuneration of any Receiver appointed by it (without being limited to the maximum rate specified in Section 109(6) of the LPA 1925) and may direct payment of such remuneration out of moneys accruing to him as Receiver, but the Chargor alone shall be liable for the payment of such remuneration and for all other costs, charges and expenses of the Receiver.

15. DELEGATION

- (a) The Security Agent and any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person who in the reasonable opinion of the Security Agent or, as the case may be, the

Receiver is appropriately qualified any right, power or discretion exercisable under this Deed.

- (b) Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any regulations which the Security Agent or, as the case may be, the Receiver may think fit.
- (c) No such delegation will preclude the subsequent exercise of such power by the Security Agent or Delegate itself or preclude the Security Agent from making a subsequent delegation to some other person. Any such delegation may be revoked by the Security Agent or Delegate at any time.
- (d) Neither the Security Agent nor any Receiver will (subject to paragraph (e) of this Clause 15) be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.
- (e) Nothing in this Deed shall, in any case in which the Security Agent or any Receiver has failed to show the degree of care and diligence required of it in its capacity as such, having regard to the provisions of this Deed or any other Finance Document imposing or conferring on the Security Agent any obligations or rights, relieve the Security Agent or such Receiver (as applicable) from any liability or entitle the Security Agent to be indemnified in respect of its own gross negligence or wilful misconduct in relation to its duties under or in respect of this Deed.

16. APPLICATION OF ENFORCEMENT PROCEEDS

16.1 Suspense Account

The Security Agent may, for so long as any of the Secured Liabilities for which any other person may be liable as principal debtor or as co-surety with the Chargor have not been paid or discharged in full, at its sole discretion, place and retain on a suspense account, for as long as it considers fit, any monies received, recovered or realised under or in connection with this Deed to the extent of such Secured Liabilities without any obligation on the part of the Security Agent to apply them in or towards the discharge of such Secured Liabilities.

16.2 Payments

All moneys arising from the exercise of the powers of enforcement under this Deed shall be held by the Security Agent and any Receiver and applied in the manner set out in the Facility Agreement and section 109(8) of the LPA 1925 shall be deemed varied and extended in such respect and shall be deemed incorporated herein as if they relate to a receiver of the Assigned Assets and the Charged Property and not merely a receiver of the income thereof.

17. PROTECTION OF THIRD PARTIES

17.1 Protection of purchasers

No person dealing with the Security Agent, any Receiver or any Delegate shall be bound to enquire:

- (a) whether any Secured Liabilities have become or remain due and payable; or
- (b) whether any right or power which the Security Agent, any Receiver or any Delegate is purporting to exercise has become or is exercisable; or
- (c) whether any consents, regulations, restrictions or directions relating to such rights or powers have been obtained or complied with or otherwise; or
- (d) into the application of any money borrowed or raised or other proceeds of enforcement.

All the protections given to purchasers from a mortgagee by sections 104 and 107 of the LPA 1925, and to persons dealing with a receiver in section 42(3) of the Insolvency Act in any other legislation for the time being in force, shall apply equally to any person purchasing from or dealing with the Security Agent, any Receiver or any Delegate.

17.2 Consideration

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

18. LIABILITY OF SECURITY AGENT, RECEIVERS AND DELEGATES

18.1 Possession

If the Security Agent, any Receiver or any Delegate shall take possession of any of the Assigned Assets or the Charged Property, it or he may at any time relinquish such possession.

18.2 Secured Parties' liability

No Secured Party will in any circumstances or on any basis:

- (a) be liable to account to the Chargor or any other person for anything except that Secured Party's own actual receipts; or
- (b) be liable to the Chargor or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any realisation of Assigned Assets or the Charged Property or from any exercise or non-exercise by the Security Agent of any right conferred upon it in relation to the Assigned Assets or the Charged Property or from any act, neglect, default, omission or misconduct of any nature of the Security Agent, or any of its officers, employees or agents in relation to the Assigned Assets, except to the extent that they shall be caused by the fraud or wilful default or gross

negligence of the Security Agent or any Receiver or any of its officers, employees or agents.

