

EXECUTION VERSION

SECURITY AGREEMENT

25 AUGUST 2015

**WODS TRANSMISSION PLC
WODS TRANSMISSION HOLDCO LTD
as the Chargors**

and

**HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED
as Security Trustee**

ALLEN & OVERY

Allen & Overy LLP

0080700-0000032 ICM:21561348.16

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THIS DEED is made on 25 August 2015.

BETWEEN:

- (1) **WODS TRANSMISSION PLC**, a public limited company incorporated in England and Wales (registered number 9309507), and having its registered office at The American Barns Banbury Road, Lighthorne, Warwickshire, CV35 0AE (the **OFTO**);
- (2) **WODS TRANSMISSION HOLDCO LTD**, a company incorporated in England and Wales with limited liability (registered number 9308464), and having its registered office at The American Barns Banbury Road, Lighthorne, Warwickshire, CV35 0AE (**Holdco** and, together with the **OFTO**, the **Chargors**); and
- (3) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED** a company incorporated under the laws of England and Wales whose principal office is at 8 Canada Square, London, E14 5HQ in its capacity as the security trustee (the **Security Trustee**).

IT IS AGREED as follows:

- (A) The Secured Creditors are willing to enter into certain finance arrangements with the Chargors on the terms and conditions set out in the Finance Documents (as defined below). One of the conditions is that the Chargors enters into this Deed.
- (B) The board of directors of each Chargor is satisfied that entering into this Deed is for the purposes and to the benefit of each Chargor and its business.
- (C) The Security Trustee holds the benefit of this Deed on trust for the Secured Creditors on the terms of the Finance Documents.
- (D) This Deed is the Security Agreement as defined in the Master Definitions Agreement (as defined below).
- (E) This Deed shall take effect as a deed notwithstanding that any party may execute it under hand.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

Acceptable Bank means:

- (a) a bank or financial institution acting through a branch located in the United Kingdom which has a rating for its long-term unsecured and non-credit enhanced debt obligations of A- or higher by S&P or Fitch or A3 or higher by Moody's or an equivalent long-term rating from another Rating Agency; and
- (b) any other bank or financial institution approved by the Security Trustee in accordance with the STID.

Accounts means the accounts listed in paragraph 1(a) of schedule 5 (Cash Management) of the Common Terms Agreement.

Account Bank means HSBC Bank plc (or any successor account bank appointed pursuant to the Account Bank Agreement).

Account Bank Agreement means the account bank agreement dated on or about the Signing Date between certain Obligors, the Account Bank and the Security Trustee.

Acquisition means the acquisition by the OFTO of the Transmission Assets pursuant to the Acquisition Documents.

Acquisition Agreement means the agreement dated on or about the Signing Date between the OFTO and the Vendors relating to the sale and purchase of the Transmission Assets.

Acquisition Agreement PCG means:

- (a) the guarantee of the Vendors' obligations under the Acquisition Agreement dated on or about the Signing Date provided by DONG Energy Wind Power Holdings A/S in favour of the OFTO; or
- (b) the guarantee of the Vendors' obligations under the Acquisition Agreement dated on or about the Signing Date provided by Scottish Power UK Plc in favour of the OFTO.

Acquisition Documents means:

- (a) the Acquisition Agreement;
- (b) each Acquisition Agreement PCG;
- (c) the Disclosure Letter; and
- (d) any other document designated as an Acquisition Document by the Security Trustee and the OFTO.

Act means the Law of Property Act 1925.

Agency Agreement means the paying agency agreement dated on or about the Initial Issue Date between, among others, the OFTO, the Principal Paying Agent and the Bond Trustee.

Bond Document means:

- (e) the Bond Trust Deed (including the Conditions);
- (f) the Bonds (including any applicable Coupons and Receipts);
- (g) the Agency Agreement; and
- (h) any other document designated as such by the OFTO and the Bond Trustee.

Bonds means the Original Bonds and the Further Bonds which are or are to be constituted under the Bond Trust Deed, which bond may be represented by a Global Bond or a Definitive Bond.

Bond Trust Deed means the bond trust deed dated on or about the Initial Issue Date between the OFTO and the Bond Trustee under which Bonds will, on issue, be constituted and any deed supplemental thereto.

Bond Trustee means HSBC Corporate Trustee Company (UK) Limited or any other or additional trustee appointed pursuant to the Bond Trust Deed, for and on behalf of the Bondholders, the Receiptholders and the Couponholders.

Bondholders means the persons who are for the time being holders of the outstanding Bonds.

Book Debts means all book and other debts of any nature, and all other rights to receive money (excluding the Accounts), now or in the future due, owing or payable to each Chargor and the benefit of all related negotiable instruments, related rights, security, guarantees and indemnities of any kind.

Cash Equivalent Investments means at any time:

- (a) certificates of deposit which mature within six months after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of:
 - (i) the United Kingdom; or
 - (ii) provided that it has a credit rating of A-1 or higher by S&P, F-1 or higher by Fitch or P-1 or higher by Moody's, any member state of the European Economic Area or any Participating Member State,

or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

- (c) commercial paper not convertible or exchangeable into any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in:
 - (A) the United Kingdom; or
 - (B) any member state of the European Economic Area or any Participating Member State;
 - (iii) which matures within six months after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by S&P or F-1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F-1 or higher by Fitch or P-1 or higher by Moody's, (ii) which invest substantially all of their assets in securities of the types described in paragraphs (b) and (c) above and (iii) can be turned into cash on not more than 30 days' notice; or
- (e) any other debt security approved by the Security Trustee,

in each case, denominated in Sterling and to which any Obligor is alone (or together with other Obligors beneficially entitled at that time and which is not issued or guaranteed by any Obligor or subject to any Security (other than Security arising under the Security Documents).

CE Lease Licence to Assign means the licence to assign the Crown Estate Lease dated on or around the Signing Date between the OFTO and the Vendor.

Charged Assets means all assets of the Chargors the subject of any security created by or pursuant to this Deed (or, in the case of any right of the Chargors under a document which cannot be secured in the manner envisaged by this Deed without the consent of a party to that document, prior to such consent being given, such right) but shall exclude such assets to the extent that, and for so long as, the taking of any such security would contravene the terms of any Transaction Authorisation, the Crown Estate Lease or any applicable law or regulation

Charged Documents means (a) the Transaction Documents to which a Chargor is a party (other than this Deed and the Bond Trust Deed) and all other contracts, documents, agreements and deeds to which it is, or may become, a party; (b) any letter of credit or bond issued in favour of a Chargor; and (c) any bill of exchange or other negotiable instrument held by a Chargor, but excluding in each case the Excluded Contracts.

Charged Property means the property, assets, rights and undertakings (but excluding in each case the Excluded Contracts) which, from time to time are, or are expressed to be, the subject of the Security Interests created, or purported to be created in favour of the Security Trustee pursuant to the Security Documents including the Security Trustee's interest in any trust fund created pursuant to clause 11 (Turnover of Receipts) of the STID and any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Trustee in accordance with the terms of the Finance Documents holds as trustee on trust for the Secured Creditors.

Collateral Regulations means the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003 No.3226).

Common Documents means the Security Documents, the Common Terms Agreement, the Master Definitions Agreement, the STID, the Account Bank Agreement and any other documents designated as such by the Security Trustee and the OFTO.

Common Terms Agreement means the Common Terms Agreement dated on or about the date of this Deed between, amongst others, the Chargors and the Security Trustee.

Completion means completion of the Acquisition in accordance with clause 7 of the Acquisition Agreement.

Completion Date means the date on which Completion occurs.

Couponholders means the several persons who are, for the time being, holders of the Coupons and includes, where applicable, the Talonholders.

CP Agreement means the conditions precedent agreement dated on or about the Signing Date between, among others, the Bond Trustee, the Security Trustee, the PBCE Provider and the Obligors.

Creditor Accession Undertaking means a memorandum that is substantially in the form set out in schedule 1 (Form of Creditor Accession Undertaking) of the STID.

Crossing Agreement means:

- (a) the cable crossing and proximity agreements novated to the OFTO on or about the Signing Date between, amongst others,:

- (i) TC Ormonde OFTO Limited and the Vendor dated 27 February 2013;
- (ii) EDF Energy Nuclear Generation Limited and the Vendor dated 19 February 2013;
- (iii) TC Barrow OFTO Limited and the Vendor (Offshore Cable Crossing Agreement) dated 1 March 2013;
- (iv) TC Barrow OFTO Limited and the Vendor (Onshore Cable Crossing Agreement) dated 1 March 2013;
- (v) Barrow Offshore Wind Limited and the Vendor dated 3 May 2013;
- (vi) Burlington Resources (Irish Sea) Limited and the Vendor dated 25 March 2013;
- (vii) Blue Transmission Walney 1 Limited and the Vendor dated 5 April 2013;
- (viii) Blue Transmission Walney 2 Limited and the Vendor dated 1 March 2012;
- (ix) Hydrocarbon Resources Limited and the Vendor dated 18 March 2013;
- (x) TC Barrow OFTO Limited and the Vendor dated 13 September 2013;
- (xi) Blue Transmission Walney 1 Limited and the Vendor dated 19 March 2014; and
- (xii) Electricity North West Limited and the Vendor dated 13 September 2013 (as varied by the deed of variation dated 1 April 2014).

Crown Estate Lease means the lease of the offshore substation dated on or about the Signing Date among the Queen's Most Excellent Majesty, the Crown Estate Commissioners and the Vendor and assigned to the OFTO by the Vendor on or about the Completion Date.

Declared Default means an Event of Default in respect of which an Enforcement Notice has been served by the Security Trustee in accordance with the STID.

Default means:

- (a) an Event of Default; or
- (b) a Potential Event of Default.

Definitive Bond means any Bonds issued in definitive bearer form.

Delegate means any delegate, agent, attorney or co-trustee appointed by the Security Trustee.

Disclosure Letter has the meaning given to that term in the Acquisition Agreement.

Duchy Lease means the lease dated 12 March 2015 between the Duchy of Lancaster and the Vendor as assigned to the Borrower.

Excluded Contracts means each of:

- (a) Performance Bond (LG12/7713) dated 22 November 2012 granted by Fortis Bank UK Branch in favour of DONG WDS and ScottishPower (as assigned on or around the date of this Agreement to the OFTO);

- (b) Performance Bond No. 01GBR31100146 dated 26 September 2011 granted by Siemens Financial Services GmbH in favour of DONG WDS and ScottishPower (as assigned on or around the date of this Agreement to the OFTO);
- (c) Performance Bond No. 102/235072 (otherwise referred to as PEBLDI1235072) dated 22 August 2012 as amended on 31 December 2012 granted by HSBC Bank plc in favour of DONG WDS only (as assigned on or around the date of this Agreement to the OFTO);
- (d) Contract for the supply of SCADA, Network Equipment (undated) between NetDesign A/S and DONG WDS and ScottishPower (as assigned on or around the date of this Agreement to the OFTO);
- (e) Contract dated 5 October 2012 for the supply of LOS, HVF and TETRA Equipment between DONG WDS, ScottishPower and SEMCO Maritime A/S (as assigned on or around the date of this Agreement to the OFTO);
- (f) Contract dated 9 July 2012 for the supply and installation of the cable protection/entry system for export and array cables between DONG WDS, ScottishPower and Tekmar Energy Ltd (as assigned on or around the date of this Agreement to the OFTO) and the associated performance bond (MRGISS029030) granted by Barclays Bank (as assigned on or around the date of this Agreement to the OFTO).;
- (g) Performance Guarantee no. GA-4790A dated 6 May 2014 granted by Oldenburgische Landesbank AG in favour of DONG Energy West of Duddon Sands (UK) Limited (as assigned on or around the date of this Agreement to the OFTO)
- (h) Contract dated 1 May 2012 for the transportation and installation of foundations (as novated) between Boskalis Offshore Marine Contracting BV and Volker Stevin Offshore Limited (as assigned on or around the date of this Agreement to the OFTO);
- (i) the licence granted by Lancashire County Council to DONG Energy with letter dated 25 July 2012 to place and/or retain apparatus in the highway at Carr Lane and Middleton Road, Heysham pursuant to section 50 of the New Roads and Street Works Act 1991 (as assigned on or around the date of this Agreement to the OFTO);
- (j) the licence granted by Lancashire County Council to DONG Energy with letter dated 16 September 2014 to place and/or retain apparatus in the highway at Main Avenue, Middleton pursuant to section 50 of the New Roads and Street Works Act 1991 (as assigned on or around the date of this Agreement to the OFTO); and
- (k) the Duchy Lease (as assigned on or around the date of this Agreement to the OFTO).

Event of Default means an event specified as such in schedule 3 (Events of Default) to the Common Terms Agreement.

Finance Document means:

- (a) each Hedging Agreement and any other credit support or collateral documentation entered into in connection therewith or pursuant thereto;
- (b) each Bond Document;

- (c) each Common Document;
- (d) the CP Agreement;
- (e) each PBCE Document;
- (f) each Investor Funding Loan;
- (g) any fee letter, commitment letter or request entered into in connection with an Authorised Credit Facility that has been designated as a Finance Document by the parties thereto (including at least one Obligor);
- (h) any amendment and/or restatement agreement relating to any of the above documents; and
- (i) any other document designated as such by the OFTO, the Security Trustee and the Bond Trustee.

Fitch means Fitch Ratings Ltd. and any successor to the rating agency business of Fitch Ratings Ltd or any successor to its rating agency function.

Further Bonds has the meaning given to that term in Condition 15 (Further Bonds).

Global Bond means a Temporary Global Bond and/or a Permanent Global Bond, as the context may require.

Hedge Counterparty means an Initial Hedge Counterparty or any counterparty which accedes as a hedge counterparty to the STID and Common Terms Agreement as a hedge counterparty.

Hedging Agreement means each ISDA Master Agreement entered into by the OFTO and a Hedge Counterparty for the purpose of executing a Revenue Transaction, in each case in accordance with paragraph 27 (Treasury Transactions) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) to the CTA and which governs the Hedging Transactions between such parties.

Initial Issue Date means the date upon which the Bonds are issued by the OFTO.

Initial Management Services Agreement means the management services agreement dated on or about the date of this Agreement entered into between, amongst others, the Initial Management Services Provider and the OFTO.

Insurance means the contracts and policies of insurance taken out by or on behalf of the OFTO in accordance with Schedule 6 (Insurances) of the Common Terms Agreement or (to the extent of its interest) in which the OFTO has an interest;

Investments shall have the meaning given to such term in Clause 7.1 (General).

Investor Funding Loan means:

- (a) as at the Initial Issue Date, any loan made under the OFTO Loan Note Instrument; and
- (b) any loan made or deemed to be made by any Investor to any Obligor, provided that the benefit of such loan is subject to the terms of the STID as an Investor Funding Loan.

Liability means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges (other than on net income profits or gains)) and including any

irrecoverable value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.

Management Services Agreement means the Initial Management Services Agreement and any replacement management services agreement entered into by the OFTO from time to time pursuant to the terms of the Common Terms Agreement.

Management Services Direct Agreement means the Initial Management Services Direct Agreement and any replacement management services direct agreement approved by the Security Trustee in accordance with the STID.

Master Definitions Agreement means master definitions agreement dated on or about the date of this Deed between, amongst others, the Chargors and the Security Trustee.

NETSO means the National Electricity Transmission System Operator.

NGET means National Grid Electricity Transmission plc (registered number 02366977).

NGET Lease means the lease dated 12 December 2015 between National Grid Electricity Transmission plc and the Vendor as assigned to the Borrower.

O&M Agreement means the operation and maintenance agreement dated on or about the Signing Date between the OFTO and the O&M Contractor.

O&M Contractor means DONG Energy WoDS (UK) Limited and ScottishPower Renewables (WODS) Limited.

O&M Direct Agreement means the operation and maintenance direct agreement dated on or about the date of this Agreement between the O&M Contractor, the Security Trustee and the OFTO.

O&M Guarantee means the guarantee in the agreed form dated on or about the date of this Agreement between the O&M Guarantor and the Company.

O&M Guarantors means DONG Energy Wind Power Holdings A/S and Scottish Power UK Plc or any replacement agreed in accordance with the O&M Agreement.

Obligor means the OFTO and HoldCo.

Ofgem means the Office of Gas and Electricity Markets and any successor person.

OFTO Licence means the offshore electricity transmission licence granted by Ofgem to the OFTO under Section 6(1)(b) of the Electricity Act 1989.

OFTO Loan Note Instrument means the loan note instrument made by the OFTO on or around the Signing Date.

Onshore Lease Agreement means each of:

- (a) the NGET Lease; and
- (b) the Duchy Lease;

Original Bonds means the £ 254,849,000 3.446 per cent. fixed rate senior secured bonds due August 2034 to be issued by the OFTO to finance the Project.

Participating Member State means a member state of the European Union that adopts or has adopted the euro as its lawful currency under the legislation of the European Union for European Monetary Union.

Party means, in relation to a Finance Document, a party to such Finance Document.

PBCE Document means:

- (a) the PBCE Letter of Credit and Reimbursement Deed;
- (b) the PBCE Letter of Credit; and
- (c) any other document designated as such by the OFTO, the PBCE Provider and the Security Trustee.

PBCE Letter of Credit means the standby letter of credit no. 84295 to be issued by the PBCE Provider on or about the Initial Issue Date in accordance with the provisions of the PBCE Letter of Credit and Reimbursement Deed.

PBCE Letter of Credit and Reimbursement Deed means the standby letter of credit and reimbursement deed dated on or about the Signing Date between the OFTO, the Security Trustee and the PBCE Provider.

PBCE Provider has the meaning given to such term in the PBCE Letter of Credit and Reimbursement Deed.

Permanent Global Bond means the permanent global bond in respect of the Bonds to be issued pursuant to clause 4 (Form and Issue of Bonds) of the Bond Trust Deed in the form or substantially in the form set out in part 2 (Form of Permanent Global Bond) of schedule 1 (Form of Global Bonds) to the Bond Trust Deed.