18.3 Receiver's Liability

All the provisions of Clause 18.2 (*Secured Parties' liability*) shall apply, *mutatis mutandis* in respect of the liability of any Receiver or Delegate or any officer, employee or agent of the Security Agent, any Secured Party, any Receiver or any Delegate.

18.4 Indemnity

- (a) The Security Agent and every Receiver, Delegate, attorney, manager, agent or other person appointed by the Security Agent under this Deed shall, subject to Clause 15(e) (*Delegation*), be entitled to be indemnified on demand, on an after Tax basis, in respect of all liabilities and expenses properly incurred by it in the execution or purported execution of any of its rights and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in anyway relating to this Deed or any other Security Document, and the Security Agent and any such Receiver, Delegate, attorney, manager, agent or other person appointed by the Security Agent under this Deed may retain and pay all sums in respect of them out of any moneys received.
- (b) No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until the Security Agent shall have received payment in full in the currency in which such obligation or liability was incurred and to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability actual or contingent expressed in that currency the Security Agent shall have a further separate cause of action against the Chargor and shall, as an original and independent obligation under this Deed, indemnify within five Business Days of demand, the Security Agent against the amount of any such shortfall.
- (c) The obligations contained in this Clause 18.4 shall survive the expiration of this Deed.

19. COSTS AND EXPENSES

19.1 Transaction expenses and amendment costs

The Chargor shall within fifteen Business Days of demand pay to the Security Agent (or other relevant Finance Party) all costs and expenses (including legal fees) reasonably incurred by the Security Agent in connection with the negotiation, preparation, printing and execution of this Deed and perfection of the Security Interests contemplated in this Deed or in responding to, evaluating, negotiating or complying with an amendment, waiver or consent requested by the Chargor.

19.2 Enforcement costs

The Chargor shall, within five Business Days of demand, pay to the Security Agent (or other relevant Finance Party) the amount of all costs and expenses (including legal fees) properly incurred by the Security Agent (or other relevant Finance Party) in connection with the enforcement or attempted enforcement of, or the preservation of rights under, this Deed.

20. STAMP TAXES

The Chargor shall, within five Business Days of demand, pay and indemnify the Security Agent (or other relevant Finance Party) against any cost, loss or liability that the Security Agent (or other relevant Finance Party) incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Deed (other than in respect of an assignment or transfer by a Lender).

21. POWER OF ATTORNEY

21.1 Appointment

The Chargor hereby appoints, irrevocably (within the meaning of Section 4 of the Powers of Attorney Act 1971) and by way of security for the performance of its obligations under this Deed, the Security Agent, every Receiver and every Delegate severally to be the attorney of the Chargor, on its behalf and as its act and deed, at such time and in such manner to execute, deliver and perfect all documents and do all things as the attorney may think fit:

- (a) to take any action which it is obliged to take under this Deed (or any other agreement binding on the Chargor to which the Security Agent is party) but has not taken promptly following a request to do so from the Security Agent or any Receiver or Delegate; and
- (b) to take whatever action may be required for enabling the Security Agent and any Receiver or Delegate to exercise, or delegate the exercise of, all or any of the rights, powers, authorities and discretions conferred on them by or pursuant to this Deed or by law (including, after the security hereby constituted has become enforceable, the exercise of any right of a legal or beneficial owner of the Charged Property),

and the taking of action by the attorney or attorneys shall (as between it and any third party) be conclusive evidence of its right to take such action.

21.2 Ratification

The Chargor undertakes to ratify and confirm everything that any attorney does or purports to do in the exercise or purported exercise of the power of attorney granted pursuant to Clause 21.1 (Appointment).

22. ASSIGNMENT

22.1 Assignment by the Security Agent

The Security Agent may at any time transfer all or any of its rights and obligations under this Deed to any successor or additional Security Agent appointed in accordance with the terms of the Facility Agreement and upon such assignment and transfer taking effect, the replacement Security Agent shall be and be deemed to be acting as agent and trustee for each Secured Party (as well as for itself) for the purposes of this Deed in place of the previous Security Agent.