Potential Event of Default means any event which, with the lapse of time and/or the giving of any notice and/or the making of any determination (in each case where the lapse of time and/or giving of notice and/or determination is provided for in the terms of such Event of Default, and assuming no intervening remedy), will become an Event of Default.

Principal Paying Agent means, in relation to the Bonds, HSBC Bank plc at its office at 8 Canada Square, London E14 5HQ as principal paying agent under the Agency Agreement, or if applicable, and Successor principal paying agent in relation to the Bonds.

Project Document means:

- (a) the OFTO Licence;
- (b) an Acquisition Document;
- (c) each Crossing Agreement;
- (d) an Onshore Lease Agreement;
- (e) the Crown Estate Lease;
- (f) the CE Lease Licence to Assign;
- (g) the STC and STC Framework Agreement;

- (h) the O&M Agreement;
- (i) the O&M Direct Agreement;
- (j) each O&M Guarantee;
- (k) the Transmission Owner Construction Agreement;
- (l) the Management Services Agreement;
- (m) the Management Services Direct Agreement;
- (n) any other material contract entered into by the OFTO in connection with the Project; and
- (o) any other document designated as such by the OFTO, the Security Trustee and the Bond Trustee.

Rating Agencies means each of Fitch, Moody's and S&P or any other internationally recognised rating agency and any successor to any of the aforementioned parties (and Rating Agency means any one of them).

Receipt means a receipt for the payment of instalments of principal (other than the final instalment) attached on issue to Definitive Bonds, such receipt being substantially in the form set out in the Bond Trust Deed or in such other form as may be agreed between the OFTO, the Principal Paying Agent and the Bond Trustee and includes any replacements for Receipts issued pursuant to Condition 11 (Replacement of Bonds, Receipts and Coupons).

Receiptholders means the several persons who are for the time being holders of the Receipts.

Receiver means an administrative receiver, a receiver and manager and a receiver of all or any part of the Charged Assets, in each case, appointed under this Deed.

RPI means the all items retail prices index for the United Kingdom published by the Office for National Statistics as made available by the Bank of England (at <http://www.bankofengland.co.uk/publications/pages/inflationreport/default.aspx>) or, if the retail prices index ceases to exist, such other indexation procedure as the Security Trustee may approve on recommendation of the OFTO.

Revenue Transaction means an inflation-linked swap transaction entered into between the OFTO and a Hedge Counterparty under a Hedging Agreement pursuant to which the OFTO will pay a floating amount linked to RPI and the OFTO will receive an amount uplifted at a fixed rate (i.e. compounded at a fixed rate).

S&P means Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. or any successor to its rating business.

Secured Creditors means:

- (a) the Security Trustee (in its own capacity and on behalf of the other Secured Creditors), any Receiver or Delegate,
- (b) the Bondholders;
- (c) the Bond Trustee (in its own capacity and on behalf of the Bondholders);

- (d) each Hedge Counterparty;
- (e) the Account Bank;
- (f) the Principal Paying Agent;
- (g) the PBCE Provider; and
- (h) each other party that accedes to the STID as a Secured Creditor,

and **Secured Creditor** means any one of them.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Creditor under each Finance Document to which such Obligor is a party.

Security Assets means all assets of the Chargors the subject of any security created by or pursuant to this Deed (or, in the case of any right of the Chargors under a document which cannot be secured in the manner envisaged by this Deed without the consent of a party to that document, prior to such consent being given, such right) but shall exclude such assets to the extent that, and for so long as, the taking of any such security would contravene the terms of any Transaction Authorisation, the Crown Estate Lease or any applicable law or regulation.

Security Documents means:

- (a) the Security Agreement;
- (b) the STID and each Creditor Accession Undertaking, together with any deed supplemental to the STID; and
- (c) any other document evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor to a Secured Creditor in respect of the Secured Liabilities.

Security Interest means any mortgage, sub-mortgage, standard security, charge, sub-charge, assignment, assignation in security, pledge, lien, right of set-off or other encumbrance or security interest.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Chargor to any Secured Creditor under each Finance Document to which such Chargor is a party.

Security Trustee means HSBC Corporate Trustee Company (UK) Limited or any successor appointed as security trustee pursuant to the STID.

Shares means all the shares in the capital of each of the companies specified in Schedule 3 (Details of Shares) and any shares in the capital of any other company owned by any Chargor or held by any nominee on behalf of any Chargor at any time.

Security means the Security Interests created in favour of the Security Trustee under or pursuant to this Deed.

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

Shares means all the shares in the capital of each of the companies specified in Schedule 3 (Details of Shares) and any shares in the capital of any other company owned by any Chargor or held by any nominee on behalf of any Chargor at any time.

Signing Date means the date of this Agreement.

STC means the System Operator - Transmission Owner Code as published from time to time on www.nationalgrid.com or any other replacement industry code.

STC Accession Deed means the deed of accession between the OFTO and NGET in its capacity as National Electricity Transmission System Operator (NETSO) under which the OFTO agrees to be bound by the STC.

STID means the security trust and intercreditor deed entered into on or about the Initial Issue Date between the parties to the Common Terms Agreement, together with any deed supplemental to the STID.

STID Decision Making Protocol means the protocol set out in schedule 2 (STID Decision Making Protocol) of the STID.

Subsidiary means a subsidiary within the meaning of section 1159 of the Companies Act 2006 and, unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

Talonholders means the several persons who are for the time being holders of the Talons.

Talons means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, the Definitive Bonds, such talons being substantially in the form set out in the Bond Trust Deed or in such other form as may be agreed between the OFTO, the Principal Paying Agent and the Bond Trustee.

Temporary Global Bond means a temporary global bond in respect of the Bonds to be issued pursuant to clause 4 (Form and Issue of Bonds) of the Bond Trust Deed in the form or substantially in the form set out in part 1 (Form of Temporary Bonds) of schedule 1 (Forms of Global Bonds) to the Bond Trust Deed.

Transaction Authorisation means:

the OFTO Licence (and any directions issued pursuant to the OFTO Licence);

the STC; and

the STC Accession Deed,

and any replacement of those documents which is in force at any given time.

Transaction Document means a Finance Document or a Project Document.

Transmission Licence means the offshore electricity transmission licence granted by Ofgem to the OFTO under Section 6(1)(b) of the Electricity Act 1989.

Transmission Owner Construction Agreement means:

- (d) the short form transmission owner construction agreement entered into by NGET and the OFTO on or before the Initial Issue Date; and

- (e) any transmission owner construction agreement to be entered into by NGET and the OFTO in respect of any transmission owner construction offer made pursuant to the requirements of the STC.

Vendor means DONG Energy WoDS (UK) Limited and ScottishPower Renewables (WODS) Limited.

1.2 Construction

- (a) In this Deed, words and expressions defined (expressly or by reference) or interpreted in the Master Definitions Agreement shall, unless otherwise defined in this Deed, bear the same meaning in this Deed.
- (b) The provisions contained in part 2 (Construction) of schedule 1 (Common Definitions) of the Master Definitions Agreement apply to this Deed as though set out in full in this Deed.
- (c) In the event that any of the terms of this Deed conflict with the provisions of the STID, the relevant provisions of the STID shall prevail.
- (d) Any obligation of any party to do something shall include an obligation to procure the same to be done and any obligation not to do something shall include an obligation not knowingly to permit, suffer or allow the same.
- (e) The term **financial collateral** has the meaning given to it in the Collateral Regulations.
- (f) Any covenant of the Chargors under this Deed (other than a payment obligation) remains in force during the Security Period.
- (g) The terms of the Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (h) Any reference to an account shall include any sub-account of such account.
- (i) Unless the context otherwise requires, a reference to a Security Asset includes:
 - (i) any part of that Security Asset (including properties and revenues);
 - (ii) the proceeds of sale of that Security Asset; and
 - (iii) any present and future assets of that type.

1.3 Third Party Rights

Any person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of this Deed, except that a Receiver or a Delegate may enforce any term of this Deed that is expressed in its favour.

1.4 Security Trustee's Discretion

It is agreed that any liberty or power which may be exercised or any determination which may be made under this Deed by the Security Trustee unless otherwise provided, may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons thereof, but in any event in accordance with the STID. For the avoidance of doubt, the Security Trustee shall not be liable for any loss caused to any party for the failure to act as set out in this Deed, in the event it does not receive an instruction (in accordance with the STID) to so act.

2. SECURITY TRUST

The Security Trustee holds all of the covenants, undertakings, Security Interests and other rights and benefits made or given under this Deed and the other Transaction Documents on trust for itself and the other Secured Creditors upon and subject to the terms and conditions of this Deed.

3. CREATION OF SECURITY

3.1 General

- (a) All the Security:
 - (i) is created in favour of the Security Trustee for itself and as trustee on behalf of the other Secured Creditors;
 - (ii) is created over the present and future assets of the Chargors;
 - (iii) is security for the payment or discharge of the Secured Liabilities; and
 - (iv) is made with full title guarantee.
- (b) The term all of its rights as used in this Clause 3 includes, unless the context requires otherwise:
 - (i) the benefit of all covenants, undertakings, representations, warranties and indemnities;
 - (ii) all powers and remedies of enforcement and/or protection;
 - (iii) all rights to receive payment of all amounts assured or payable (or to become payable), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable; and
 - (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof,
 - (v) in each case, in respect of the relevant Charged Asset.