22.2 Other changes to the Facility Agreement and to the Security Agent

All the provisions of this Deed and the security created by this Deed shall remain valid and binding on the Chargor notwithstanding:

- (a) any amendment, variation, novation, supplementation or replacement of the Facility Agreement;
- (b) any amalgamation, merger or reconstruction that may be effected by the Security Agent with any other person, including any reconstruction by the Security Agent involving the formation of a new company and the transfer of all or any of its assets to that company in each case in accordance with the terms of the Facility Agreement; or
- (c) any sale or transfer of the whole or any part of the undertaking and assets of the Security Agent to any other person in each case in accordance with the terms of the Facility Agreement.

22.3 Assignment by the Chargor

The rights, interests and obligations of the Chargor under this Deed are personal to it. Accordingly, they are not capable of being assigned, transferred or delegated in any manner. The Chargor undertakes that it shall not at any time assign or transfer, or attempt to assign, transfer, delegate or create any trust over any of its rights, interests or obligations under or in respect of this Deed.

22.4 Secured Parties

- (a) Each Party to this Deed agrees that the Security Agent's interests and rights under and in respect of this Deed shall be held by the Security Agent as agent and, to the fullest extent possible under applicable law, trustee for itself and the Secured Parties for the time being and from time to time on the terms set out in the Facility Agreement. Accordingly, unless the context requires otherwise, all references in this Deed to the Security Agent mean the Security Agent in that capacity as agent and trustee, and each Party to this Deed also agrees that the Secured Parties for the time being and from time to time shall have the benefit of this Deed.
- (b) Without prejudice to Clause 18.2 (*Secured Parties' liability*) neither any assignment provided for or referred to in this Deed, nor the receipt by any of the Secured Parties of any payment pursuant to this Deed, shall cause any of the Secured Parties to be under any obligation or liability to any other Party or to be

responsible for any other Party's failure to perform its obligations hereunder or thereunder.

23. AMENDMENTS AND WAIVERS

- 23.1 Other than pursuant to Clause 54 (*Amendments and Waivers*) of the Facility Agreement, this Deed may not be amended, modified or waived in any respect whatsoever, without the prior written consent of the Security Agent given with express reference to this Clause 23 and expressly stated to be intended to operate as the Security Agent's consent to such amendment, modification or waiver on behalf of the Secured Parties and, in the case of an amendment or modification, without the written agreement of the Chargor.
- 23.2 The Security Agent shall be entitled to disclose such information concerning the Chargor and this Deed to any actual or proposed direct or indirect successor where such person to whom that information is to be given has entered into a confidentiality undertaking or as the Security Agent may be required to be disclosed by any applicable law.

24. EXERCISE OF RIGHTS AND REMEDIES

- (a) No delay or omission on the part of the Security Agent in exercising any right, power or remedy provided by any applicable Law or under this Deed or any Finance Document shall:
- (i) impair such right, power or remedy; or
 - (ii) operate as a waiver of that right, power or remedy.
- (b) The single or partial exercise of any right, power or remedy provided by any applicable law, or under this Deed shall, except where the terms of this Deed provide expressly to the contrary, not preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.
- (c) The rights, powers and remedies provided in this Deed are cumulative and not exclusive of any rights, powers and remedies provided by any applicable law.

25. INVALIDITY AND SEVERABILITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

26. NOTICES

26.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by facsimile or letter.

26.2 Addresses

The address and facsimile number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below, or any substitute address, facsimile number or department or officer as the Parties may notify to each other by not less than five Business Days' notice.

Contact details of the Security Agent

Address: 8 Canada Square,
Canary Wharf,
London,
E14 5HQ,
United Kingdom

Fax: +44 (0) 207 991 4350

Email: ctla.trustee.admin@hsbc.com

Attention: CTLA Trustee Admin

Contact details of the Chargor

Address: 90, High Holborn,
London
WC1V 6LJ

Fax: +44 (0) 20 3116 0205

Email: andrew.pizzey@ineos.com

Attention: Andrew Pizzey

26.3 Delivery

(a) Subject to Clause 26.4 (*Electronic communication*), any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

(i) if by way of facsimile, when received in legible form; or

- (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to that other person at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 26.2 (Addresses), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is marked for the attention of the department or officer identified in Clause 26.2 (Addresses) (or any substitute department or officer as the Security Agent shall specify for this purpose).
- (c) Notices or communications received after or outside normal business hours or on a day which is not a Business Day in the place of receipt shall be deemed to be given on the next Business Day in the place of receipt.

26.4 Electronic communication

- (a) Any communication to be made between the parties under or in connection with this Deed may be made by electronic mail or other electronic means, if the parties:
 - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iii) notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made between the parties will be effective only when actually received in readable form and in the case of any electronic communication made by the Chargor to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.

26.5 English language

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

translation will prevail unless the document is a constitutional, statutory or other official document.

27. COUNTERPARTS

- (a) This Deed may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart.
- (b) Each counterpart shall constitute an original of this Deed, but all the counterparts shall together constitute one and the same instrument.

28. EXECUTION AS A DEED

Each of the parties to this Deed intends it to be a deed and confirms that it is executed and delivered as a deed, in each case notwithstanding the fact that either or both of the parties may only execute this Deed under hand.

29. PERPETUITY PERIOD

The perpetuity period of the trusts created under this Deed shall be 125 years.

30. GOVERNING LAW

This Agreement and any issues or disputes arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation or otherwise) shall be governed by and construed in accordance with English law.

31. JURISDICTION

- (a) The parties hereby irrevocably agree for the exclusive benefit of the Secured Parties that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a "Dispute").
- (b) The Chargor hereby irrevocably agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly irrevocably agrees not to argue to the contrary.
- (c) This Clause 31 is for the benefit of the Secured Parties. As a result no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by English law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

IN WITNESS of which this Deed has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1
NOTICE OF ASSIGNMENT OF INSURANCE DOCUMENTS

Part 1
FORM OF NOTICE OF ASSIGNMENT

To: [Name and address of each insurer]

From: [•] (the "Company")

Cc: HSBC Corporate Trustee Company (UK) Limited (the "Security Agent")
 [•]

Fax: [•]

Attention: [•]

Date:

Dear Sirs,

NOTICE OF ASSIGNMENT

We, the Company, refer you to the insurance policy dated [•] (the "Insurance Policy").

We, the Company, hereby give you notice that, pursuant to a Security Assignment and Debenture dated [•] and made between the (1) Company and (2) HSBC Corporate Trustee Company (UK) Limited in its capacity as Security Agent, acting as trustee and agent for itself and certain banks and other financial institutions (the "Secured Parties") (such deed, as it may be amended, assigned, novated or supplemented from time to time, being herein called the "Assignment"), we have assigned and charged and agreed to assign and charge, to the Security Agent all our rights, title, benefits, interests and claims, present, future, actual and contingent, in, to and under the Insurance Policy. Terms defined in the Assignment shall have the same meaning in this notice of assignment, unless otherwise defined herein.

Please note the following:

- (a) The Company shall at all times remain liable to you for the performance of all of the obligations assumed by it under or in respect of the Insurance Policy (including, without limitation, the payment of all premiums, calls, contributions or other sums from time to time payable in respect of the Insurance Policy) and it is acknowledged that no Secured Party shall have any such liability. Without prejudice to the foregoing, the Security Agent shall be entitled (but not obliged) to pay premiums directly.
- (b) The Company irrevocably and unconditionally instructs you to pay the full amount of any sum which you are (or would, but for the Assignment, be) at any time obliged to pay to it under or in respect of the Insurance Policy in accordance with the loss payable clause contained in or endorsed upon the Insurance Policy.