3.2 Land

- (a) To the extent not prohibited by the Transaction Authorisations, the Crown Estate Lease or any applicable law or regulation, each Chargor charges by way of a first fixed charge all of its rights in respect of:
 - (i) all estates or interests in any freehold or leasehold property now owned by it; and

- (ii) (to the extent that they are not the subject of a fixed charge under subparagraph (i) above) all estates or interests in any freehold or leasehold property acquired by any Chargor after the date of this Deed.
- (b) A reference in this Deed to any freehold or leasehold property includes:
 - (i) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of any Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

3.3 Charged Documents

To the extent (i) not prohibited by any Transaction Authorisation, the Crown Estate Lease or any applicable law or regulation and (ii) not charged or assigned pursuant to Clause 3.2 (Land), each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption (or, to the extent not assignable, charges by way of a first fixed charge), all of its rights in respect of the Charged Documents including all money payable to any Chargor and any claims, awards and judgments in favour of any Chargor under or in connection with such Charged Documents.

3.4 Accounts

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption (or, to the extent not assignable, charges by way of a first fixed charge), all of its rights in respect of:

- (a) any amount standing from time to time to the credit of any account it has with any person;
- (b) all interest paid or payable in relation to those amounts; and
- (c) all debts represented by those amounts.

3.5 Investments

- (a) To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation:
 - (i) Holdco charges by way of a first fixed charge its interest in the Shares; and
 - (ii) each Chargor charges by way of a first fixed charge its interest in all other shares, stocks, debentures, bonds, warrants, coupons or other securities and investments owned by it or held by any nominee on its behalf (including all interests in Cash Equivalent Investments).
- (b) A reference in this Deed to Shares or to any stock, share, debenture, bond, warrant, coupon or other security includes:
 - (i) any dividend, interest or other distribution paid or payable;
 - (ii) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
 - (iii) any right against any clearance system; and
 - (iv) any right under any custodian or other agreement

in relation to the Shares or to that stock, share, debenture, bond, warrant, coupon or other security.

- (c) A reference to **clearance system** in this Deed means for the purposes of this Deed a person whose business is or includes the provision of clearance services or security accounts or any nominee or depositary for that person.

3.6 Plant and machinery

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of a first fixed charge all plant and machinery owned by that Chargor and its interest in any plant or machinery in its possession (except to the extent mortgaged or charged pursuant to Clause 3.2 (Land)).

3.7 Book debts etc.

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of a first fixed charge:

- (a) all of its Book Debts and other debts;
- (b) all other moneys due and owing to it; and
- (c) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 3.7(a) or 3.7(b) above.

3.8 Intellectual Property

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of a first fixed charge all of its rights in respect of:

- (a) any know-how, patent, trademark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right; and
- (c) any interest (including by way of licence) in any of the above

in each case whether registered or not and including all applications for the same.

3.9 Insurances

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor assigns absolutely by way of security the benefit of and its whole present and future rights and claims under or in respect of (a) all Insurance (including without limitation all rights to submit, negotiate and settle claims, and all monies now or hereafter payable thereunder, including return of premiums), and (b) any other contract or policy of insurance taken out by it or on its behalf or in which it has an interest.

3.10 Miscellaneous

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of a first fixed charge all of its rights in respect of:

- (a) the benefit of all authorisations (statutory or otherwise) held in connection with its use of any Charged Asset; and

- (b) any compensation which may be payable to it in respect of those authorisations.

3.11 Floating charge

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges, by way of a first floating charge, all of its assets (including, without limitation, its uncalled capital) other than any assets at any time otherwise effectively charged or assigned by way of fixed charge or assignment under this Clause.

- (a) Except as provided below, the Security Trustee may by notice to a Chargor convert the floating charge created by that Chargor under this Clause 3.11 (Floating chargeMiscellaneous

To the extent not prohibited by the Transaction Authorisations or any applicable law or regulation, each Chargor charges by way of a first fixed charge all of its rights in respect of:

- (a) the benefit of all authorisations (statutory or otherwise) held in connection with its use of any Charged Asset; and
- (b) any compensation which may be payable to it in respect of those authorisations.
- (b) Floating charge into a fixed charge as regards any of that Chargor's assets subject to the floating charge specified in that notice, if:
 - (i) a Declared Default has occurred;
 - (ii) the Security Trustee considers those assets or any part thereof 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;
 - (iii) a circumstance occurs which the Security Trustee considers to (or to be likely to) prejudice, imperil or threaten the Security.
- (c) The floating charge created by this Clause 3.11 may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratoriumunder section 1A of the Insolvency Act 1986.
- (d) Except as provided below, the floating charge created by this Subclause will automatically convert into a fixed charge as regards:
 - (i) all of the relevant Chargor's assets subject to the floating charge, upon the service of a Enforcement Notice; and/or
 - (ii) any assets of that Chargor subject to the floating charge, if those assets (contrary to the covenants and undertakings contained in the Transaction Documents):
 - (A) are or become subject to a Security Interest in favour of any person other than the Security Trustee; or
 - (B) are or become the subject of a sale, transfer or other disposition,

immediately prior to that Security Interest arising or that sale, transfer or other disposition being made.

- (e) In respect of Holdco only, the floating charge created by this Clause 3.11 (Floating charge) is a qualifying floating charge for the purposes of Paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (f) Where the floating charge created by Clause 3.11(a) has crystallised under Clause 3.11(a) or Clause 3.11(d), it may be reconverted into a floating charge by written notice given at any time by the Security Trustee to the Chargor in respect of whose assets the floating charge had crystallised, in respect of the assets specified in such notice.

3.12 No obligations in relation to Security Assets

Save as expressly provided in and subject to the provisions of the STID, the Security Trustee is not obliged to do any of the following in respect of any Security Asset:

- (i) perform any obligation of the Chargors;
- (ii) make any payment;
- (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargors;
- (iv) present or file any claim or take any other action to collect or enforce the payment of any amount which it or the Chargors may be entitled or
- (v) exercise any rights to which it or the Chargors may be entitled.

4. EXERCISING RIGHTS BY THE CHARGORS

Except whilst a Declared Default is outstanding, a Chargor may exercise its rights under or in relation to the assets charged by Clauses 3.2 (Land) to 3.9 (Insurances) (inclusive) provided that the exercise of those rights in the manner proposed would not breach the Finance Documents or result in an Event of Default.

5. PERFECTION OF SECURITY

5.1 General

- (a) Each Chargor's undertakings and obligations under this Clause 5 (Perfection of Security) shall remain in force from the date of this Deed until the Secured Liabilities have been fully and unconditionally paid or discharged or the Security has been fully and unconditionally released by the Security Trustee.
- (b) The omission in this Deed of details of any Security Assets or the incompleteness of any details which are so inserted shall not affect the validity or enforceability of the Security (including, without limitation, the Security Interests created by Clause 3.3 (Charged Documents)).

5.2 Charged Documents

Each Chargor shall:

- (a) give notice:

- (i) in respect of the O&M Agreement, the O&M Guarantee and the Management Services Agreement, immediately after execution of this Deed and/or on request from the Security Trustee at any time thereafter, substantially in the form set out in Part 1 of Schedule 2; and
- (ii) in respect of the Project Documents (excluding the Transmission Licence, the O&M Agreement, the O&M Guarantee and the Management Services Agreement) and the Agency Agreement, on the Completion Date and/or on request from the Security Trustee at any time thereafter, substantially in the form set out in Part 3 of Schedule 2,

to each counterparty to the Project Documents and the Agency Agreement (except (i) in respect of the Excluded Contracts and (ii) in respect of a Project Document (other than the O&M Agreement, the O&M Guarantee and the Management Services Agreement) which contains a notice and acknowledgement clause in respect of the Security created under the Security Documents); and

- (b) in respect of notices sent in accordance with:
 - (i) Clause 5.2(a)(i), procure that each such counterparty promptly delivers an executed acknowledgement of such notice substantially in the form set out in Part 2 of Schedule 2; or
 - (ii) Clause 5.2(a)(ii), use all reasonable endeavours to procure that each such counterparty promptly delivers an executed acknowledgement of such notice substantially in the form set out in Part 4 of Schedule 2, provided that, if the relevant Chargor has used all reasonable endeavours but has not been able to obtain the acknowledgement of any notice sent in accordance with Clause 5.2(a)(ii) from the relevant counterparty, its obligations to obtain such acknowledgement shall cease on the expiry of 30 days from the date on which the notice is sent.

5.3 Deposit of documents of title

Immediately after execution of this Deed and/or on request from the Security Trustee at any time thereafter, each Chargor shall, in relation to the Security Assets that are subject to a fixed charge:

- (a) deposit with the Security Trustee all certificates or documents of title or evidence of ownership of such Security Assets; and/or
- (b) execute and deliver to the Security Trustee such shares, transfers, assignments or other documents as the Security Trustee may (but for the avoidance of doubt, shall not be obliged to) request to perfect its security over such Security Assets or to have any such Security Assets registered in name of the Security Trustee or its nominee or otherwise obtain legal title to such Security Assets.

6. RESTRICTIONS ON DEALINGS

Each Chargor must not:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
- (b) sell, transfer, license, lease or otherwise dispose of any Security Asset

except as expressly allowed under the Common Terms Agreement.

7. INVESTMENTS

7.1 General

In this Clause:

Investments means the Shares and all other shares, stocks, debentures, bonds or other securities and investments included in the definition of **Security Assets** in Clause 1.1 (Definitions).

7.2 Changes to rights

No Chargor may take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered.

7.3 Calls

- (a) Each Chargor must pay all calls or other payments due and payable in respect of any Investment.
- (b) If any Chargor fails to do so, the Security Trustee may (but shall not be obliged to) pay the calls or other payments on behalf of such Chargor. Each Chargor must immediately on request reimburse the Security Trustee for any payment made by the Security Trustee under this Clause 7.3 (Calls) together with interest payable in accordance with the provisions of clause 17.5 (Interest on demand) of the STID.

7.4 Other obligations in respect of Investments

- (a)
 - (i) Each Chargor must comply with all requests for information which is within its knowledge and which it is required by law or the constitutional documents relating to any of its Investments to comply with. If it fails to do so, the Security Trustee may elect to provide any information which it may have on behalf of any Chargor.
 - (ii) Each Chargor must promptly supply a copy to the Security Trustee of any information referred to in subparagraph (i) above.
- (b) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any Investment.
- (c) None of the Secured Creditors is obliged to:
 - (i) perform any obligation of any Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or any Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,in respect of any Investment.

7.5 Enforcement

After the Security has become enforceable, the Security Trustee shall be entitled, without any notice to or consent or authority of a Chargor either in its own name or in name of that Chargor or otherwise, without prejudice to the other provisions of this Clause 7 (Investments), to exercise all the rights, powers and discretions in respect of the Investments it would be entitled to exercise if it were the absolute owner of the Investments.

7.6 Clearance systems

Each Chargor must instruct any clearance system to transfer any Investment held by it for such Chargor or its nominee to an account of the Security Trustee, the Account Bank or its nominee with that clearance system.

7.7 Custodian arrangements

Each Chargor must:

- (a) as soon as reasonably practicable, give notice to any custodian of any agreement with that custodian in respect of any Investment; and
- (b) use reasonable endeavours to ensure that the custodian acknowledges that notice.

7.8 Notices etc

Where any of the Investments remain registered in name of any Chargor or its nominee, it shall promptly deliver to the Security Trustee a copy of every circular, notice, report, set of accounts or other document it may receive in respect of or relating to any such Investments.

8. WHEN SECURITY BECOMES ENFORCEABLE

8.1 Event of Default

This Security will become immediately enforceable following the occurrence of a Declared Default.

8.2 Enforcement

After this Security has become enforceable, the Security Trustee may in its absolute discretion enforce all or any part of this Security in any manner it sees fit, but in any event in accordance with the STID.

9. ENFORCEMENT OF SECURITY

9.1 General

- (a) The power of sale and any other power conferred on a mortgagee by law (including under section 101 of the Act and the power to appoint an administrator) will be immediately exercisable at any time after this Security has become enforceable.
- (b) For the purposes of all powers implied by law, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (c) Any restriction on the power of sale (including under section 103 of the Act) or the right of a mortgagee to consolidate mortgages conferred by law (including under section 93 of the Act) does not apply to this Security.

- (d) For the purposes of the Collateral Regulations, after this Security is enforceable the Security Trustee may appropriate all or any part of any financial collateral which is subject to a legal or equitable mortgage created under or pursuant to this Deed in or towards satisfaction of the Secured Liabilities. Where it does so, the value of the financial collateral so appropriated shall be such amount as the Security Trustee so determines having taken into account advice obtained by it from an independent firm of accountants.
- (e) Any powers of leasing conferred on the Security Trustee by law are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any restrictions conferred by law (including under section 99 or 100 of the Act).

9.2 No liability as mortgagee in possession

Neither the Security Trustee nor any Receiver will be liable, by reason of entering into possession of a Security Asset:

- (a) to account as mortgagee in possession or for any loss on realisation; or
- (b) for any default or omission for which a mortgagee in possession might be liable.

9.3 No liability

Neither the Security Trustee nor any Receiver will be liable for any loss on realisation of any Charged Property or arising from the manner in which the Security Trustee or any Receiver enforces or refrains from enforcing the Security created under this Deed.

9.4 Privileges

Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by law (including the Act) on mortgagees and receivers duly appointed under any law (including the Act).

9.5 Protection of third parties

No person (including a purchaser) dealing with the Security Trustee or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Security Trustee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Trustee or to that Receiver is to be applied.

9.6 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Security Trustee may:
 - (i) redeem any prior Security against any of its assets; and/or
 - (ii) procure the transfer of that Security to itself; and/or

- (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the relevant Chargor.
- (b) Each Chargor must pay to the Security Trustee, immediately on demand, the costs and expenses properly incurred by the Security Trustee in connection with any such redemption and/or transfer, including the payment of any principal or interest.

9.7 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Trustee (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

10. RECEIVER

10.1 Appointment of Receiver

- (a) Except as provided below, the Security Trustee may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) a Chargor so requests the Security Trustee in writing at any time,

provided that such appointment is effect in accordance with law and regulation.

- (b) Any appointment under Clause 10.1(a) above may be by deed, under seal or in writing under its hand.
- (c) Any restriction on the right of a mortgagee to appoint a Receiver conferred by law (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Security Trustee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with the leave of the court.
- (e) The Security Trustee may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Trustee is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

10.2 Removal

The Security Trustee may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

10.3 Remuneration

The Security Trustee may fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the Act) will not apply.

10.4 Agent of the Chargors

- (a) A Receiver will be deemed to be the agent of the relevant Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The relevant Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) No Secured Creditor will incur any liability (either to the relevant Chargor or to any other person) by reason of the appointment of a Receiver or by reason of any action or inaction of a Receiver.

10.5 Relationship with Security Trustee

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Trustee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

11. POWERS OF RECEIVER

11.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 11 in addition to those conferred on it by any law, including all the rights, powers and discretions conferred on a receiver under the Act and a receiver or an administrative receiver under the Insolvency Act 1986.
- (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 Receiver.

11.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

11.3 Carry on business

A Receiver may carry on the business of a Chargor in any manner he thinks fit.

11.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (b) A Receiver may discharge any person appointed by a Chargor.

11.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

11.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

11.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

11.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset.

11.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit.

11.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

11.11 Subsidiaries

A Receiver may form a Subsidiary of a Chargor and transfer to that Subsidiary any Security Asset.

11.12 Delegation

A Receiver may delegate his powers in accordance with this Deed.

11.13 Lending

A Receiver may lend money or advance credit to any customer of a Chargor.

11.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which the relevant Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and

- (c) apply for and maintain any planning permission, building regulation approval or any other authorisation

in each case as he thinks fit.

11.15 Other powers

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the relevant Chargor for any of the above purposes.

12. APPLICATION OF PROCEEDS

Any moneys received by the Security Trustee or any Receiver after this Security has become enforceable must be applied in accordance with the STID.

13. INDEMNITY

- (a) Without prejudice to the right of indemnity by law given to trustees, the Chargors will indemnify the Security Trustee, the Receiver and every person appointed by it (an **Appointee**) and keep it or him indemnified against all Liabilities to which it or he may be or become subject or which may be incurred by it or him in the negotiation and preparation of this Deed and the other Transaction Documents and the execution or purported execution or exercise of any of its or his trusts, duties, rights, powers, authorities and discretions under this Deed or any other Transaction Documents or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Deed or any other Transaction Documents or any such appointment (including all Liabilities incurred in disputing or defending any of the foregoing). Where any amount payable by the OFTO under this Clause 13 has instead been paid by any person or persons other than the OFTO (each, an **Indemnifying Party**), the OFTO will pay to the Security Trustee an equal amount for the purpose of enabling the Security Trustee to reimburse the Indemnifying Parties.
- (b) All amounts payable pursuant to Clause 13(a) will be payable by the OFTO on the date specified in a demand by the Security Trustee, the Receiver or the relevant Appointee (as the case may be) and in the case of payments actually made by that demanding party or by an Indemnifying Party prior to such demand such payments will carry interest at the rate of two per cent. per annum above the Base Rate (on the date on which the relevant payment was previously made) of National Westminster Bank Plc from the date such demand is made, and in all other cases will (if not paid within 30 days after the date of such demand or, if such demand specifies that payment is to be made on an earlier date, on such earlier date) carry interest at such rate from such 30th day or such earlier date specified in such demand. All remuneration payable to the Security Trustee, the Receiver or the relevant Appointee will carry interest at such rate from the due date therefor.

- (c) Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause 13 will continue in full force and effect notwithstanding such discharge.

14. DELEGATION

14.1 Power of Attorney

The Security Trustee or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

14.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Security Trustee or any Receiver may think fit.

14.3 Liability

Neither the Security Trustee nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate or sub-Delegate.

15. FURTHER ASSURANCES

Each Chargor must, at its own expense, take whatever action the Security Trustee or a Receiver may reasonably require for:

- (a) creating, perfecting or protecting any security intended to be created by this Deed; or
- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its Delegates or sub-Delegates in respect of any Security Asset.

This includes:

- (i) the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Security Trustee or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any filing or registration

which, in any such case, the Security Trustee may think expedient.

16. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Trustee, any Receiver and any of its Delegates or sub-Delegates to be its attorney to take any action which such Chargor is obliged but has failed to take under this Deed. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 16.

17. GUARANTEE AND INDEMNITY

17.1 Guarantee and indemnity

Holdco irrevocably and unconditionally:

- (a) guarantees to each Secured Creditor punctual performance by the OFTO of the Secured Liabilities;
- (b) undertakes with each Secured Creditor that whenever the OFTO does not pay any amount of the Secured Liabilities, Holdco shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Secured Creditor that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Creditor immediately on demand against any cost, loss or liability it incurs as a result of the OFTO not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by Holdco under this indemnity will not exceed the amount it would have had to pay under this Clause 17 if the amount claimed had been recoverable on the basis of a guarantee.

17.2 Holdco Intent

Without prejudice to the generality of Clause 18.3 (Waiver of defences), Holdco expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

18. PRESERVATION OF SECURITY

18.1 Continuing security

This Security is continuing and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

18.2 Reinstatement

- (a) If any discharge (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of each Chargor under this Deed will continue as if the discharge or arrangement had not occurred.
- (b) Each Secured Creditor may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

18.3 Waiver of defences

Neither the obligations of each Chargor under this Deed nor this Security will be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of those obligations or this Security (whether or not known to any Chargor or any Secured Creditor). This includes:

- (a) any time or waiver granted to, or composition with, any person;

- (b) the release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amendment (however fundamental) of a Finance Document or any other document or security; or
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security; or
- (h) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any Security Interest or any right or remedy which the Security Trustee or any other Secured Creditor or any other person may have now or in the future from or against any Chargor or any other person in respect of any of the Secured Liabilities; or
- (i) any failure, act or omission by the Security Trustee or any Secured Creditor or any other person in taking up, perfecting or enforcing any Security Interest or guarantee, surety or indemnity from or against any Chargor or any other person in respect of the Secured Liabilities; or
- (j) any increase in or waiver or discharge of any of the Secured Liabilities; or
- (k) any of the administration, receivership, liquidation, winding-up, insolvency, bankruptcy, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name or style of any Chargor or any other person; or
- (l) any renumbering or redesignation of any Account or its being transferred to another branch or department of the relevant Account Bank.

18.4 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Creditor (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Chargor under this Deed.

18.5 Appropriations

Each Secured Creditor (or any trustee or agent on its behalf) may at any time during the Security Period without affecting the liability of any Chargor under this Deed:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Creditor (or any trustee or agent on its behalf) in respect of those amounts; or
- (b) apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise); or
- (c) hold in an interest bearing suspense account any moneys received from any Chargor or on account of the liability of any Chargor under this Deed.

18.6 Non-competition

Unless:

- (a) the Security Period has expired;
- (b) permitted to do so in accordance with the STID; or
- (c) the Security Trustee otherwise directs

no Chargor will, after a claim has been made under this Deed or any Security enforced or by virtue of any payment or performance by it under this Deed:

- (i) be subrogated to any rights, security or moneys held, received or receivable by any Secured Creditor (or any trustee or agent on its behalf);
- (ii) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of any Chargor's liability under this Deed;
- (iii) claim, rank, prove or vote as a creditor of any Chargor or its estate in competition with any Secured Creditor (or any trustee or agent on its behalf); or
- (iv) receive, claim or have the benefit of any payment, distribution or security from or on account of any Chargor, or exercise any right of set-off as against any Chargor.

Each Chargor must hold in trust for and immediately pay or transfer to the Security Trustee for the Secured Creditors any payment or distribution or benefit of security received by it contrary to this Clause 18.6 or in accordance with any directions given by the Security Trustee under this Clause 18.6.

18.7 Additional security

This Security is in addition to and is not in any way prejudiced by any other security now or subsequently held by any Secured Creditor.

18.8 No prejudice

The Security shall be in addition to and shall not in any way prejudice or be prejudiced by any other security, right or remedy which the Security Trustee or any other Secured Creditor may now or at any time hereafter hold for all or any part of the Secured Liabilities.

19. MISCELLANEOUS

19.1 Covenant to pay

Each Chargor covenants with and undertakes to the Security Trustee for itself and on trust for the other Secured Creditors that it will pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

19.2 Tacking

Each Secured Creditor must perform its obligations under the Finance Documents (including any obligation to make available further advances).

19.3 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, any Secured Creditor may open a new account with the relevant Chargor.
- (b) If a Secured Creditor does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Secured Creditor will be credited or be treated as having been credited to the new account and will not operate to reduce any of the Secured Liabilities.

19.4 Time deposits

Without prejudice to any right of set-off any Secured Creditor may have under any other Finance Document or otherwise, if any time deposit matures on any account any Chargor has with any Secured Creditor within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Liabilities are due and payable

that time deposit will automatically be renewed for any further maturity which that Secured Creditor considers appropriate.

20. RELEASE

At the end of the Security Period but not otherwise (except in accordance with paragraph 5(d) (Secretary of State) of schedule 5 (Cash Management) to the Common Terms Agreement), the Secured Creditors must, at the request and cost of the Chargors, take whatever action is necessary to release the Security Assets from this Security.

21. GOVERNING LAW

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

22. SUBMISSION TO JURISDICTION

The English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute relating to any non-contractual obligations in connection with this Deed). The OFTO waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

To the extent allowed by law, each of the Security Trustee and the other Secured Creditors may take (a) any suit, action or proceeding arising out of or in connection with this Deed (together referred to as Proceedings) against the OFTO in any other court of competent jurisdiction and (b) concurrent Proceedings in any number of jurisdictions.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1

THE CHARGORS

Company name	Company Number	Registered address
WoDS Transmission plc	9309507	The American Barns Banbury Road, Lighthorne, Warwickshire, CV 35 0AE
WoDS Transmission Holdco Ltd	9308464	The American Barns Banbury Road, Lighthorne, Warwickshire, CV 35 0AE

SCHEDULE 2

FORM OF NOTICE OF ASSIGNMENT TO COUNTERPARTIES TO THE O&M AGREEMENT/O&M GUARANTEE/MANAGEMENT SERVICES AGREEMENT

PART 1

FORM OF NOTICE OF ASSIGNMENT TO COUNTERPARTIES TO THE O&M AGREEMENT/O&M GUARANTEE/MANAGEMENT SERVICES AGREEMENT

[On letterhead of the OFTO]

To: [Name of counterparty to the O&M Agreement/O&M Guarantee/Management Services Agreement]

Address: []

Attention: []

Date: []

Dear Sirs

[Specify relevant Project Document[s] (the Project Document[s])]

1. We hereby give notice that by a Security Agreement between us and [●] as Security Trustee therein specified (the **Security Trustee**) dated the [] day of [] 2015 the (**Security Agreement**) we have, to the extent we are not prohibited from doing so by the Transaction Authorisations¹, the Crown Estate Lease² or any applicable law or regulation, assigned absolutely by way of security to the Security Trustee the benefit of and our whole present and future rights under the Project Document[s] and the proceeds of all payments, claims, awards and other sums (including liquidated and ascertained damages) paid or payable to us under or in respect thereof and all our present and future claims, rights, remedies and causes of action thereunder (the **Connected Rights**).
2. We irrevocably instruct and authorise you without further reference to or enquiry or permission from us:
 - (a) to disclose to the Security Trustee any information about the Project Document[s] and Connected Rights which it may hereafter request or any time and from time to time provided that the Security Trustee has confirmed that a Default has occurred and is continuing;
 - (b) notwithstanding the assignment referred to, we shall remain liable to fulfil all obligations and liabilities under or in respect of the Project Document[s], and neither the Security Trustee nor any receiver appointed by it shall have any such obligation or liability to you (but may elect to fulfil same).
 - (c) unless and until the Security Trustee gives you written notice that the Security Agreement has become enforceable (an **Enforcement Notice**):

¹ Transaction Authorisation means:

- (a) the OFTO Licence issued to the WODS Transmission Plc on or around the date of this notice (and any directions issued pursuant to the OFTO Licence);
- (b) the System Operator - Transmission Owner Code as published from time to time on www.nationalgrid.com or any other replacement industry code; and
- (c) the STC Accession Deed as entered into between the WODS Transmission Plc and NGET in its capacity as National Electricity Transmission System Operator (NETSO) under which the WODS Transmission Plc agrees to be bound by the STC and any replacement of those documents which is in force at any given time.

² Crown Estate Lease means the lease issued by the Queen's Most Excellent Majesty, the Crown Estate Commissioners and assigned to the OFTO on or about the date of this notice.

- (i) we remain entitled to exercise all rights, powers and discretions conferred by the Project Document[s]; and
 - (ii) you should send all notices and other communications under and in respect of the Project Document[s] and Connected Rights to us and make all payments under and in accordance with the provisions of the Project Document[s].
- (d) Upon the delivery to you by the Security Trustee of an Enforcement Notice:
- (i) the Security Trustee shall be entitled immediately or at any time thereafter to exercise all the rights, powers and discretions conferred under or available at law or in equity in respect of the Project Document[s] and Connected Rights; and
 - (ii) you should hold all present and future rights, interests and benefits arising under or in respect of the Project Document[s] and the Connected Rights to the order of the Security Trustee and make all further payments in respect thereof to such account or accounts (if any) or otherwise as the Security Trustee may direct.
- (e) We irrevocably agree that you shall be entitled to rely and act on any Enforcement Notice without enquiry.

3. Please confirm that you will not:

- (a) demand, claim, sue for, recover, retain or receive any amount from us (including by way of set off, counterclaim or retention) except and only to the extent that we are expressly obliged to pay such amount to you under the Project Document[s];
- (b) receive or permit any guarantee, surety, indemnity or other assurance against loss to subsist in your favour in respect of any of our obligations under the Project Document[s] (except to the extent contemplated by the terms of the Project Document[s]);
- (c) initiate, support or take any action in relation or with a view to:
 - (i) any suspension of payments, moratorium of any indebtedness, winding-up, administration, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or dissolution of us;
 - (ii) any composition, assignment or arrangement with any of our creditors; or
 - (iii) the appointment of a receiver, liquidator, administrator, compulsory manager or similar official in respect of any of our assets,

unless the Security Trustee has provided its prior written consent (in accordance with the STID Decision Making Protocol) to such action;

- (d) take or omit to take any action which might impair the subordination achieved or intended to be achieved by this notice; and
- (e) if any of the events specified in paragraph 3(c) above occurs:
 - (i) be entitled to any right of contribution or indemnity in respect of any moneys or other distributions received or payments made on account of our obligations under the Project Document[s] or be subrogated to any interest, moneys or other rights held, received or receivable by the Security Trustee;

- (ii) claim, rank, prove or vote as a creditor of us whether in competition with the Security Trustee or otherwise; or
- (iii) receive, claim or have the benefit of any payment, distribution or interest from us or on account of us;

unless the Security Trustee has provided its prior written consent (in accordance with the STID Decision Making Protocol) to such action.

4. Please confirm that, if you receive any amount (including by way of set off, counterclaim or retention) in contravention of the provisions of paragraph 3 above, you shall immediately notify the Security Trustee and turn the same over to the Security Trustee and pending such payment shall hold the same on trust for the Security Trustee.
5. Please confirm that you have not received notice or are otherwise aware of any other assignment, charge, encumbrance or third party interest in respect of [any of] the Project Document[s] or Connected Rights and that you have not claimed or exercised and will not claim or exercise any right of set-off, counterclaim, deduction, retention or security interest in respect thereof (except to the extent permitted under the terms of the Project Document[s]).
6. Please confirm that you will not terminate, rescind or repudiate [any of] the Project Document[s] without giving the Security Trustee 30 days prior written notice of such proposed termination, rescission or repudiation specifying the action required to avoid the same: and in particular where any breach or default on the part of any Chargor of the terms of [any of] the Project Document[s] would entitle you to terminate, rescind or repudiate same, you shall not exercise such right without first giving the Security Trustee 30 days prior written notice specifying such breach or default, and the action required to rectify same, and affording it the opportunity to effect such rectification.
7. Please also confirm that at the date of your acknowledgement no breach or default on our part or any other ground or circumstance exists which would entitle you to terminate, rescind or repudiate [any of] the Project Document[s].
8. The instructions and authorisations in this letter may not be revoked or amended without the prior written consent of the Security Trustee.
9. This notice and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
10. Please acknowledge receipt and confirm your agreement to the terms of this letter by sending the attached acknowledgement to the Security Trustee with a copy to us.

Yours faithfully

For and on behalf of WODS TRANSMISSION PLC

Director/Authorised Signatory

PART 2

FORM OF NOTICE OF ASSIGNMENT TO COUNTERPARTIES TO THE O&M AGREEMENT/O&M GUARANTEE/MANAGEMENT SERVICES AGREEMENT

Form of acknowledgement to the O&M Agreement/O&M Guarantee/Management Services Agreement

[On letterhead of each counterparty to the O&M Agreement/O&M Guarantee/Management Services Agreement]

To: [●]
[as Security Trustee specified in the Security Agreement]
Address: []
Attention: []

Copied to: WoDS Transmission plc
Address: []
Attention: []

Date: []

Dear Sirs

[O&M Agreement/O&M Guarantee/Management Services Agreement](the **Project Document[s]**)

1. We hereby acknowledge receipt from WoDS Transmission plc (the **Company**) of a notice of [assignment] dated [●] of the benefit of its whole present and future rights under the Project Document[s] (to the extent that it is not prohibited from doing so by the Transaction Authorisations³, the Crown Estate Lease⁴ or any applicable law or regulation), and the proceeds of all payments, claims, awards and other sums (including liquidated and ascertained damages) paid or payable to the Company under or in respect thereof and all its present and future claims, rights, remedies and causes of action thereunder (the **Connected Rights**).
2. We confirm that we accept the instructions and authorisations contained in paragraph 2 of the said notice and undertake to comply with their terms.
3. We confirm that we shall not:
 - (a) demand, claim, sue for, recover, retain or receive any amount from the Company (including by way of set off, counterclaim or retention) except and only to the extent that the Company is expressly obliged to pay such amount to us under the Project Document[s];

³ Transaction Authorisation means:

- (a) the OFTO Licence issued to the WODS Transmission Plc on or around the date of this notice (and any directions issued pursuant to the OFTO Licence);
- (b) the System Operator - Transmission Owner Code as published from time to time on www.nationalgrid.com or any other replacement industry code; and
- (c) the STC Accession Deed as entered into between the WODS Transmission Plc and NGET in its capacity as National Electricity Transmission System Operator (NETSO) under which the WODS Transmission Plc agrees to be bound by the STC and any replacement of those documents which is in force at any given time.

⁴ Crown Estate Lease means the lease issued by the Queen's Most Excellent Majesty, the Crown Estate Commissioners and assigned to the OFTO on or about the date of this notice.

- (b) receive or permit any guarantee, surety, indemnity or other assurance against loss to subsist in our favour in respect of any of the Company's obligations under the Project Document[s] (except to the extent contemplated by the terms of the Project Document[s]);
- (c) initiate, support or take any action in relation or with a view to:
 - (i) any suspension of payments, moratorium of any indebtedness, winding-up, administration, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or dissolution of the Company;
 - (ii) any composition, assignment or arrangement with any of the creditors of the Company; or
 - (iii) the appointment of a receiver, liquidator, administrator, compulsory manager or similar official in respect of any of the assets of the Company,

unless you have provided your prior written consent (in accordance with the STID Decision Making Protocol) to such action;

- (d) take or omit to take any action which might impair the subordination achieved or intended to be achieved by the Company's notice and this acknowledgement; and
- (e) if any of the events specified in paragraph 3(c) above occurs:
 - (i) be entitled to any right of contribution or indemnity in respect of any moneys or other distributions received or payments made on account of the Company's obligations under the Project Document[s] or be subrogated to any interest, moneys or other rights held, received or receivable by the Security Trustee;
 - (ii) claim, rank, prove or vote as a creditor of the Company whether in competition with the Security Trustee or otherwise; or
 - (iii) receive, claim or have the benefit of any payment, distribution or interest from the Company or on account of the Company;

unless you have provided your prior written consent (in accordance with the STID Decision Making Protocol) to such action.

4. We confirm that, if we receive any amount (including by way of set off, counterclaim or retention) in contravention of the provisions of paragraph 3 above, we shall immediately notify the Security Trustee and turn the same over to the Security Trustee and pending such payment shall hold the same on trust for the Security Trustee (except to the extent permitted under the terms of the Project Document[s]).
5. We have not received notice nor are we aware of any other assignment, charge, encumbrance or third party interest in respect of the [any of] the Project Document[s] or the Connected Rights, and we have not claimed or exercised and will not claim or exercise, any right of set-off, counterclaim, deduction, retention or security interest in respect thereof.
6. We will not terminate, rescind or repudiate [any of] the Project Document[s] without giving you 30 days prior written notice of such proposed termination, rescission or repudiation specifying the action required to avoid the same: and in particular, where any breach or default on the part of the Company of the terms of [any of] the Project Document[s] would entitle us to terminate rescind or repudiate same we will not exercise such right without first giving you 30 days prior written notice

specifying such breach or default and the action required to rectify same, and affording you the opportunity to effect such rectification.

7. At the date of this deed, no breach or default on the part of the Company or any other ground or circumstance exists which would entitle us to terminate, rescind or repudiate [any of] the Project Document[s].
8. We are aware that you will rely on this deed in respect of your rights under the Security Agreement dated [●] 2015 between you and the Company.
9. This deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Yours faithfully

Executed as a DEED for and on behalf of [Counterparty] Limited [plc]

..... Director/Authorised Signatory

..... Full Name

..... Director/Authorised Signatory

..... Full Name

PART 3

**FORM OF NOTICE OF ASSIGNMENT TO COUNTERPARTIES TO CHARGED DOCUMENTS
(EXCLUDING THE TRANSMISSION LICENCE, THE O&M AGREEMENT, THE O&M
GUARANTEE AND THE MANAGEMENT SERVICES AGREEMENT)**

**Form of notice of assignment to counterparties to Charged Documents (Excluding the Transmission
Licence, the O&M Agreement, the O&M Guarantee and the Management Services Agreement)**

[ON LETTERHEAD OF THE RELEVANT CHARGOR]

To: [Name of counterparty]

Address: []

Attention: []

Date: []

Dear Sirs

[Specify relevant Charged Document[s] (the Charged Document[s])]

1. We hereby give notice that by a Security Agreement between us and [●] as Security Trustee therein specified (the **Security Trustee**) dated the [] day of [] 2015 the (**Security Agreement**) we have, to the extent we are not prohibited from doing so by the Transaction Authorisations , the Crown Estate Lease or any applicable law or regulation, [assigned absolutely by way of security] to the Security Trustee the benefit of and our whole present and future rights under the Charged Document and the proceeds of all payments, claims, awards and other sums (including liquidated and ascertained damages) paid or payable to us under or in respect thereof and all our present and future claims, rights, remedies and causes of action thereunder (the **Connected Rights**).
2. We irrevocably instruct and authorise you without further reference to or enquiry or permission from us to disclose to the Security Trustee any information about the Charged Document and Connected Rights which it may hereafter request from time to time (provided that the Security Trustee has confirmed that a Default has occurred and is continuing).
3. Notwithstanding the assignment referred to, we shall remain liable to fulfil all obligations and liabilities under or in respect of the Charged Document, and neither the Security Trustee nor any receiver appointed by it shall have any such obligation or liability to you (but may elect to fulfil same).
4. Unless and until the Security Trustee gives you written notice that the Security Agreement has become enforceable (an **Enforcement Notice**):
 - (a) we remain entitled to exercise all rights, powers and discretions conferred by the Charged Document; and
 - (b) you should send all notices and other communications under and in respect of the Charged Document and Connected Rights to us and make all payments under and in accordance with the provisions of the Charged Document.
5. Upon the delivery to you by the Security Trustee of an Enforcement Notice:

- (a) the Security Trustee shall be entitled immediately or at any time thereafter to exercise all the rights, powers and discretions conferred under or available at law or in equity in respect of the Charged Document and Connected Rights; and
 - (b) you should hold all present and future rights, interests and benefits arising under or in respect of the Charged Document and the Connected Rights to the order of the Security Trustee and make all further payments in respect thereof to such account or accounts (if any) or otherwise as the Security Trustee may direct.
6. We irrevocably agree that you shall be entitled to rely and act on any Enforcement Notice without enquiry.
 7. Please confirm that you have not received notice or are otherwise aware of any other assignment, charge, encumbrance or third party interest in respect of the Charged Document or Connected Rights and that you have not claimed or exercised and will not claim or exercise any right of set-off, counterclaim, deduction, retention or security interest in respect thereof (except to the extent permitted under the terms of the Charged Document).
 8. Please also confirm that at the date of your acknowledgement no breach or default on our part or any other ground or circumstance exists which would entitle you to terminate, rescind or repudiate Charged Document.
 9. The instructions and authorisations in this letter may not be revoked or amended without the prior written consent of the Security Trustee.
 10. This notice and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
 11. Please acknowledge receipt and confirm your agreement to the terms of this letter by sending the attached acknowledgement to the Security Trustee with a copy to us.

Yours faithfully

For and on behalf of **WODS TRANSMISSION PLC**

Director/Authorised Signatory

PART 4

FORM OF ACKNOWLEDGEMENT TO THE CHARGED DOCUMENTS (EXCLUDING THE TRANSMISSION LICENCE, O&M AGREEMENT, O&M GUARANTEE AND MANAGEMENT SERVICES AGREEMENT)

[On letterhead of each counterparty to each Charged Document]

To: [●]
[as Security Trustee specified in the Security Agreement]
Address: []
Attention: []
Copied to: WoDS Transmission plc
Address: []
Attention: []
Date: []

Dear Sirs

[Specify relevant Charged Document(s) as per notice of assignment](the Charged Document)

1. We hereby acknowledge receipt from WoDS Transmission plc (the **Company**) of a notice of [assignment/charge] dated [●] of the benefit of its whole present and future rights under the Charged Document (to the extent it is not prohibited from doing so by the Transaction Authorisations⁵, the Crown Estate Lease⁶ or any applicable law or regulation), and the proceeds of all payments, claims, awards and other sums (including liquidated and ascertained damages) paid or payable to the Company under or in respect thereof and all its present and future claims, rights, remedies and causes of action thereunder (the **Connected Rights**).
2. We confirm that for so long as the instructions in the notice are not revoked (by operation of law or otherwise), we accept the instructions and authorisations contained in paragraph 2 of the said notice and undertake to comply with their terms.
3. We have not received notice nor are we aware of any other assignment, charge, encumbrance or third party interest in respect of the Charged Document or the Connected Rights, and we have not claimed or exercised and will not claim or exercise, any right of set-off, counterclaim, deduction, retention or security interest in respect thereof (except to the extent permitted under the terms of the Charged Document).
4. At the date of this letter, no breach or default on the part of the Company or any other ground or circumstance exists which would entitle us to terminate, rescind or repudiate the Charged Document.
5. We are aware that you will rely on this letter in respect of your rights under the Security Agreement.

⁵ Transaction Authorisation means:

- (a) the OFTO Licence issued to the WODS Transmission Plc on or around the date of this notice (and any directions issued pursuant to the OFTO Licence);
- (b) the System Operator - Transmission Owner Code as published from time to time on www.nationalgrid.com or any other replacement industry code; and
- (c) the STC Accession Deed as entered into between the WODS Transmission Plc and NGET in its capacity as National Electricity Transmission System Operator (NETSO) under which the WODS Transmission Plc agrees to be bound by the STC and any replacement of those documents which is in force at any given time.

⁶ Crown Estate Lease means the lease issued by the Queen's Most Excellent Majesty, the Crown Estate Commissioners and assigned to the OFTO on or about the date of this notice.

6. You agree and acknowledge that:

- (a) except where we have actual notice of any fraud, bad faith or wilful default by any relevant person, we may rely on any notice, instruction, direction, communication or other document or information believed by us to be genuine and correct which have been signed or communicated by the person who it purports to be signed and communicated and we shall not be liable for any consequences such as we shall have no obligation whatsoever to verify the facts or matters stated therein as true and correct, including whether the terms of any agreement between the Company and the relevant person have been complied with or the making of any enquiry as to whether a security interest has become enforceable;
- (b) we shall not be obliged to comply with any instructions received if due to circumstances which are not within our direct control, we are unable to comply with such instructions or to comply with those instructions should breach a court order or be contrary to applicable law or regulation; and
- (c) nothing will deem the Principal Paying Agent to be a trustee or other fiduciary and the relationship of the Principal Paying Agent to the Security Trustee shall be that of banking and accountholder only.

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

Yours faithfully

For and on behalf of [Counterparty] Limited [plc]

..... Director/Authorised Signatory

..... Full Name

SCHEDULE 3

DETAILS OF SHARES

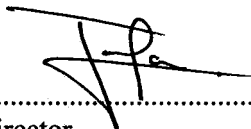
Name of Company	Description and Number of Shares	Name of Shareholder
WoDS Transmission plc	<u>100,000</u> fully paid ordinary shares of £1.00 each	WoDS Transmission Holdco Ltd

SIGNATORIES

OFTO

**EXECUTED as a DEED by
WODS TRANSMISSION PLC**

by: **JAVIER FALAS**
in the presence of:

) 
)
) Director
)

Witness's Signature: 

Name: **GRAEME MACDONALD**


Address:

**ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD
www.allenoverly.com**

HOLDCO

**EXECUTED as a DEED by
WODS TRANSMISSION HOLDCO LTD**

by: **JAVIER FALAS**
in the presence of:

) 
)
) Director
)

Witness's Signature: 

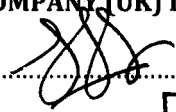
Name: **GRAEME MACDONALD**

Address:

**ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD
www.allenoverly.com**

Security Trustee

EXECUTED as a DEED by Leticia Wilson
Director as ~~attorney for~~/director of **HSBC CORPORATE TRUSTEE
COMPANY (UK) LIMITED**


.....

Name : Leticia Wilson
Director

Witnessed by : 

Witness Name : GRAEME MACDONALD

Witness Address :

ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD
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