- (c) All rights, interests and benefits of the Company in relation to the Insurance Policy are exercisable by the Company unless and to the extent that the Security Agent notifies you that an Event of Default has occurred and is continuing and the Security Agent wishes to exercise all or any of such benefits, in which case the Security Agent shall be so entitled.
- (d) The Company has irrevocably and unconditionally appointed the Security Agent, every Receiver and every Delegate severally to be its attorney to take, at such time and in such manner as the attorney thinks fit, any action which the Company is obliged to take under the Assignment but has not taken promptly following a request from the Security Agent or any Receiver or Delegate to do so, and to take whatever action may be required enabling the Security Agent and any Receiver and any Delegate to exercise all or any of the rights, powers, authorities and discretions conferred on it by or pursuant to the Assignment or by law, and the taking of action by the attorney or attorneys shall be conclusive evidence of its (or their) right to take such action.
- (e) The Company confirms to you that:
 - (i) in the event of any conflict between communications received from the Company and from the Security Agent, you shall treat the communication from the Security Agent as prevailing over the communication from the Company;
 - (ii) you are and will at all times be permitted to assume and rely upon the correctness of anything communicated to you by the Security Agent; and
 - (iii) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's specific prior written consent.

This notice is governed by and shall be construed in accordance with English law.

Please acknowledge receipt of this notice and confirm that you will comply with the other provisions of this notice by executing and returning an original copy of the Form of Acknowledgement attached to this notice to the Security Agent with a copy to us.

Yours faithfully,

For and on behalf of

[•]

Part 2

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF THE INSURANCE DOCUMENTS**[LETTERHEAD OF THE ACKNOWLEDGING PARTY]**

To: HSBC Corporate Trustee Company (UK) Limited (the "Security Agent")
[•]

Fax: [•]

Attention: [•]

cc: [•]

Fax: [•]

Attention: [•]

Date: [•]

Dear Sirs,

ACKNOWLEDGEMENT OF ASSIGNMENT

We acknowledge receipt from the Company of the Notice of Assignment dated [•] (a copy of which is attached to this letter). Words and expressions defined by the Notice of Assignment (the "Notice") have the same meanings in this letter.

In consideration of the Security Agent (acting as trustee and agent for itself and the other Secured Parties) approving the placement of the Insurance Policy with us, we undertake and confirm to you that:

- (a) we consent to the assignment of the Insurance Policy and have noted, and will act in accordance with, the terms of the Notice;
- (b) we irrevocably and unconditionally agree to pay the full amount of any sum which we are (or would, but for the Assignment, be) at any time obliged to pay under or in respect of the Insurance Policy to the Company pursuant to the relevant loss payable clauses into an account as directed by the Security Agent;
- (c) we will ensure that the interest of the Security Agent (as assignee of the Insurance Policy) and a copy of the endorsement in the form attached to the Notice of Assignment or any other form agreed by us, the Company and the Security Agent (acting on instructions from the Insurance Bank) will be duly noted and endorsed on all slips, cover notes, policy documents and other documents relating to the Insurance Policy;
- (d) we shall advise the Security Agent in writing immediately if we become aware of the expiry, termination or cancellation of any part of the Insurance Policy for any reason whatsoever including, without limitation, any failure by or on behalf of the Company to

pay premiums, fees or other costs that may be payable in respect of the Insurance Policy;

- (e) we confirm that we have not, as at the date of this letter, received notice nor are we aware that any other person has or will have any right or interest whatsoever in, or has made or will be making any claim or demand or be taking any action against the Insurance Policy or any part thereof (in respect of the rights, title, benefits, interest and claims of the Company thereunder), and if, after the date of this letter, we receive any such notice or become aware of any such circumstance we shall immediately give written notice thereof to the Security Agent; and
- (f) we acknowledge that the Security Agent shall be entitled (but not obliged) to pay premiums in respect of the Insurance Policy directly to us and to expect performance of any other obligation of the Company thereunder or in connection therewith.

This letter is governed by and shall be construed in accordance with English law.

Yours faithfully,

.....
For and on behalf of
[name of insurer]

SCHEDULE 2
NOTICE OF ASSIGNMENT OF ASSIGNED DOCUMENTS

Part 1
FORM OF NOTICE OF ASSIGNMENT

To: [Name and address of each counterparty/counterparties to each Hedging Agreement, Intercompany Loan Agreement, Joint Operating Agreement and Project Document]

From: [•] (the "Company")

Cc: HSBC Corporate Trustee Company (UK) Limited (the "Security Agent")
 [•]

Fax: [•]

Attention: [•]

Date:

Dear Sirs,

NOTICE OF ASSIGNMENT

We, the Company, refer you to the [relevant Assigned Document] dated [•] between[, *inter alios*,] us and you (the "Agreement") [and the request for consent to assign the Agreement sent to you by us on [•]].

[Following receipt of the acknowledgement of your consent to assign the Agreement dated [•], we] We, the Company, hereby give you notice that, pursuant to a Security Assignment and Debenture dated [•] and made between the Company and the Security Agent as agent and trustee for itself and certain banks and other financial institutions (the "Secured Parties") (such deed, as it may be amended, assigned, novated or supplemented from time to time, being herein called the "Assignment"), we have assigned and charged, and agreed to assign and charge, to the Security Agent all our rights, title, benefits, interests and claims, present, future, actual and contingent, in, to and under the Agreement. Terms defined in the Assignment shall have the same meaning in this notice of assignment, unless otherwise defined herein.

Please note the following:

- (a) The Company shall at all times remain liable to you for the performance of all of the obligations assumed by it in respect of the Agreement and it is acknowledged that no Secured Party shall have any such liability.
- (b) All monies payable by you to the Company under the Agreement are to be paid into [the/one of the] Project Account[s] set out below or as directed by the Security Agent from time to time:

[Insert details of Project Accounts]

- (c) The Security Agent has agreed, subject as provided below, that the Company remains entitled to exercise all the rights, powers, discretions, claims or remedies which would (but for the Assignment) be vested in the Company under and in respect of the Agreement unless, until and except to the extent that the Security Agent gives you notice that an Event of Default has occurred (which has not been remedied or waived) and the Security Agent has become entitled to enforce its security under the Assignment. Upon and after the giving of such notice, the Security Agent shall be entitled to exercise and give directions regarding the exercise of all or any of those rights, powers, discretions, claims or remedies (to the exclusion of the Company and to the exclusion of any directions given at any time by or on behalf of the Company) to the extent specified in the notice given to you by the Security Agent.
- (d) The Company has irrevocably and unconditionally appointed the Security Agent, every Receiver, and every Delegate severally to be its attorney to take, at such time and in such matter as the attorney thinks fit, any action which the Company is obliged to take under the Assignment but has not taken promptly following a request from the Security Agent or any Receiver or Delegate to do so, and to take whatever action may be required for enabling the Security Agent and any Receiver and any Delegate to exercise all or any of the rights, powers, authorities and discretions conferred on it by or pursuant to the Assignment or by law, and the taking of action by the attorney or attorneys shall be conclusive evidence of its (or their) right to take such action; and
- (e) The Company confirms to you that:
 - (i) in the event of any conflict between communications received from the Company and from the Security Agent, you shall treat the communication from the Security Agent as prevailing over the communication from the Company;
 - (ii) you are and will at all times be permitted to assume and rely upon the correctness of anything communicated to you by the Security Agent; and
 - (iii) none of the instructions, authorisations, and confirmations in this notice can be revoked or varied in any way except with the Security Agent's specific prior written consent.

This notice is governed by and shall be construed in accordance with English law.

Please acknowledge receipt of this notice and confirm that you will comply with the other provisions of this notice by executing and returning an original copy of the Form of Acknowledgement attached to this notice to the Security Agent.

Yours faithfully,

For and on behalf of

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Part 2**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF ASSIGNED DOCUMENTS****[LETTERHEAD OF THE ACKNOWLEDGING PARTY]**

To: HSBC Corporate Trustee Company (UK) Limited (the "**Security Agent**")
[•]

Fax: [•]

Attention: [•]

cc: [•] (the "**Company**")
[•]

Fax: [•]

Attention: [•]

Date: [•]

Dear Sirs,

ACKNOWLEDGEMENT OF ASSIGNMENT

We acknowledge receipt from the Company of the Notice of Assignment dated [•] (a copy of which is attached to this letter). Words and expressions defined by the Notice of Assignment have the same meanings in this letter.

In consideration of the Secured Parties agreeing to provide finance and financial support to the Company, we confirm that:

- (a) we consent to the assignment of the Agreement to the Security Agent by the Company and have noted, and will act in accordance with, the terms of the Notice of Assignment; and
- (b) we have not previously received notice of any assignment of the Agreement, and we are not aware of any interest of any third party in any of the Company's rights, benefits, interests or claims under or in respect of the Agreement and if, after the date of this letter, we receive any such notice or become aware of any such interest, we shall immediately give written notice thereof to the Security Agent.

This letter is governed by and shall be construed in accordance with English law.

Yours faithfully,

.....
For and on behalf of
[each other party to the relevant Assigned Document]

SCHEDULE 3
LETTER OF UNDERTAKING TO REGISTER SHARE TRANSFER

[•]

Fax: [•]

For the attention of [•]

Dear Sirs

[•] (the "Company")

We refer to the security deed of charge dated [•] between [•] as chargor (the "Chargor") and [•] as chargee (the "Deed of Charge") whereby, inter alia, the Chargor granted an equitable charge over the Shares in favour of the Security Agent.

Capitalised words and expressions used in this letter which are not expressly defined herein have the meanings ascribed to them in the Deed of Charge.

This letter of undertaking is given pursuant to Clauses 5.3(a)(iii) and 5.3(b) (Shares) of the Deed of Charge.

The Company hereby irrevocably and unconditionally undertakes to register in the Company's Register of Members any and all share transfers which are made pursuant to the terms of the Deed of Charge to the Security Agent or its nominee in respect of the Shares submitted to the Company by the Security Agent.

This letter is governed by and shall be construed in accordance with English law.

Yours faithfully

Executed and Delivered as a Deed by [•]) Per:
 in the presence of:)
) Title:
)
) Name:

.....
 Witness's Signature

(Name)

(Address)

(Occupation)

SCHEDULE 4
DETAILS OF ACCOUNTS

Account name	Account holder	Account number	Sort code	IBAN
INEOS UK E&P Holdings Limited GBP Trustee Account	INEOS UK E&P Holdings Limited	[REDACTED]	[REDACTED]	[REDACTED]
INEOS UK E&P Holdings Limited GBP Account	INEOS UK E&P Holdings Limited	[REDACTED]	[REDACTED]	[REDACTED]
INEOS UK E&P Holdings Limited EUR Account	INEOS UK E&P Holdings Limited	[REDACTED]	[REDACTED]	[REDACTED]
INEOS UK E&P Holdings Limited USD Account	INEOS UK E&P Holdings Limited	[REDACTED]	[REDACTED]	[REDACTED]

**SCHEDULE 5
LICENCES**

N/A

SCHEDULE 6
JOINT OPERATING AGREEMENTS

N/A

**SCHEDULE 7
PROJECT DOCUMENTS**

N/A

**SCHEDULE 8
SHARES**

Charged company	Registered number	Description of shares	Number of shares
INEOS UK SNS Limited	01021338	Ordinary shares of £1 each	168,800,000
INEOS Clipper South B Limited	04649606	Ordinary shares of £1 each	100
INEOS Clipper South C Limited	04967270	Ordinary shares of £1 each	1

SIGNATURES

The Chargor

EXECUTED AS A DEED
by INEOS UK E&P HOLDINGS LIMITED

a company incorporated in Scotland by)

ANDREW PRZEY)

being a person who, in accordance)

with the laws of that territory, is acting)

under the authority of the company)

in the presence of:)

.....
Authorised Signatory (or signatories)

.....
Address of Witness

(CHRIS MARJOR)
TRAINEE SOLICITOR

SLAUGHTER AND MAY, ONE BUNHILL ROW,
LONDON, EC1Y 8YY.

at SLAUGHTER AND MAY, LONDON.

on 31 AUGUST 2016

The Security Agent

**EXECUTED as a DEED
by HSBC CORPORATE TRUSTEE
COMPANY (UK) LIMITED
acting by its attorney/director**

.....
Attorney/Director

Witnessed by:

.....
Witness Name:

Witness Address: