

MASTER DEFINITIONS AGREEMENT

20 AUGUST 2015

**WODS TRANSMISSION HOLDCO LTD
as HoldCo**

**WODS TRANSMISSION PLC
as the OFTO**

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

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

**THE EUROPEAN INVESTMENT BANK
as the PBCE Provider**

and

**HSBC BANK PLC
as Principal Paying Agent and Account Bank**

and

**ABBAY NATIONAL TREASURY SERVICES PLC, LLOYDS BANK PLC AND ROYAL BANK OF
CANADA
as Initial Hedge Counterparties**

and

**LLOYDS BANK PLC, BANCO SANTANDER, S.A. and THE ROYAL BANK OF SCOTLAND PLC
as Bookrunners**

ALLEN & OVERY

Allen & Overy LLP

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THIS AGREEMENT is made on 20 August 2015.

BETWEEN:

- (1) **WODS TRANSMISSION HOLDCO LTD (HoldCo);**
- (2) **WODS TRANSMISSION PLC (the OFTO);**
- (3) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED** as bond trustee for the Bondholders (the **Bond Trustee**);
- (4) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED** as security trustee for the Secured Creditors (the **Security Trustee**);
- (5) **THE EUROPEAN INVESTMENT BANK** as creditor in respect of the PBCE Letter of Credit and Reimbursement Deed (the **PBCE Provider**);
- (6) **HSBC BANK PLC** as paying agent in London (the **Principal Paying Agent**);
- (7) **ABBEY NATIONAL TREASURY SERVICES PLC, LLOYDS BANK PLC** and **ROYAL BANK OF CANADA** as initial hedge counterparties pursuant to the Hedging Agreements (the **Initial Hedge Counterparties**);
- (8) **HSBC BANK PLC** as account bank under the Account Bank Agreement (the **Account Bank**); and
- (9) **LLOYDS BANK PLC, BANCO SANTANDER, S.A.** and **THE ROYAL BANK OF SCOTLAND PLC** as bookrunners (the **Bookrunners**).

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

Subject to Clause 1.3, terms defined in Part 1 (Definitions) of Schedule 1 (Common Definitions) have the same meaning when used in a Finance Document, unless otherwise expressly defined in such Finance Document.

1.2 Construction

Subject to Clause 1.3, the principles of interpretation or construction contained in Part 2 (Construction) of Schedule 1 (Common Definitions) apply to each Finance Document as though set out in full in each Finance Document, except that references to the Master Definitions Agreement will be construed as references to the relevant Finance Document, as the case may be.

1.3 Finance Document Definitions

- (a) Each Finance Document in effect on the Initial Issue Date will, with effect from the Initial Issue Date, and each other Finance Document will, from the date upon which that Finance Document becomes effective (and for so long in each case as this Agreement is in force), be supplemented by incorporation of the definitions and principles of interpretation and construction contained in

Schedule 1 (Common Definitions) and to the extent that such definitions or principles of interpretation and construction are inconsistent with the definitions or principles of interpretation or construction set out in a Finance Document, the relevant terms and expressions or the principles of interpretation or construction will have the meanings given to them in Schedule 1 (Common Definitions), save that definitions and principles of interpretation contained in the Hedging Agreements, the PBCE Letter of Credit and Reimbursement Deed and the PBCE Letter of Credit shall prevail in relation to any inconsistency in this Agreement and the definitions set out therein.

- (b) To the extent that any definitions or principles of interpretation or construction contained in Schedule 1 (Common Definitions) are inconsistent with the definitions or principles of interpretation or construction set out in a Finance Document, the relevant definitions or principles of interpretation or construction in that Finance Document shall prevail, subject to clause 2 (STID) of the Common Terms Agreement.

2. IMPLEMENTATION OF STID PROPOSALS

The Principal Paying Agent and the Account Bank (the **Additional MDA Parties**) agree that if a STID Proposal is otherwise agreed to in accordance with the terms of the STID, the Security Trustee is hereby authorised by each Additional MDA Party to execute and deliver on its behalf all documentation required pursuant to clause 22 (Consents, amendments and override) of the STID to implement any modification of the terms of any waiver or consent granted by the Security Trustee in respect of STID Proposal and such execution and delivery by the Security Trustee shall bind each Additional MDA Party as if such documentation had been duly executed by it.

3. GOVERNING LAW

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

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

COMMON DEFINITIONS

PART 1

DEFINITIONS

2002 ISDA Master Agreement means the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc.

2010 PD Amending Directive means Directive 2010/73/EU.

24 Hours means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Principal Paying Agent has its specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid.

48 Hours means a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Principal Paying Agent has its specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.

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.

Accountholder means each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Bonds which are held on behalf of Euroclear and/or Clearstream, Luxembourg.

Accounting Reference Date means each 31 March.

Accounting Standards means generally accepted accounting principles in England as at the Signing Date, including IFRS.

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 PCGs means:

- (a) the guarantee of Dong Energy West of Duddon Sands (UK) Limited's 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 Scottishpower Renewables (WODS) Limited's obligations under the Acquisition Agreement dated on or about the Signing Date provided by Scottish Power UK Plc in favour of the OFTO.

Acquisition Costs means all fees, costs and expenses, stamp, registration and other Taxes incurred by the OFTO or any other Obligor in connection with the Acquisition Documents.

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.

Additional Budgeted Maintenance Costs means:

- (a) remedial rock dumping campaigns;
- (b) cable reburial campaigns;
- (c) SCADA upgrades; and
- (d) any other unscheduled maintenance the costs for which, when aggregated with the costs for all other such unscheduled maintenance amount to £500,000 or more.

Additional Capacity Adjustment Investment has the meaning given to that term in the OFTO Licence.

Additional Equity means:

- (a) any amount subscribed in cash for shares in the OFTO or, provided that the cash consideration in respect of such shares is in turn paid to the OFTO, HoldCo or any other form of capital contribution in cash to the OFTO (which is not Financial Indebtedness and provided that repayment (if any) of such amounts are subject to the terms of the STID); or
- (b) the incurrence of Subordinated Intragroup Liabilities by the OFTO or, provided that the proceeds of such Subordinated Intragroup Liabilities are in turn paid to the OFTO or HoldCo,

which, in each case, is in addition to such amounts subscribed, committed or incurred on or before the date of this Agreement and the terms of which shall be subject to the terms of the STID.

Additional Hedge Counterparty means any person not already a Hedge Counterparty which becomes a Hedge Counterparty pursuant to the provisions of clause 2.1 (Accession of Additional Hedge Counterparty) of the STID.

Administrative Party means the Security Trustee, the Account Bank, the Bond Trustee or any Agent.

Adviser Report means any report referred to in paragraph 9(g) (Reports) of Part 1 (Conditions Precedent Documents and Evidence) of schedule 1 (Conditions Precedent to Initial Issuance) of the CP Agreement.

Affected Secured Creditor has the meaning given to that term in clause 22.2 (Amendments and Waivers: Common Documents, Bond Documents, Hedging Agreements and PBCE Documents) of the STID.

Affiliate means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company (other than in any Hedging Agreement when used in relation to a Hedge Counterparty, where Affiliate has the meaning given to it in that Hedging Agreement).

Affiliate Disposal Date has the meaning set out in clause 5.13(8)(i)(B) (Terms of Hedging Agreements) of the STID.

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.

Agent means the Principal Paying Agent appointed by the OFTO pursuant to the Agency Agreement.

Annual Financial Statements means the financial statements delivered pursuant to paragraph 1 of part 1 (Information Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement.

Appointee means any attorney, manager, agent, delegate, nominee, custodian or other person appointed by the Bond Trustee under the Bond Trust Deed.

Arrangement Fee has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Auditors means one of PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte or such other independent public accountants of international standing which may be appointed by the OFTO as its auditors.

Authorisation means an authorisation, consent, approval, permit, resolution, licence, exemption, filing, notarisation or registration.

Authorised Credit Facility means:

- (a) the Hedging Agreements;
- (b) the Bond Trust Deed;
- (c) the Bonds;
- (d) the PBCE Letter of Credit and Reimbursement Deed;
- (e) the PBCE Letter of Credit; and

- (f) any other document (not being a Common Document) that has been entered into in connection with the foregoing facilities or agreements or the transactions contemplated thereby that has been designated as a document that should be deemed to be an Authorised Credit Facility for the purposes of this definition by the parties thereto (including at least one Obligor).

Authorised Credit Provider means a provider of Senior Debt or the PBCE Provider (as applicable).

Authorised Signatory means any person who is duly authorised by any Obligor or any Party and in respect of whom a certificate has been provided signed by a director of that Obligor or such Party setting out the name and signature of that person and confirming such person's authority to act.

Authority means The Gas and Electricity Markets Authority established under Section 1 of the Utilities Act 2000 and any other additional or replacement governmental authority which may from time to time regulate the Obligors' businesses.

Automatic Early Termination means the termination or close-out of any hedging transaction prior to the maturity of that hedging transaction which is brought about automatically by the terms of the relevant Hedging Agreement without any party to the relevant Hedging Agreement taking any action to terminate that transaction.

Barrow Cable Agreement means the contract dated on or about the date of this Agreement between the OFTO, DONG WDS and ScottishPower and each of their successors and assigns in relation to certain remedial works to be carried out within the proximity of the Crossing (as defined therein).

Barrow Cable Agreement Guarantee means:

- (a) the guarantee dated on or about the date of this Agreement between the OFTO and DONG Energy Wind Power Holdings A/S and each of their successors and assigns in relation to the Barrow Cable Agreement or
- (b) the guarantee dated on or about the date of this Agreement between the OFTO and Scottish Power UK plc. and each of their successors and assigns in relation to the Barrow Cable Agreement.

Basic Terms Modification has the meaning given to that term in in paragraph 8 of Schedule 4 to the Bond Trust Deed (Provisions for Meetings of Bondholders).

Block Voting Instruction means an English language document issued by the Principal Paying Agent in which:

- (a) it is certified that on the date thereof Bonds (not being Bonds in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a Clearing System and that no such Bonds will cease to be so blocked until the first to occur of:
- (i) the conclusion of the meeting specified in such Block Voting Instruction; and
- (ii) the Bonds ceasing with the agreement of the Principal Paying Agent to be so blocked and the giving of notice by the Principal Paying Agent to the Issuer in accordance with paragraph 4(d) of Schedule 4 to the Bond Trust Deed of the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Bonds has instructed the Principal Paying Agent that the vote(s) attributable to the Bonds so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period

commencing 48 Hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;

- (c) the aggregate principal amount of the Bonds so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such Block Voting Instruction (each hereinafter called a proxy) is or are authorised and instructed by the Principal Paying Agent to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction.

Bond Creditors means the Secured Creditors, other than the Hedge Counterparties and the PBCE Provider.

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

Bond Document means:

- (a) the Bond Trust Deed (including the Conditions);
- (b) the Bonds (including any applicable Coupons and Receipts);
- (c) the Agency Agreement; and
- (d) any other document designated as such by the OFTO and the Bond Trustee.

Bond Liabilities means the Secured Liabilities owed by the OFTO to the Bond Creditors and to the Bond Trustee for its own account under or in respect of the Finance Documents.

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.

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.

Business Day means:

- (a) in relation to any sum payable in Sterling, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange currency deposits) in London;
- (b) in relation to any sum payable in a currency other than sterling, a day on which commercial banks and foreign exchange markets settle payments generally in London, and in the principal financial centre of the currency in which such financial indebtedness is denominated (which in the case of a

payment in U.S. Dollars shall be New York) and, in respect of the Bonds, in each (if any) additional city or cities specified in the Conditions; and

- (c) for any other purpose, means a day (other than a Saturday or a Sunday) on which banks and the PBCE Provider are open for general business in London and Luxembourg.

Cable Burial Agreement means the cable burial agreement entered into on or about the date of this Agreement between the OFTO, DONG WODS and ScottishPower and each of their successors and assigns, regarding subsea cable burial works in relation to the WODS Project.

Cable Burial Agreement Guarantee means:

- (a) the guarantee dated on or about the date of this Agreement between the OFTO and DONG Energy Wind Power Holdings A/S and each of their successors and assigns in relation to the Cable Burial Agreement; or
- (b) the guarantee dated on or about the date of this Agreement between the OFTO and Scottish Power UK plc and each of their successors and assigns in relation to the Cable Burial Agreement.

Calculation Date means 30 June and 31 December in each year commencing on 31 December 2015 or such other dates as may be agreed as a result of a change in the financial year end (and associated change in the calculation of financial covenants) or regulatory year end relating to any Obligor and the Security Group.

Calculation Period means:

- (a) the period from (and excluding) the Completion Date to (and including) the first Calculation Date following the Completion Date; and
- (b) each subsequent period from (and excluding) a given Calculation Date to (and including) the next Calculation Date.

Capital Costs means all costs, expenses and fees (without double counting) incurred by a member of the Security Group in connection with any Additional Capacity Adjustment Investment pursuant to an agreement between such member of the Security Group and NGET in accordance with the terms of the OFTO Licence.

Capital Requirements Directive means the requirements of Article 122a of Directives 2006/48/EC and 2006/49/EEU of the European Parliament and the Council of 14 June 2006 as amended by Directive 2009/111/EC relating to the taking and pursuit of the business of credit institutions (recast).

Capitalised Interest has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

CAR Policy has the meaning given in the Acquisition Agreement.

Cash Available has the meaning given to it in paragraph 1(c) (Account Balance and Scheduled Debt Service) of schedule 8 (PBCE Drawing Mechanism) of the Common Terms Agreement.

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 to 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).

Cash Proceeds means:

- (a) proceeds of the Charged Property which are in the form of cash; and
- (b) any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any proceeds of the Charged Property which are in the form of Non-Cash Consideration.

CBI means the Central Bank of Ireland.

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 Documents means (a) the Transaction Documents to which a Chargor is a party (other than the Bond Trust Deed and the Security Agreement) 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.

Charged Property means the property, assets, rights and undertakings 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.

Claims means any claims, actions, demands or judgments (including, without prejudice to the generality of the foregoing, all costs, charges and expenses properly incurred in disputing or defending any such Claim).

Claim Proceeds means the proceeds of a claim made by the OFTO (a **Claim Recovery**) against:

- (a) the Vendor;
- (b) any counterparty to a Transferred Contract; or
- (c) the provider of any Adviser Report (in its capacity as a provider of that Adviser Report),

except for any Excluded Claim Proceeds and after deducting:

- (i) any reasonable expenses which are incurred by the OFTO to persons who are not Affiliates; and
- (ii) any Tax incurred and required to be paid by the OFTO (as reasonably determined by the OFTO on the basis of existing rates and taking into account any available credit, deduction or allowance),

in each case in relation to that Claim Recovery.

Clearing System has the meaning given to it in Schedule 4 to the Bond Trust Deed.

Clearstream, Luxembourg means Clearstream Banking, société anonyme.

Close-Out Netting means any step involved in determining an Early Termination Amount (as defined in the 2002 ISDA Master Agreement) under section 6(e) (Payments on Early Termination) of the 2002 ISDA Master Agreement.

Code means the US Internal Revenue Code of 1986.

Common Assurance means any guarantee, indemnity or other assurance against loss in respect of any of the Secured Liabilities, the benefit of which (however conferred) is, to the extent legally possible, given to all the Secured Creditors in respect of their Secured Liabilities.

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 Safekeeper means a common safekeeper common to Euroclear.

Common Terms Agreement or CTA means the common terms agreement to be entered into between, among others, the Obligors, the OFTO and the Security Trustee to be dated on or about the Signing Date.

Compensation means any sum payable to the OFTO in respect of:

- (a) the nationalisation, confiscation, expropriation, seizure, compulsory purchase or requisition of all or any part of the Transmission Assets or of other assets of or shares in the OFTO;
- (b) the release, inhibition, modification, suspension, termination, rescission, repudiation or extinguishment of any rights, easements or covenants enjoyed by or benefiting the OFTO or the Project, or the imposition of any restrictions affecting the Transmission Assets, or the grant of any easements or rights over or affecting the Transmission Assets or any part of them;
- (c) the forfeiture, refusal, revocation, suspension, termination, rescission, repudiation or modification of any Transaction Authorisation or Environmental Approval or other official permission, consent, authorisation or exemption subject to conditions, or any other official order or notice restricting the construction or operation of the Transmission Asset;
- (d) any other intervention in the Project by or on behalf of any Government Entity;
- (e) the disposal of any assets of the OFTO pursuant to any order or direction to the OFTO from the Authority or any Government Entity to sell, dispose or transfer any assets; and
- (f) any Claim Proceeds.

Competitor has the meaning has the meaning set out in clause 5.13(g)(ii) (Terms of Hedging Agreements) of the STID.

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

Completion Date means the date on which Completion occurs.

Compounding Date has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Computer Model means the computer model in relation to the Project prepared for the purposes of the CTA and audited by the Auditor as updated semi-annually on each Calculation Date by reference to actual revenues and payments received and made by the OFTO up to that Calculation Date.

Conditions means in relation to the Bonds, the terms and conditions endorsed on or incorporated by reference into the Bond or Bonds, such terms and conditions being substantially in the form set out in schedule 3 (Terms and Conditions of the Bonds) of the Bond Trust Deed as from time to time modified in accordance with the provisions of the Bond Trust Deed and any reference in the Finance Documents to a particular specified Condition or paragraph of a Condition shall be construed accordingly.

Confidential Information means all information relating to any Obligor or the Finance Documents of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under or the Finance Documents from either:

- (a) any Obligor or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any Obligor or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of clause 14 (Disclosure of Information) of the Common Terms Agreement;
- (ii) is identified in writing at the time of delivery as non-confidential by any Obligor or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Security Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

Connection and Use of System Code or CUSC means the contractual framework for connection to, and use of, National Grid's high voltage transmission system.

Coupon means the interest coupons and any talons for further coupons attached to any Definitive Bonds.

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 means a Senior Creditor, the PBCE Provider and (in respect of the Subordinated Intragroup Liabilities only) TopCo and any other relevant Obligor.

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.

Criminal offence has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Crossing Agreement means the cable crossing and proximity agreements novated to the OFTO on or about the Initial Issue Date between, amongst others:

- (a) TC Ormonde OFTO Limited and the Vendor dated 27 February 2013;
- (b) EDF Energy Nuclear Generation Limited and the Vendor dated 14 February 2013;
- (c) TC Barrow OFTO Limited and the Vendor (Offshore Cable Crossing Agreement) dated 1 March 2012;
- (d) TC Barrow OFTO Limited and the Vendor (Onshore Cable Crossing Agreement) dated 1 March 2012;
- (e) Barrow Offshore Wind Limited and the Vendor dated 3 May 2013;
- (f) Burlington Resources (Irish Sea) Limited and the Vendor dated 25 March 2013;
- (g) Blue Transmission Walney 1 Limited and the Vendor dated 5 April 2013;

- (h) Blue Transmission Walney 2 Limited and the Vendor dated 1 March 2012;
- (i) Hydrocarbon Resources Limited and the Vendor dated 18 March 2013;
- (j) TC Barrow OFTO Limited and the Vendor dated 13 September 2013;
- (k) Blue Transmission Walney 1 Limited and the Vendor dated 19 March 2014; and
- (l) 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.

CSP means the common service provider appointed by the ICSDs to service the Bonds.

D Rules means U.S. Treas. Reg. §1.163-5(c)(2)(i)(D).

Debt Life Cover Ratio or DLCR means, in respect of any Calculation Date, the ratio of:

- (a) the NPV for that Calculation Date plus the aggregate of the balance on the Debt Service Reserve Account, the Maintenance Reserve Account and the Working Capital Reserve Account at close of business on that Calculation Date and without double counting any amount already included in the calculation of Gross Revenues, the residual balance on the Proceeds Account; to
- (b) the aggregate principal amount of all Senior Debt (excluding the mark-to-market Liabilities under the Hedging Agreements) outstanding.

Debt Service means, for any period the amount of all scheduled payments of interest and principal payable (including any amounts to be paid into the Defeasance Account) in respect of Senior Debt by the OFTO during such period and, for the purposes of calculating any financial ratio, the amount of all termination payments payable under any Hedging Agreement, disregarding any termination payment which is payable in only one instalment during such period.

Debt Service & PBCE Account means the account opened and maintained by the OFTO entitled the **Debt Service & PBCE Account** which shall be credited with any drawings under the PBCE Letter of Credit, as contemplated by paragraph 7 (Debt Service & PBCE Account) of schedule 5 (Cash Management) of the Common Terms Agreement.

Debt Service Cover Ratio means, in relation to any Relevant Period, the ratio of Net Cashflow to Debt Service for that Relevant Period.

Debt Service Reserve Account means the account opened and maintained by the OFTO entitled the **Debt Service Reserve Account** which shall be credited with a cash reserve by the OFTO, as contemplated by paragraph 3 (Debt Service Reserve Account) of schedule 5 (Cash Management) of the Common Terms Agreement.

Debt Service Shortfall has the meaning given to it in paragraph 3 (Drawing to fund Debt Service Shortfall) of schedule 8 (PBCE Drawing Mechanism) of the Common Terms Agreement.

DECC means the Department of Energy and Climate Change.

DECC Decommissioning Reserve Account means the account opened after the Issue Date and maintained by the OFTO entitled the **DECC Decommissioning Reserve Account** which shall be credited with a cash reserve by the OFTO, as contemplated by paragraph 5 (DECC Decommissioning Reserve Account) of schedule 5 (Cash Management) of the Common Terms Agreement, for the purpose of meeting its decommissioning obligations owed to DECC.

Decision Period means the period of time within which the approval of the Security Trustee is sought as specified in relation to each type of voting matter in the STID.

Decommissioning Plan means the decommissioning plan prepared and submitted by the OFTO, approved by DECC, as the same may be amended with the agreement of the OFTO and DECC.

Deed of Assignment means any deed of assignment that is entered into on or about the date of this Agreement which assigns the Vendor's obligations and rights to the OFTO under the following documents:

- (a) the Onshore Property Agreements;
- (b) the NGET Lease;
- (c) the Duchy Lease; and
- (d) the Crown Estate Lease.

• **Deed of Covenant** means the deed of covenant that is entered into on or about the date of this Agreement between the Queen's Most Excellent Majesty and WODS Transmission plc.

• **Deemed Agreement** has the meaning given to it in paragraph 2.5 (Deemed Agreement following consultation) of the STID Decision Making Protocol.

Default means:

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

Default Ratio Level means:

- (a) in respect of the Projected DSCR, 1.05:1;
- (b) in respect of the Historic DSCR, 1.05:1; and
- (c) in respect of the Debt Life Cover Ratio, 1.08:1.

Defaulted Hedge Counterparty has the meaning given to that term in clause 5.12 (Termination of hedging transactions due to Hedge Counterparty Default) of the STID.

Defeasance Account means the account opened after the Issue Date and maintained by the OFTO entitled the **Defeasance Account** which shall be credited with a cash reserve by the OFTO, as contemplated by paragraph 8 (Defeasance Account) of schedule 5 (Cash Management) of the Common Terms Agreement, for the purpose of repaying the Bonds.

Defeasance Account Ledger means the ledger maintained in accordance with the Common Terms Agreement in respect of amounts credited or debited from the Defeasance Account.

Deferred Payment has the meaning given to that term in paragraph 1(h) of the relevant Hedging Agreement.

Definitive Bond means any Bonds issued in definitive bearer form.

Delegate means any delegate, agent, attorney or co-trustee appointed by the Security Trustee or by the Bond Trustee (as the case may be).

Deposited Bonds means certain specified Bonds which have been deposited with the Principal Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system, for the purposes of the issuance of a Block Voting Instruction.

Designated Website means the investor website to be maintained by the OFTO as contemplated by paragraph 11(a) (Use of Websites) of part 1 (Information Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement.

Determination Dissenting Creditor has the meaning given to it in paragraph 2.4(a) (Determination of voting category) of the STID Decision Making Protocol.

Determination Dissenting Notice has the meaning given to it in paragraph 2.4(a) (Determination of voting category) of the STID Decision Making Protocol.

Direct Agreement means (a) any O&M Direct Agreement and (b) the Management Services Direct Agreement, as the context may require.

Discharged Rights and Obligations has the meaning given to that term in clause 5.12(a) (Termination of hedging transactions due to Hedge Counterparty default) of the STID.

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

Discount Rate means, in respect of the Relevant Period in respect of which the Debt Life Cover Ratio is to be tested, the weighted average of the interest rates applicable to the Senior Debt outstanding at the date the ratio is to be calculated.

Discretion Matter means a decision in respect of a modification, consent or waiver :

- (a) which in the opinion of the Security Trustee is required to correct a manifest error or which is of a formal, minor, administrative or technical nature; or
- (b) is not an Extraordinary Voting Matter and is not (in the opinion of the Bond Trustee) materially prejudicial to the interests of Bondholders.

Disposal means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

Disruption Event has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

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

E21 Direction means a notice of all relevant available information in relation to a direction under Standard Condition E21 (OFTO of Last Resort) of the Transmission Licence.

Early Termination Amount has the meaning given to that term in each Hedging Agreement.

Early Termination Date has the meaning given to that term in each Hedging Agreement.

Economic Assumptions means, subject to the terms of the Common Terms Agreement, the assumptions set out in Schedule 7 (Economic Assumptions) of the Common Terms Agreement.

Electronic Instruction has the meaning given to it in Schedule 5 to the Bond Trust Deed.

Eligible Person means (i) a bearer of any Voting Certificate; and (ii) a proxy specified in any Block Voting Instruction.

Emergency means a condition, circumstance or situation that arises or occurs which presents, or is likely to present, a physical threat to persons or property or to security or availability of the Transmission Assets which would require an operator using Good Industry Practice to take immediate measures to prevent or mitigate such threat.

Emergency Capital Expenditure means any capital expenditure to be incurred in order to avoid or respond to an Emergency which has caused an Outage which is in an amount in excess of:

- (a) in respect of a Transformer Outage, £3 million; and
- (b) in respect of a Cable Outage, £3 million.

Enforcement Action means

- (a) in relation to any Liabilities:
 - (i) the acceleration of any Liabilities or the making of any declaration that any Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for any of the Senior Creditors or the PBCE Provider to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Finance Documents);
 - (ii) the making of any declaration that any Liabilities are payable on demand;
 - (iii) the making of a demand in relation to a Liability that is payable on demand;
 - (iv) the making of any demand against any member of the Security Group in relation to any Liabilities guaranteed by that member of the Security Group;
 - (v) the exercise of any right of set-off, account combination, close-out or payment netting against any Obligor in respect of any Liabilities other than the exercise of any such right:
 - (A) as Payment Netting by a Hedge Counterparty;
 - (B) where permitted under the terms of the STID, Close-Out Netting by a Hedge Counterparty; or
 - (C) which is otherwise expressly permitted under the Finance Documents (other than any Investor Funding Loan (or any other documents or instruments pursuant to which the Subordinated Intragroup Liabilities are constituted) and any Hedging Agreement); and
 - (vi) the suing for, commencing or joining of any legal or arbitration proceedings against any Obligor to recover any Liabilities;

- (b) the premature termination or close-out of any hedging transaction under any Hedging Agreement;
- (c) the taking of any steps to enforce or require the enforcement of any Security (including the crystallisation of any floating charge forming part of the Security);
- (d) the entering into of any composition, compromise, assignment or arrangement with any Obligor which owes any Liabilities, or has given any Security Interest, guarantee or indemnity or other assurance against loss in respect of the Liabilities (other than any action permitted under clause 16 (Changes to the Parties) of the STID);
- (e) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, Receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration or reorganisation of any Obligor which owes any Liabilities, or has given any Security Interest, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, or any of such Obligor's assets or any suspension of payments or moratorium of any indebtedness of any such Obligor, or any analogous procedure or step in any jurisdiction; or
- (f) the taking of any steps to claim against the provider of any Adviser Report in its capacity as provider of the report,

except that the following shall not constitute Enforcement Action:

- (i) the taking of any action which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Secured Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; and
- (ii) a Hedge Counterparty or the PBCE Provider bringing legal proceedings against any person solely for the purpose of:
 - (A) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any Finance Document to which it is party;
 - (B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages;
 - (C) requesting judicial interpretation of any provision of any Finance Document to which it is party with no claim for damages; or
 - (D) in the case of the PBCE Provider only, claiming for damages in an amount not exceeding £770,000 (such amount to be indexed on an accumulated annual basis by reference to the official general cost of living index in the UK and payable to the PBCE Provider on a subordinated basis on any Payment Date in accordance with the Priority of Payments set out in the Finance Documents).

Enforcement Instruction has the meaning given to it in clause 13.1(a) (Enforcement Instruction Notices) of the STID.

Enforcement Instruction Notice has the meaning given to it in clause 13.1(a) (Enforcement Instruction Notices) of the STID.

Enforcement Notice means a notice delivered by the Security Trustee in accordance with clause 13.3 (Enforcement Notice) of the STID.

Engagement Letters means:

- (a) the Engagement Letter dated on or about the Signing Date between the Investors and/or the Issuer and Marsh Limited in relation to its appointment as Insurance Adviser and if applicable the novation of such Engagement Letter;
- (b) the Engagement Letter dated on or about the Signing Date between the Investors and/or the Issuer and Ove Arup & Partners Limited in relation to its appointment as Technical Adviser and if applicable the novation of such Engagement Letter; and
- (c) the Engagement Letter dated on or about the Signing Date between the Investors and/or the Issuer and Allen & Overy LLP in relation to its appointment as Legal Adviser and if applicable the novation of such Engagement Letter.

Entrenched Right has the meaning given to it in clause 22.3 of the STID.

Entrenched Right Dissenting Notice has the meaning given to that term in paragraph 2.4(b) (Determination of voting category) of the STID Decision Making Protocol.

Environment means the following, insofar as they affect human health and social well-being:

- (a) flora and fauna;
- (b) soil, water, air, climate and the landscape; and
- (c) cultural heritage and the built environment,

and includes, without limitation, occupational and community health and safety.

Environmental Approval means any Authorisation required by any Environmental Law.

Environmental Claim means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

Environmental Law means any applicable law or regulation which relates to:

- (a) EU law, including principles and standards;
- (b) UK laws and regulations; and
- (c) applicable international treaties

of which a principal objective is the preservation, protection or improvement of the Environment.

Environmental Permits means any permit and other Authorisation required under any Environmental Law for the operation of the business of any Obligor conducted on or from the properties owned or used by any Obligor.

Equity means:

- (a) any amount subscribed in cash for shares in the OFTO or, provided that the cash consideration in respect of such shares is in turn paid to the OFTO, HoldCo or any other form of capital contribution in cash to the OFTO (which is not Financial Indebtedness and provided that repayment (if any) of such amounts are subject to the terms of the STID); or

- (b) the incurrence of Subordinated Intragroup Liabilities by the OFTO or, provided that the proceeds of such Subordinated Intragroup Liabilities are in turn paid to the OFTO, HoldCo,

which, in each case subscribed, committed or incurred on or before the date of this Agreement and the terms of which shall be subject to the terms of the STID.

Equity Cure Amount has the meaning given to it in paragraph 20(a) (Equity Cure) of schedule 3 (Events of Default) to the Common Terms Agreement.

Equity Cure Right has the meaning given to it in paragraph 20(a) (Equity Cure) of schedule 3 (Events of Default) to the Common Terms Agreement.

Euro, euro or € means the single currency of the Participating Member States.

Euroclear means Euroclear Bank SA/NV.

European Market Infrastructures Regulation or EMIR means Regulation (EU) 648/2012.

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

Excluded Information means those matters the completion of which was dependent upon the determination of the Issue Date, including the issue price and the rate of interest on the Bonds.

Excluded Claim Proceeds means any proceeds of a Claim Recovery which the OFTO notifies the Security Trustee are, or are to be, applied:

- (a) to satisfy (or reimburse an Obligor which has discharged) any liability, charge or claim upon an Obligor by a person which is not an Obligor or an Affiliate of any Obligor; or
- (b) in the replacement, reinstatement and/or repair of assets of an Obligor which have been lost, destroyed or damaged,

in each case as a result of the events or circumstances giving rise to that Claim Recovery, if those proceeds are so applied as soon as possible (but in any event within 60 days after receipt).

Excluded Insurance Proceeds means any proceeds of an insurance claim which the OFTO notifies the Security Trustee are, or are to be, applied:

- (a) in the reinstatement, replacement, restoration or repair of the Transmission Assets, property or assets in respect of which the relevant insurance claim was made; or
- (b) in satisfying any third party liability,

in each case, only to the extent so applied or committed to be applied as soon as possible (and in any event within 180 days after receipt or, if those amounts have been committed to be applied, provided those amounts are actually applied within 180 days thereafter).

Expiry Date has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Extraordinary Resolution means:

- (a) a resolution approved by Senior Creditors representing not less than two-thirds of the Senior Voting Debt who (i) for the time being are entitled to receive notice of a voting matter and (ii) have participated in the approval process in respect of such resolution, subject to the quorum requirements set out in paragraph 6.2 (Quorum Requirement for an Extraordinary Voting Matter) of schedule 2 (STID Decision Making Protocol) of the STID; or
- (b) a resolution signed in writing by or on behalf of Senior Creditors representing not less than two-thirds of the Senior Voting Debt who for the time being are entitled to receive notice of a voting matter, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Senior Creditors.

Extraordinary Voting Matter means a modification, consent, waiver or determination which would:

- (a) have the effect of changing or changes (i) the voting mechanics, the Majority Requirement, the Quorum Requirement or the Decision Period relating to Extraordinary Voting Matters or (ii) any of the matters constituting Extraordinary Voting Matters;
- (b) change any Event of Default;
- (c) relate to the waiver of any Event of Default;
- (d) change in any adverse respect the restriction on any disposal of the OFTO or relate to a consent in respect of any such disposal;
- (e) materially change or have the effect of materially changing the definition of Permitted Business;
- (f) change in any adverse respect the restrictions set out in, or relate to a consent in respect of:
 - (i) part 1 (Information Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement;
 - (ii) paragraph 15 (Disposals) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement;
 - (iii) paragraph 16 (Arm's Length Basis) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement;
 - (iv) paragraph 17 (Loans or Credit) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement;
 - (v) paragraph 23 (Share Capital) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement;
 - (vi) to the extent it relates to the OFTO Licence, paragraph 28 (Project Documents) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement;
- (g) the sanctioning of a STID Proposal which requires the consent of the Bond Trustee pursuant to the Entrenched Rights.

FATCA means Sections 1471 through 1474 of the Code (including any regulations thereunder or official interpretations thereof), intergovernmental agreements between the United States and other jurisdictions facilitating the implementation thereof, and any law implementing any such intergovernmental agreement.

FATCA Withholding Tax means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto.

FFI means a "foreign financial institution" as such term is defined pursuant to Sections 1471 through 1474 of the Code and any regulations thereunder or official interpretations thereof.

Final Discharge Date means the later to occur of the Senior Discharge Date and the PBCE Discharge Date.

Final Licence Trigger Event Remediation Plan has the meaning given to such term in paragraph 10(b) of Part 1 (Information Covenants) of Schedule 2 (Obligor Covenants) of the Common Terms Agreement.

Final Maturity Date means:

- (a) in relation to a Bond, the final date on which that Bond is expressed to be redeemable; and
- (b) in relation to any other Authorised Credit Facility, the date on which all financial accommodation made available under that Authorised Credit Facility is expressed to be repayable in full (without any further obligation of the relevant Authorised Credit Provider to continue to make available such financial accommodation).

Final PBCE Utilisation Amount has the meaning given to it in paragraph 3(b) (Drawing to fund Debt Service Shortfall) of schedule 8 (PBCE Drawing Mechanism) of 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.

Finance Party means each Authorised Credit Provider and each agent, representative and trustee appointed in connection with the Authorised Credit Facility.

Finance Party Relevant Party means, in relation to a Finance Party and/or any of its Affiliates, any shareholder, director, officer, employee, agent or "controller" (as such term is defined in Section 422 of the FSMA) of any such person.

Financial Adviser means any:

- (a) independent internationally recognised investment bank;
- (b) independent internationally recognised accountancy firm; or
- (c) other independent internationally recognised professional services firm.

Financial Indebtedness means (in each case, without double-counting) any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any Bonds, (excluding any Bonds owned or held by the OFTO or where the OFTO is not entitled (or has waived its entitlement to receive) principal and/or Interest in relation to those Bonds), debentures, loan stock or any similar instrument or any obligation to purchase the Bonds, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of finance or capital leases;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market loss to the Security Group (or, if any actual amount is due from the Security Group as a result of the termination or close out of that Treasury Transaction, that amount) shall be taken into account) and any liability thereunder;
- (g) any counter indemnity obligation in respect of any guarantee, indemnity, bond, standby or documentary letter of credit or other instrument issued by a bank or financial institution;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the OFTO) before the Final Maturity Date or are otherwise classified as borrowings under the Accounting Standards;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 120 days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Standards; and
- (k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

Financial Ratio Event of Default means an Event of Default pursuant to paragraph 2 (Breach of Financial Covenant and other obligations) of schedule 3 (Events of Default) to the Common Terms Agreement.

Financial Statements means the Annual Financial Statements or the Semi-Annual Financial Statements as applicable.

Financial Year means the annual accounting period of the Security Group ending on or about 31 March in each year.

Fixed Assets has the meaning given in the Acquisition Agreement.

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.

Floating Rate has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Floating Rate Reference Period has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Forecast means the results of running the Computer Model on the basis of values for the Forecast Assumptions determined in accordance with the Common Terms Agreement.

Forecast Assumptions means the:

- (a) Economic Assumptions; and
- (b) Key Assumption.

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

Further Enforcement Instruction Notice has the meaning given to it in clause 13.1 (Enforcement Instruction Notices) of the STID.

FSMA means the Financial Services and Markets Act 2000.

General Liability means any loss, damage, cost, fee, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.

Generator means the holder of a generating licence granted under the Electricity Act 1989 who generates electricity at the Wind Farm at the relevant point in time.

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

Good Industry Practice means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably be expected from a skilled and experienced operator engaged in the same type of undertaking as the OFTO under the same or similar circumstances.

Government Entity means:

- (a) the government of the United Kingdom;
- (b) any authority, agency or department established by the government of the United Kingdom;

- (c) the Bank of England or any entity holding all or a substantial part of the foreign reserves or investments of the United Kingdom;
- (d) any political subdivision of the United Kingdom; and
- (e) any public corporation or other entity of which the government of the United Kingdom has direct or indirect control and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of share capital, contract or otherwise.

Grid Code has the meaning given in the Acquisition Agreement.

Gross Revenues means, in relation to any period (without counting any item more than once), all moneys received by the OFTO in that period:

- (a) as revenue from its operation in that period;
- (b) under any Revenue Transaction (on a net basis);
- (c) as Insurance Proceeds in respect of physical damage (but only to the extent that these moneys have actually been received and applied towards an equivalent reinstatement, repair, restoration or replacement cost in that period and are included in paragraph (f) of the definition of Operating Costs in that period);
- (d) as a refund of Tax;
- (e) as interest earned on the Accounts;
- (f) as income received in respect of Cash Equivalent Investments;
- (g) as liquidated or other damages paid by any contractors or subcontractors to the OFTO under any Project Document;
- (h) as proceeds from Disposals other than a Relevant Disposal;
- (i) (for the purposes of calculating the Debt Service Cover Ratio only) which are withdrawals from the Maintenance Reserve Account, the Working Capital Reserve Account (except to the extent that such amounts have been withdrawn to pay Debt Service in that period as contemplated by paragraphs 6 (c)(iv) and 6(c)(v) (Working Capital Reserve Account) of schedule 5 (Cash Management) of the Common Terms Agreement) and the DECC Decommissions Reserve Account (to the extent such withdrawal relates to payment of an accrued Decommissioning Costs), less any moneys transferred to each of these Accounts (as applicable) in that period, in each case in accordance with the provisions of schedule 5 (Cash Management) of the Common Terms Agreement;
- (j) as cash receipts otherwise in connection with the Project,

but always excluding Claim Proceeds, Insurance Proceeds (except as included in paragraph (c) above) and the proceeds of any Additional Equity and any other cash proceeds of any Equity or Subordinated Intragroup Liabilities contributed to the OFTO in respect of the relevant period.

Group Structure Chart means the group structure chart to be delivered to the Security Trustee pursuant to part 1 (Conditions Precedent Documents and Evidence) of schedule 1 (Conditions Precedent to Initial Issuance) to the CP Agreement in the agreed form.

Guarantor means HoldCo.

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.

Hedge Termination and Novation Mechanism has the meaning given to that term in clause 5.12(a) (Termination of hedging transactions due to Hedge Counterparty Default) of the STID.

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 28 (Treasury Transactions) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) to the CTA and which governs the Hedging Transactions between such parties.

Hedging Debt Service has the meaning given to it in paragraph 1(b) (Account Balance and Scheduled Debt Service) of schedule 8 (PBCE Drawing Mechanism) of the Common Terms Agreement.

Hedging Force Majeure means an Illegality or Tax Event, Tax Event Upon Merger or a Force Majeure Event (each as defined in the ISDA Master Agreement).

Hedging Liabilities means the Secured Liabilities owed by the OFTO to the Hedge Counterparties under or in connection with the Hedging Agreements.

Hedging Transaction means any inflation-linked Treasury Transaction or any other Treasury Transaction governed by a Hedging Agreement and entered into with the OFTO in accordance with paragraph 27 (Treasury Transactions) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) to the Common Terms Agreement.

Historic DSCR means, on any Calculation Date, the Debt Service Cover Ratio for the Relevant Period ending on that Calculation Date.

HMRC or HM Revenue & Customs means Her Majesty's Revenue & Customs.

HoldCo Account means the account opened by HoldCo entitled the **HoldCo Account** which shall be operated and maintained in accordance with the provisions of paragraph 9 (HoldCo Account) of schedule 5 (Cash Management) of the Common Terms Agreement.

Holding Company means, in relation to a company or a corporation, any other company or corporation in respect of which it is a Subsidiary.

IFRS means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

ICSDs means Euroclear and Clearstream, Luxembourg.

Income means any interest, dividends or other income arising from or in respect of a Cash Equivalent Investment.

Income Adjusting Event has the meaning given to it in paragraph 15 of Amended Standard Condition E12 – J3 (Restriction of Transmission Revenue: Allowed Pass-through Items) of the OFTO Licence.

Incremental Investment Amounts means any amounts required to be funded by the OFTO under Standard Condition E17 of the OFTO Licence.

Incremental Investment Debt means any Financial Indebtedness provided to the OFTO and designated as such in accordance with paragraph 11 (Incremental Investment Debt Sold) of Schedule 5 (Cash Management) of the Common Terms Agreement.

Indemnifying Parties has the meaning given to that term in clause 17.5 (Remuneration and Indemnification of Bond Trustee) of the Bond Trust Deed.

Identified Person means a person who is specified by name as having an interest in a Bond through the Clearing System.

Independent Expert means a major international accountancy or consultancy firm, or other person with appropriate expertise and no interest in the outcome of the matter that is the subject of the referral made (or to be made) to it, nominated by the OFTO after consultation with the PBCE Provider and the Technical Adviser and/or Insurance Adviser (as appropriate).

Indexed means, in respect of any amount, that amount (as previously indexed) adjusted up or down at the beginning of each calendar year by an amount equal to the percentage increase or, as the case may be, decrease in the Retail Price Index for such year or as is otherwise specified in the relevant Finance Document.

Initial Date Representation means in respect of the creation and issuance of any Further Bonds after the Initial Issue Date, each of the representations in schedule 1 (Obligor Representations) to the Common Terms Agreement as may be agreed and amended by the Obligors and the Security Trustee in accordance with the STID and clause 4.2(b) of the Common Terms Agreement, provided that the representations contained in paragraphs 3 (Validity and admissibility in evidence) and 19 (Choice of Law and Enforcement) of schedule 1 (Obligor Representations) to the Common Terms Agreement shall be limited and refer only to such Further Bonds, the representations contained in paragraph 18 (Full Disclosure) of schedule 1 (Obligor Representations) to the Common Terms Agreement shall be limited to such Further Bonds (as the case may be) and the Investor Presentation (if any) prepared in respect of such Further Bonds (as the case may be).

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.

Initial Management Services Direct Agreement means the management services direct agreement dated on or about the date of this Agreement between the Initial Management Services Provider, the OFTO and the Security Trustee.

Initial Management Services Provider means Frontier Power Limited.

Insolvency Event means, in respect of any company:

- (a) the initiation of or consent to Insolvency Proceedings by such company or any other person or the presentation of a petition or application for the making of an administration order which proceedings (other than in the case of the OFTO) are not being disputed in good faith with a reasonable prospect of success or which are frivolous or vexatious and discharged, stayed or dismissed within ten Business Days of commencement or, if earlier, the date on which it is advertised;
- (b) an encumbrancer taking possession of the whole or any part of the undertaking or assets of such company;
- (c) any distress, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any substantial part of the undertaking or assets of such company and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;

- (d) a composition, compromise, assignment or arrangement with creditors of such company (as part of a general composition, compromise, assignment or arrangement affecting such company's creditors generally) other than a composition compromise, assignment or arrangement with respect to any subordinated Financial Indebtedness, any intragroup loan or guarantee;
- (e) the passing by such company of an effective resolution or the making of an order by a court of competent jurisdiction for the winding up, liquidation or dissolution of such company (except, in the case of the OFTO, a winding up for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved by an Extraordinary Resolution);
- (f) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any substantial part of the undertaking or assets of such company;
- (g) save as permitted in the STID, the cessation or suspension of payment of its debts generally or a public announcement by such company of an intention to do so; or
- (h) save as provided in the STID, a moratorium is declared in respect of any indebtedness of such company.

Insolvency Official means, in connection with any Insolvency Proceedings in relation to a company, a liquidator, provisional liquidator, administrator, Receiver, nominee, supervisor, trustee, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors.

Insolvency Proceedings means, in respect of any company, the winding up, liquidation, dissolution or administration of such company, or any equivalent or analogous proceedings under the law of the jurisdiction in which such company is incorporated or of any jurisdiction in which such company, carries on business including the seeking of liquidation, winding up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

Instructing Party means at any time:

- (a) prior to the Senior Discharge Date, one or more Secured Creditors representing at least a simple majority of the Senior Voting Debt; and
- (b) on or after the Senior Discharge Date, the PBCE Provider.

Insurable Event means any event in relation to which and to the extent that Insurance is in place provided that where the term "Insurable Event" and each related definition (including, without limitation, "Third Party Event") is used in the Finance Documents shall be deemed to be limited to physical loss or damage insurance policies.

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;

Insurance Adviser means Marsh Ltd. or any other person (which is of international repute and with equivalent expertise in transactions and projects of a similar nature to the Project) appointed by the OFTO as replacement Insurance Adviser from time to time.

Insurance Proceeds means the proceeds of any insurance claim under any insurance maintained by an Obligor except for Excluded Insurance Proceeds and after deducting any reasonable expenses in relation to that claim which are incurred by any Obligor to persons who are not Obligors or Affiliates of any Obligor.

Intellectual Property Rights means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each Obligor (which may now or in the future subsist).

Interface Agreement has the meaning given in the Acquisition Agreement

Inter-Hedging Agreement Netting means the exercise of any right of set-off, account combination, close-out netting or payment netting (whether arising out of a cross-agreement netting agreement or otherwise) by a Hedge Counterparty against Hedging Liabilities owed by an Obligor to that Hedge Counterparty under a Hedging Agreement in respect of Hedging Liabilities owed to that Hedge Counterparty by that Obligor under another Hedging Agreement.

Interest means:

- (a) interest and amounts in the nature of interest accrued;
- (b) prepayment penalties or premia incurred in repaying or prepaying Senior Debt;
- (c) discount fees and acceptance fees payable or deducted in respect of any Senior Debt, including fees payable in respect of any letters of credit and guarantees;
- (d) any net payment (or, if appropriate in the context, receipt) under any interest rate or cross currency hedging agreement or instrument, taking into account any premia payable; and
- (e) any other payment and deduction of similar effect.

Interest Payment Date has the meaning given thereto in Condition 4.1 (Rate of Interest and Interest Payment Dates) or otherwise means the date(s) specified in the Conditions.

Investment Proceeds means:

- (a) any net proceeds received upon disposal or realisation; or
- (b) any sum received upon maturity of a Cash Equivalent Investment, but excluding all Income.

Investor means 3i Infrastructure plc, or Macquarie Corporate Holdings Pty Limited and their, or any subsequent, successors or assignees or transferees.

Investor Affiliate means, in respect of an Investor:

- (a) if the Investor is a Subsidiary of another company, the Investor's ultimate Holding Company and any Subsidiary (other than the Investor itself) of the Investor's ultimate Holding Company and any Subsidiary of the Investor;
- (b) if the Investor is not a Subsidiary of another company, any Subsidiary of the Investor;
- (c) any general partner, limited partner, trustee, manager or nominee of an Investor (or any Affiliate of that Investor) or an Affiliate of such general partner, limited partner, trustee, manager or nominee; or

- (d) any unit trust, investment fund, investment company, general partnership, limited partnership or other collective investment scheme, pension fund, superannuation fund or any other fund, company or entity of which any Investor (or any Affiliate of any Investor) or any person referred to in paragraph (c) of this definition) is the general partner, limited partner, trustee, principal, manager, co-manager or nominee (either directly or indirectly) and including, without limitation, any general partner thereof.

Investor Funding Loan¹ means:

- (a) any loan note offered by OFTO to HoldCo under the OFTO Loan Note Instrument; and
- (b) any loan note offered by HoldCo to TopCo, provided that the benefit of such loan is subject to the terms of the STID as a Subordinated Intragroup Liability.

Investor Presentation means any written investor presentation (approved in writing for such use in advance and signed or initialled for identification purposes by the OFTO) used in connection with marketing and investor presentations in respect of the Bonds. For the avoidance of doubt, the Prospectus is not an Investor Presentation.

Investor Report means each report produced by the OFTO to be delivered by each Calculation Date, substantially in the form set out in schedule 4 (Form of Investor Report) to the Common Terms Agreement.

IOA means the initial issue outstanding amount.

Irish Stock Exchange means the Irish Stock Exchange Limited or any other body to which its functions have been transferred.

ISDA Master Agreement means an agreement in the form of the 2002 ISDA Master Agreement (including the schedule, each confirmation and any credit support annex thereto) or any successor thereto published by ISDA unless otherwise agreed by the Security Trustee acting in accordance with the STID.

Issuer means the OFTO.

Key Assumption means the availability of the Transmission Assets.

Liabilities means all present and future liabilities and obligations at any time of any Obligor to any Creditor under the Finance Documents, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any novation, deferral or extension;
- (b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;
- (c) any claim for damages or restitution; and
- (d) any claim as a result of any recovery by such Obligor of a Payment on the grounds of preference or otherwise,

¹ TBC how share capital for OFTO will be funded, if separate loan instruments will be required

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

Liabilities Acquisition means, in relation to a person and to any Liabilities, a transaction where that person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

the rights in respect of those Liabilities.

LIBOR has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Licence Trigger Event means any of the following events:

- (a) the OFTO is the subject of a provisional order under section 25 of the Electricity Act 1989;
- (b) the OFTO is the subject of a final order under section 25 of the Electricity Act 1989; and
- (c) the OFTO fails to pay any financial penalty under section 27A of the Electricity Act 1989 by the due date for such payment.

LMA means the Loan Market Association.

Lock-Up Ratio Level means:

- (a) in respect of the Projected DSCR, 1.10:1;
- (b) in respect of the Historic DSCR, 1.10:1; and
- (c) in respect of the Debt Life Cover Ratio, 1.15:1,

in each case, in respect of the Relevant Period as at the relevant Calculation Date, as stated in the Investor Report.

Losses means any direct losses, liabilities, damages, costs, charges, expenses (including legal fees) and taxes.

Maintenance Reserve Account means the account opened and maintained by the OFTO entitled the Maintenance Reserve Account which shall be credited with a cash reserve by the OFTO, as contemplated by paragraph 4 (Maintenance Reserve Account) of schedule 5 (Cash Management) of the Common Terms Agreement.

Maintenance Reserve Amount means, at any time, the amount shown in the most recent Forecast that should be maintained as a credit balance on the Maintenance Reserve Account, being the aggregate of:

- (a) 100% of the Additional Budgeted Maintenance Costs forecast to be incurred during the 12 month period commencing on the Calculation Date in respect of which the Forecast was prepared;

- (b) 66⅔% of the Additional Budgeted Maintenance Costs to be incurred during the 12 month period immediately following the period in sub-clause (a) above; and
- (c) 33⅓ of the Additional Budgeted Maintenance Costs to be incurred during the 12 month period immediately following the period in sub-clause (b) above.

Majority Requirement means:

- (a) in respect of an Ordinary Voting Matter, the majority specified in 5.2 of the STID Decision Making Protocol;
- (b) in respect of an Extraordinary Voting Matter, the majority specified in paragraph 6.3(a) of the STID Decision Making Protocol); and
- (c) with respect to an Enforcement Instruction Notice or Further Enforcement Instruction Notice, the requisite majority specified in paragraph 13.2(e) of the STID Decision Making Protocol.

Major Project Party means:

- (a) the O&M Contractor; and
- (b) each O&M Guarantor.

Make-Whole Amount means any premium payable on redemption of any Senior Debt in excess of:

- (a) the principal amount outstanding of such debt; plus
- (b) accrued interest on such debt; plus
- (c) any final payment in respect of accretions for inflation on any such debt that is index-linked.

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.

Management Services Provider means the Initial Management Services Provider and any replacement management services provider appointed by the OFTO in accordance with the Common Terms Agreement.

Margin has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Market means the Stock Exchange's Main Securities Market.

Master Definitions Agreement or MDA means this Agreement.

Material Adverse Effect means an effect which is or would be likely to be materially adverse to:

- (a) the business, assets or condition (financial or otherwise) of the Obligors taken as a whole;

- (b) the ability of the OFTO to perform its obligations under the Finance Documents and/or its ability to meet a Default Ratio Level (for the avoidance of doubt calculated without making any adjustment in the calculation of Net Cashflow as contemplated by paragraph 2(b) (Breach of Financial Covenants and other obligations) of schedule 3 (Events of Default) of the Common Terms Agreement);
- (c) the validity, legality, enforceability or effectiveness of any provision of any Transaction Document; or
- (d) the priority of any Security Interest granted or purported to be granted pursuant to any Security Document or the rights or remedies of the Secured Creditors under any Finance Document.

MiFID means Directive 2004/39/EC.

Money Laundering Laws means collectively the applicable financial record keeping and reporting requirements and money laundering statutes in the jurisdiction of the OFTO and HoldCo and of all jurisdictions in which the OFTO, HoldCo and their respective Subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency.

Moody's means Moody's Investors Service, Inc. or any successor to its rating agency function.

Moveable Assets has the meaning given in the Acquisition Agreement.

MRA Direction means the direction to be issued under Paragraph 6 of Standard Condition E12 – A2 of the Transmission Licence.

Mutual Holding Company has the meaning set out in clause 5.13(i)(B) (Terms of Hedging Agreements) of the STID.

Net Cashflow means, for any period:

- (a) (i) Gross Revenues received or to be received during that period; and (ii) any proceeds received from the creation and issuance of Further Bonds issued to fund Capital Costs in that period; *minus*
- (b) the following amounts payable in relation to that period:
 - (i) all Operating Costs;
 - (ii) all Taxes payable in connection with any or all of the Project, including any payments made by the OFTO in respect of the surrender or transfer of any Tax credit, loss, relief or allowance, but only to the extent that:
 - (A) any such Tax credit, loss, relief or allowance is actually used to reduce the Taxes payable in connection with all or any of the Project;
 - (B) the amount of the payment is no greater than the amount of the Taxes thereby saved; and
 - (C) no such payment is made earlier than the latest date on which such Taxes would have been payable without incurring interest or penalties; and
 - (iii) all Capital Costs,

converted, in the event that any such amount is not denominated in Sterling, into Sterling at the actual rate of exchange received by the relevant member of the Security Group in respect of the receipt or payment or, in the case of any Operating Cost not yet payable or any Gross Revenues not yet received, at the Projected Spot Rate of Exchange on the date of projected receipt or payment.

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.

Non-Cash Consideration means consideration in a form other than cash.

Non-Cash Recoveries means any amount distributed to the Security Trustee pursuant to clause 11.1 (*Turnover by the Creditors*) of the STID, which is in the form of Non-Cash Consideration.

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

NPV means, in relation to the Relevant Period applicable to the calculation of the Debt Life Cover Ratio, an amount equal to the present value (discounted back to the relevant Calculation Date at the Discount Rate applicable to that Relevant Period) of the projected Net Cashflow for that Relevant Period calculated on the basis of figures available to the Security Group and consistent with the budgets, forecasts and other projections provided to the Security Trustee, the PBCE Provider, the Hedge Counterparties and the Bond Trustee.

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 in respect of the obligations of the O&M Contractor under the O&M Agreement.

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.

Official List means the official list.

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.

OLAF has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Onshore Lease Agreement means each of:

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

Onshore Property Agreements means the following:

- (a) the deed of easement dated 22 December 2014 between Lancaster City Council and ScottishPower and DONG WDS;
- (b) the deed of easement dated 26 November 2014 between Christopher John Hargreaves and ScottishPower and DONG WDS;
- (c) the deed of easement dated 27 November 2014 between Thomas Hollis Hargreaves and Deborah Hargreaves and ScottishPower and DONG WDS;
- (d) the deed of easement dated 12 December 2014 between National Grid Electricity Transmission plc. and ScottishPower and DONG WDS; and
- (e) the Licence granted by Lancashire County Council to DONG Energy with a 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;
- (f) 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; and
- (g) the deed of easement for grid connection cabling through land lying to the south west of Middleton Road (registered under title number LA962742) dated 22 December 2014 between (1) Lancaster City Council and (2) the Vendor.

Onshore Substation Site has the meaning given to it under the Acquisition Agreement.

Operating Costs means all costs and expenses (without double counting) incurred by the OFTO in the ordinary course of its business including, but not limited to:

- (a) operating costs and expenses whether or not they are set out in the relevant Forecast (but not including capital expenditure);
- (b) the amount of all fees, costs and expenses payable in respect of Secured Debt by the OFTO during such period (as contemplated by paragraphs (i), (ii), (iii) and (vi) of the Pre-enforcement Priority of Payment);
- (c) liabilities of the OFTO under the Project Documents;
- (d) premia on Insurances payable by the OFTO;
- (e) maintenance expenditure in respect of the Project;

- (f) the costs associated with the replacement, reinstatement, repair or amelioration of the loss in respect of, any assets of any Obligor;
- (g) administrative, legal, accounting, management and employee costs;
- (h) Rating Agency costs;
- (i) any other costs and expenses agreed by the Security Trustee and the OFTO;
- (j) any net revenue payable by the OFTO under any Revenue Transaction;
- (k) decommissioning costs payable by the OFTO in accordance with the Decommissioning Plan; and
- (l) any additional amounts paid in respect of VAT in respect of the above,

but excluding:

- (i) Taxes (other than additional amounts in respect of VAT contemplated by paragraph (l) above);
- (ii) any amounts payable in respect of Capital Costs;
- (iii) any amounts payable in respect of Interest, principal amounts and expenses due and payable by the OFTO under in respect of the Senior Debt;
- (iv) termination payments, final payments and accretion or other pay as you go payments under any Hedging Agreement; and
- (v) depreciation, non-cash charges, reserves, amortisation of intangibles and similar book keeping entries.

Ordinary Resolution means (i) in the context of the STID, a resolution passed in accordance with paragraph 5.2 (Requisite Majority) of schedule 2 (STID Decision Making Protocol) of the STID or (ii) in the context of the Bond Trust Deed, the meaning given to it in Schedule 4 to the Bond Trust Deed.

Ordinary Voting Matter means a matter relating a modification, consent, waiver or determination which is not a Discretion Matter or an Extraordinary Voting Matter.

Ordinary Services Fee has the meaning given in the O&M Agreement.

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.

Original Financial Statements means the audited financial statements of each Obligor, as the case may be, for the accounting period from April to March.

Original Transfer Date has the meaning set out in clause 5.13(g) (Terms of Hedging Agreements) of the STID.

Original Transferee has the meaning set out in clause 5.13(g) (Terms of Hedging Agreements) of the STID.

Original Transferor has the meaning set out in clause 5.13(g) (Terms of Hedging Agreements) of the STID.

outstanding means, in relation to the Bonds, all the Bonds issued other than:

- (a) those Bonds which have been redeemed in full or purchased, and cancelled, in accordance with Condition 8 (Cancellation of Bonds and Records) or otherwise under the Bond Trust Deed;
- (b) those Bonds in respect of which the date (including, where applicable, any deferred date) for redemption in accordance with the Conditions has occurred and the redemption moneys for which (including premium (if any) and all interest payable thereon) have been duly paid to the Bond Trustee or to the Principal Paying Agent, as applicable, in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been provided or published in accordance with Condition 12 (Notices)) and remain available for payment against presentation of the relevant Bonds and/or Coupons and/or Receipts;
- (c) those Bonds which have become void or in respect of which claims have become prescribed, in each case, under Condition 8 (Prescription);
- (d) those mutilated or defaced Bonds which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 11 (Replacement of Bonds, Coupons and Receipts);
- (e) (for the purpose only of ascertaining the Outstanding Principal Amount of the Bonds and without prejudice to the status for any other purpose of the relevant Bonds) those Bonds which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 11 (Replacement of Bonds, Coupons and Receipts);
- (f) the Temporary Global Bonds to the extent that they have been exchanged for Permanent Global Bonds or Definitive Bonds pursuant to the provisions contained therein and in clause 4 (Form and Issue of Bonds) of the Bond Trust Deed;
- (g) the Permanent Global Bonds that remain in escrow pending exchange of the Temporary Global Bonds therefor, pursuant to the provisions contained therein and in clause 4 (Form and Issue of Bonds) of the Bond Trust Deed; and
- (h) the Permanent Global Bonds to the extent that they have been exchanged for Definitive Bonds pursuant to the provisions contained therein and in clause 4 (Form and Issue of Bonds) of the Bond Trust Deed,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Bondholders or in respect of an Extraordinary Resolution in writing or an Ordinary Resolution in writing as envisaged by schedule 4 (Provisions for Meetings of Bondholders) of the Bond Trust Deed;
- (ii) the determination of how many and which Bonds are for the time being outstanding for the purposes of clause 10.1 of the Bond Trust Deed, Conditions 9 (Events of Default) and 13 (Meetings of Bondholders, Modification, Waiver, Authorisation and Determination) and schedule 4 (Provisions for Meetings of Bondholders) of the Bond Trust Deed; and
- (iii) any discretion, power or authority (whether contained in the Bond Trust Deed or vested by operation of law) which the Bond Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Bondholders or any of them,

those Bonds which are for the time being held by or on behalf of or for the benefit of the OFTO or any other Obligor in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

Outstanding Principal Amount shall have the meaning given to it in Condition 6.9 (Outstanding Principal Amount).

Participating FFI means an FFI that, as from the effective date of any rules requiring withholding on "passthru payments" (as such term is defined pursuant to Sections 1471 through 1474 of the Code and any regulations thereunder or official interpretations thereof), meets the requirements of Section 1471(b) of the Code and any regulations or other official guidance issued thereunder and that has not elected to be withheld upon pursuant to Section 1471(b)(3) of the Code.

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.

Payment means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, redemption, cash collateralisation or discharge of those Liabilities (or other liabilities or obligations).

Payment Date means, in respect of an Authorised Credit Facility, each date on which a payment is made or is scheduled to be made by an Obligor in respect of any obligations or liability under such Authorised Credit Facility.

Payment Netting means netting under section 2(c) of the relevant ISDA Master Agreement.

PBCE 3 Month Level has the meaning given to it in paragraph 5(iii) (PBCE Rebalancing) of schedule 8 (PBCE Drawing Mechanism) of the Common Terms Agreement.

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

PBCE Discharge Date means the first date on which all PBCE Liabilities have been irrevocably and unconditionally discharged to the satisfaction of the PBCE Provider, whether or not as a result of any Enforcement Action, and the PBCE Provider is under no further obligation to provide financial accommodation under the Finance Documents (including making any payments under the PBCE Letter of Credit).

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

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 Drawing Mechanism means the provisions set out in schedule 8 (PBCE Drawing Mechanism) of the Common Terms Agreement.

PBCE Entrenched Right has the meaning given to it in clause 22.4 (PBCE Entrenched Rights) of the STID.

PBCE Excess Draw Rebalancing Event has the meaning given to such term in the PBCE Letter of Credit and Reimbursement Deed.

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

PBCE Liabilities means the Secured Liabilities owed by the OFTO to the PBCE Provider under or in connection with the PBCE Documents.

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

PBCE Outstanding Balance has the meaning given to it in paragraph 5(ii) (PBCE Rebalancing) of schedule 8 (PBCE Drawing Mechanism) of the Common Terms Agreement.

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

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

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

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

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

PBCE Rebalancing DLCR means the Debt Life Cover Ratio calculated without making any adjustment to the calculation of Net Cashflow as contemplated by paragraph 2 (Breach of Financial Covenant and other obligations) of schedule 3 (Events of Default) of the Common Terms Agreement.

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

PBCE Test Date has the meaning given to it in paragraph 1 (Account Balance and Scheduled Debt Service) of schedule 8 (PBCE Drawing Mechanism) of the Common Terms Agreement.

PBCE Utilisation Amount has the meaning given to it in paragraph 3(x)(i) (Drawing to fund Debt Service Shortfall) of schedule 8 (PBCE Drawing Mechanism) of the Common Terms Agreement.

PBI has the meaning Project Bond Instrument as in the PBCE Letter of Credit and Reimbursement Deed.

Perfection Requirements means the making or procuring of the appropriate registrations, filings and/or notifications of the Security Documents and for the Security Interests created by them in a timely manner.

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.

Permitted Acquisition means:

- (a) the Acquisition;
- (b) an acquisition of shares or securities pursuant to a Permitted Share Issue;
- (c) an acquisition of securities which are Cash Equivalent Investments so long as those Cash Equivalent Investments become subject to the Security Documents as soon as is reasonably practicable thereafter;
- (d) a purchase of Tax losses by way of group relief or similar transaction for a cash consideration in an amount no greater than the value of Tax saved by the use of such Tax losses; and
- (e) the acquisition of any Secured Debt pursuant to any debt buyback subject to the terms of the Common Terms Agreement, the STID and the Bond Trust Deed.

Permitted Business means the business of the Obligors being:

- (a) the business of being an offshore transmission owner comprising managing, operating, maintaining, repairing and decommissioning the Transmission Assets in accordance with the Transaction Authorisations, law and regulation; and
- (b) any other business approved or consented to by the Security Trustee in accordance with the STID,

provided that the activities set out in paragraph (a) above shall constitute the principal business carried on by the Security Group.

Permitted Disposal means any sale, lease, licence, transfer or other disposal which is on arm's length terms and is otherwise in compliance with the Transaction Authorisations:

- (a) required by the Project Documents;
- (b) of assets in exchange for or to be replaced by other assets comparable or superior as to type, value and quality for use in the ordinary course of business of the disposing entity;
- (c) a surrender or disposal of group Tax relief in accordance with the provisions of paragraph 4(c) (Taxation) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement;
- (d) of obsolete or redundant vehicles, plant, equipment, parts or similar items for cash;
- (e) of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
- (f) arising as a result of the creation of any Permitted Security;
- (g) the application or disposal of cash for value and on an arm's length basis not otherwise prohibited under the Finance Documents;
- (h) where the consideration receivable (when aggregated with the consideration receivable for any other sale, lease, licence, transfer or other disposal not permitted under the preceding paragraphs) does not

exceed: (i) until the 15th anniversary of the Completion Date, £100,000 in any Financial Year and (ii) on or after the 15th anniversary of the Completion Date £150,000 in any Financial Year; and

- (i) any other payment or disposal approved or consented to by the Security Trustee in accordance with the STID.

Permitted Financial Indebtedness means Financial Indebtedness:

- (a) incurred under any Transaction Document;
- (b) in respect of:
 - (i) any Regulatory Financial Security; and
 - (ii) any deferred purchase arrangement for assets or services acquired in the ordinary course of its business which is:
 - (A) on terms that require the indebtedness to be repaid within 90 days of delivery of the goods or performance of the services, as the case may be; and
 - (B) not more than 60 days overdue,which when aggregated with all other Financial Indebtedness incurred under this paragraph (b)(ii) does not exceed £100,000; and
 - (iii) other than as provided for under limb (b)(i) above, security required under a Project Document or applicable law in respect of decommissioning obligations;
- (c) arising in respect of bonds or guarantees required to be provided by the OFTO or HoldCo pursuant to any Project Document for the conduct of the OFTO's business in the ordinary course which, when aggregated with all other Financial Indebtedness incurred under this paragraph (c) does not exceed £100,000;
- (d) not falling within paragraphs (a) to (c) above, the aggregate outstanding principal amount of which (when aggregated with all other Financial Indebtedness incurred under this paragraph (d)) does not exceed £50,000;
- (e) incurred by the OFTO in order to fund Incremental Investment Amounts as required by Standard Licence Condition E17 of the OFTO Licence pursuant to Condition 15 (Further Bonds); or
- (f) incurred with the prior consent of the Security Trustee in accordance with the STID.

Permitted Guarantee means:

- (a) the Regulatory Financial Security provided that the issuer of any performance bond or bank guarantee or letter of credit provided in respect of that Regulatory Financial Security has no recourse to any Obligor under the terms of such arrangements;
- (b) any guarantee permitted as Financial Indebtedness;
- (c) any guarantee granted under the Finance Documents;

- (d) any indemnity given in the ordinary course of an acquisition or disposal which is a Permitted Acquisition or Permitted Disposal which indemnity is in customary form and subject to customary limitations; and
- (e) any other guarantee approved or consented to by the Security Trustee in accordance with the STID.

Permitted Loan means:

- (a) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes, Permitted Financial Indebtedness under paragraphs (b) or (d) thereof;
- (b) a loan made by an Obligor to another Obligor (including under the OFTO Loan Note Instrument) that is not a Restricted Payment;
- (c) any loan made by an Obligor to an Investor in accordance with the Restricted Payment Condition;
- (d) subject to the terms of STID, any loan made by an Obligor for the purposes of enabling (indirectly or directly) the OFTO to meet its payment obligations under the Finance Documents; and
- (e) any other loans or grant of credit approved or consented to by the Security Trustee in accordance with the STID,

so long as in the case of paragraph (e) above to the extent required by the STID, the creditor and (if the debtor is an Obligor) the debtor of such Financial Indebtedness are or become party to the STID as a new Obligor.

Permitted Payment means, without double counting, all payments and costs and expenses incurred by the OFTO, in the ordinary course of its business, including but not limited to:

- (a) Operating Costs of the OFTO on arm's length terms;
- (b) liabilities of the OFTO under the Project Documents;
- (c) premia on insurances;
- (d) any value added tax in respect of any other Permitted Payment;
- (e) corporate tax or any other taxes of the OFTO or a payment for surrender or disposal or group Tax relief on the terms contemplated by the Finance Documents;
- (f) any payments made in respect of Bond Liabilities, Hedging Liabilities or PBCE Liabilities in accordance with the STID;
- (g) any Unused Equity Cure Amount; and
- (h) as otherwise agreed by the Security Trustee in accordance with the STID.

Permitted Security means:

- (a) any Security Interest or Quasi-Security arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Obligor;

- (b) any netting or set-off arrangement entered into by any Obligor with an Acceptable Bank in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Security Group;
- (c) any Security Interest or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to an Obligor in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Obligor;
- (d) the Security Interests created pursuant to the Security Documents;
- (e) any netting or set-off arrangement under a Hedging Agreement or schedule thereto entered into by any Obligor pursuant to paragraph 28 (Treasury Transactions) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement for the purposes of determining its obligations by reference to its net exposure under that agreement (and for the avoidance of doubt, not as a credit support provider under any such agreement);
- (f) any netting or set-off arrangement or Quasi-Security constituting a Permitted Transaction;
- (g) any Security Interest or Quasi-Security arising in respect of other Permitted Financial Indebtedness;
- (h) any Security Interest or Quasi-Security approved or consented to by the Security Trustee in accordance with the STID;
- (i) any Security Interest arising under statute or by operation of law in favour of any government, state or local authority in respect of taxes, assessments or government charges which are being contested by the relevant Obligor in good faith and with a reasonable prospect of success;
- (j) any Security Interest created in respect of any pre-judgment legal process or any judgment or judicial award relating to security for costs, where the relevant proceedings are being contested in good faith by the relevant Obligor by appropriate procedures and with a reasonable prospect of success;
- (k) any cash collateral given by way of security in order to cash collateralise the Regulatory Financial Security;
- (l) save for any security covered by paragraph (g) above, any security arising out of title retention provisions in a supplier's standard conditions for the supply of goods acquired by the OFTO in the ordinary course of its business, where the value of such goods does not exceed £50,000 (Indexed) at any time in aggregate;
- (m) any other security created or subsisting with the consent of the Security Trustee in accordance with the STID,

but, in each case, excluding any such Security Interest or Quasi-Security over any Real Property.

Permitted Share Issue means:

- (a) an issue of shares by TopCo to an immediate Holding Company, paid for in full in cash upon issue and which by their terms are not redeemable;
- (b) any issue of shares within the Security Group where the newly issued shares also become subject to the Security on the same terms;

- (c) any issue of shares by way of a Restricted Payment so long as at the time of issue the Restricted Payment Condition is satisfied; and
- (d) any other issue of shares approved or consented to by the Security Trustee in accordance with the STID.

Permitted Transaction means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security Interest or Quasi-Security given, or other transaction arising, under the Finance Documents; or
- (b) any other transaction approved or consented to by the Security Trustee in accordance with the STID.

Post-enforcement Priority of Payments means the order of application set out in clause 14 (Application of Proceeds) of the STID.

Post-Enforcement Shortfall has the meaning given to it in Annex C (Accelerated Payments) of the PBCE Letter of Credit and Reimbursement 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.

Pre-enforcement Priority of Payment has the meaning given to that term in paragraph 2 (Proceeds Account) of schedule 5 (Cash Management) of the Common Terms Agreement.

Preliminary Licence Trigger Event Remediation Plan has the meaning given to such term in paragraph 10(a) of Part 1 (Information Covenants) of Schedule 2 (Obligor Covenants).

Preliminary Prospectus means the Preliminary Prospectus (as defined in the Subscription Agreement) prepared in connection with the offer or sale of the Bonds.

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.

Priority of Payments means the Pre-enforcement Priority of Payments or the Post-enforcement Priority of Payments, as applicable.

Proceedings means suit, action or proceedings referred to together.

Proceeds Account means the operating bank account of the OFTO into which revenues of the OFTO will be received and certain payments made as described in paragraph 2 of schedule 5 (Cash Management) of the Common Terms Agreement.

Project means the Acquisition and subsequent management, operation, maintenance, repair and decommissioning of the Transmission Assets by the OFTO for the duration of the terms of the OFTO Licence and the financing thereof.

Property Interests has the meaning given in the Acquisition Agreement.

Project Costs means all fees, costs and expenses, stamp duty, registration and other Taxes incurred by the OFTO in connection with the Acquisition and the Transaction Documents as set out in the Forecast, including, *inter alia*, the following:

- (a) the Purchase Price and all other Acquisition Costs;
- (b) development costs;
- (c) initial premia payable in respect of any Insurances;
- (d) upfront fees falling due and payable on the Initial Issue Date to any Authorised Credit Provider;
- (e) legal, accounting and other professional fees and costs incurred by the OFTO arising out of or in connection with the Transaction Documents and any documents referred to in the Transaction Documents;
- (f) any initial OFTO costs and overheads incurred by the OFTO;
- (g) any pre-funding of any required Reserve Accounts up to its Required Balance (if applicable);
- (h) any fees necessary for obtaining the OFTO Licence; and
- (i) any irrecoverable VAT or similar Tax in respect of any of the above,

but excluding:

- (i) any other Interest; and
- (ii) principal amounts due and payable by the OFTO in respect of the Senior Debt.

Project Document means:

- (a) the OFTO Licence;
- (b) an Acquisition Document;
- (c) each Crossing Agreement;
- (d) the Onshore Lease Agreements;
- (e) the Crown Estate Lease;
- (f) the CE Lease Licence to Assign;
- (g) each Deed of Assignment;
- (h) the Deed of Covenant;
- (i) the STC and STC Framework Agreement;
- (j) the O&M Agreement;
- (k) the O&M Direct Agreement;
- (l) each O&M Guarantee;

- (m) the Transmission Owner Construction Agreement;
- (n) the Management Services Agreement;
- (o) the Management Services Direct Agreement;
- (p) any other material contract entered into by the OFTO in connection with the Project; and
- (q) any other document designated as such by the OFTO, the Security Trustee and the Bond Trustee.

Projected DSCR means, on any Calculation Date, the projection of the Debt Service Cover Ratio for the Relevant Period commencing on that Calculation Date.

Projected Spot Rate of Exchange means the mid-rate between the projected spot rate of exchange for the purchase of one currency with another and the projected spot rate of exchange for the sale of that currency with that other currency, in each case in the London foreign exchange market at or about 11.00 a.m. on a particular day for delivery two (2) Business Days later.

Prospectus means the prospectus relating to the Bonds prepared in connection with the Acquisition and constituting, to the extent specified in it, a prospectus for the purposes of Article 5.3 of the Prospectus Directive as revised, supplemented or amended from time to time by the OFTO.

Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU).

Purchase Price means the purchase price to be paid by the OFTO for the Transmission Assets under the Acquisition Agreement.

Qualifying Insurer means any insurer whose long-term debt is rated at least A- by S&P and A3 by Moody's (or its equivalent from any other rating agency approved by the Security Trustee (acting in accordance with the STID)).

Qualifying Secured Creditors means:

- (a) each Hedge Counterparty;
- (b) the Bond Trustee on behalf of the Bondholders; and
- (c) the PBCE Provider.

Qualifying Secured Debt means indebtedness owed by the Obligors to the Qualifying Secured Creditors and:

- (a) in relation to a Bondholder, means the Outstanding Principal Amount of the Bonds;
- (b) in relation to a Hedge Counterparty, means the amount of its Senior Voting Debt under the Hedging Agreement; and
- (c) in relation to the PBCE Provider, means the principal amounts drawn under the PBCE Letter of Credit which have not been reimbursed under the PBCE Letter of Credit and Reimbursement Deed.

Quasi-Security means an arrangement or transaction described in paragraph 12 (Negative Pledge) of part 3 (General Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement.

Quorum Requirement means:

- (a) in relation to an Extraordinary Voting Matter, the percentages set forth in paragraph 6.2 (Quorum Requirement for an Extraordinary Voting Matter) of schedule 2 (STID Decision Making Protocol) of the STID; and
- (b) in relation to an Enforcement Instruction Notice and a Further Enforcement Instruction Notice, the percentage set forth in clause 6.2 (Quorum and voting requirements in respect of an Enforcement Instruction Notice and a Further Enforcement Instruction Notice) of the STID.

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).

Ratings Confirmation in respect of a proposed action means a confirmation by the relevant Rating Agencies mandated by the OFTO from time to time (who give such Ratings Confirmations as a part of their mandate), in respect of the Bonds, to the effect that the then ratings on such Bonds would not be reduced below the lower of (a) the credit ratings of such Bonds as at the Initial Issue Date or (b) the then current credit ratings (before the proposed action) or, if any Rating Agency is unwilling to provide such confirmation for any reason as certified in writing by an authorised signatory of the OFTO to the Security Trustee and the Bond Trustee (if applicable) after the OFTO has (i) notified the Rating Agency of the proposed alternative arrangements and (ii) made all reasonable enquiries with that Rating Agency. Such certification by the OFTO shall, *inter alia*, include an opinion of the OFTO as to why the then current ratings of the outstanding Bonds shall not be adversely affected and include a confirmation that the OFTO has undertaken steps (i) and (ii). Each of the Security Trustee and the Bond Trustee (as the case may be) may rely absolutely on such certification in the absence of manifest error. For the avoidance of doubt, such Ratings Confirmation or non-receipt of such Ratings Confirmation shall, however, not be construed to mean that any such action or inaction (or contemplated action or inaction) or such exercise (or contemplated exercise) by the Bond Trustee or Security Trustee of any right, power, trust, authority, duty or discretion under or in relation to any Transaction Document is not materially prejudicial to the interests of the Bondholders.

Ratio means either a Lock-Up Ratio Level or a Default Ratio Level.

Real Property means:

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

Real Transmission Revenue means the allowed transmission owner revenue (OFTO_i) as defined in paragraph 4 (Formula for Allowed Transmission Owner Revenue (OFTO_i)) of Amended Standard Condition E12 – J2 (Restriction of Transmission Revenue: Revenue from Transmission Owner Services) of the Transmission Licence adjusted such that the calculation of OFTO_i shall exclude any revenue indexation adjustment contemplated by RIT_i.

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 a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

Recipient has the meaning given to it in clause 12.2 (Payment of amounts in respect of VAT) of the Common Terms Agreement.

Recoveries has the meaning given to that term in clause 14 (Application of Proceeds) of the STID.

Recovering Creditor has the meaning given to it in clause 12.1(a) (Redistribution) of the STID.

Redistribution Amount has the meaning given to it in clause 12.2(a)(i) (Reversal of redistribution) of the STID.

Regulation S means Regulation S under the Securities Act.

Regulations means the Prospectus (Directive 2003/71/EC) Regulations 2005.

Regulatory Financial Security means any deposit of money, performance bond or bank guarantee, insurance policy or a letter of credit to be provided by the OFTO in accordance with its obligations under paragraph 14 of condition E12-J4 (Restriction of transmission revenue: Annual revenue adjustments) of the OFTO Licence.

Relevant Company has the meaning given to that term in clause 20.1 (Bond Trustee contracting with the Issuer and others) of the Bond Trust Deed.

Relevant Date has the meaning given to that term in Condition 6.3 (Optional Redemption).

Relevant Disposal means any Disposal by the OFTO other than a Disposal:

- (a) of an asset or assets where the consideration or the market value of such asset or assets is equal to or more than £50,000 (indexed) (or its equivalent in any other currency or currencies); or
- (b) of cash or cash equivalents for cash or other cash equivalents.

Relevant Disposal Proceeds means the proceeds of a Relevant Disposal, to the extent the proceeds of such disposal are not reinvested by the OFTO within six months of the date of that disposal, less any reasonable and proper fees, expenses or taxes incurred in connection with such disposal.

Relevant Jurisdiction means, in relation to an Obligor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Security to be created by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

Relevant Liabilities means:

- (a) in the case of a Creditor:
 - (i) the Secured Liabilities owed to Creditors ranking (in accordance with the terms of this Agreement) *pari passu* with or in priority to that Creditor (as the case may be); and

- (ii) all present and future liabilities and obligations, actual and contingent, of the OFTO to the Security Trustee; and
- (b) in the case of the OFTO, the Secured Liabilities owed to the Creditors together with all present and future liabilities and obligations, actual and contingent, of the OFTO to the Security Trustee.

Relevant Period means, for the purpose of:

- (a) Historic DSCR, the period commencing on the day immediately following the Calculation Date falling twelve (12) months previously (or, if fewer than twelve (12) months have elapsed since the Completion Date, the Completion Date) and ending on the relevant Calculation Date;
- (b) Projected DSCR, the period commencing on the relevant Calculation Date and ending on the day immediately preceding the Calculation Date falling twelve (12) months subsequently and, after any drawing has been made under the PBCE Letter of Credit, a further two distinct twelve (12) month periods subsequently (or, in each case, if sooner, the Final Maturity Date); and
- (c) the Debt Life Cover Ratio, the period commencing on and including the day after the relevant Calculation Date up to and including the Final Maturity Date.

Remediable Event has the meaning given to it in clause 6.3(a) (Third Party Even Remediation Plan) of the Common Terms Agreement.

Repayment Costs means, in respect of the repayment or prepayment of all or part of a particular Senior Debt, any make whole or redemption premium or other equivalent costs payable including any related swap termination amounts and break costs payable in connection with the repayment or prepayment of such Secured Debt.

Repeating Representation means each of the following representations set out in schedule 1 (Obligor Representations) of the Common Terms Agreement:

- (a) paragraphs 1 (Status) to 8 (No Default) (inclusive);
- (b) paragraph 15(b) (Original Financial Statements);
- (c) paragraphs 16 (Forecast) to 17 (Financial ratios) (inclusive)
- (d) paragraphs 18.2 (Written Information) and 18.3 (No Material Facts Undisclosed);
- (e) paragraph 22 (No other business);
- (f) paragraph 27 (Ranking of Security);
- (g) paragraph 31 (Acquisition Documents); and
- (h) paragraphs 33 (Existing claims and rights) and 34 (Shares) (inclusive).

Representative means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

Representative Period has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Required Balance means:

- (a) in respect of the Debt Service Reserve Account, the Required DSRA Balance;
- (b) in respect of the Maintenance Reserve Account, the Maintenance Reserve Amount;
- (c) in respect of the Working Capital Reserve Account, the Required WCRA Balance; and
- (d) in respect of the DECC Decommissioning Reserve Account, the Required DRA Balance.

Required DRA Balance means, on and from the first day of the eleventh year following the commencement of the Revenue Period, the balance for the DECC Decommissioning Reserve Account required to satisfy the OFTO's obligations under the Decommissioning Plan as set out in the Forecast.

Required DSRA Balance means, on and from the first Calculation Date, an amount equal to the projected Debt Service for the following six (6) months (calculated on a rolling basis on each Calculation Date).

Required WCRA Balance has the meaning given to it in paragraph 6(a) of schedule 5 (Cash Management) of the Common Terms Agreement.

Reservation means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of the court;
- (b) the limitation on enforcement by laws relating to bankruptcy, insolvency, litigation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the rights of creditors;
- (c) the statutory time-barring or other limitation of claims;
- (d) the defences of set-off or counterclaim;
- (e) that, although a document purporting to create a security interest may specify the intended nature or ranking of that security interest (including without limitation whether it is to be fixed or floating), a court may not enforce or recognise it in such terms;
- (f) similar principles, rights and defences to those described in (a) to (e) (inclusive) above as to matters of law under the laws of any jurisdiction other than England and Wales in which relevant obligations may have to be performed; and
- (g) any other matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions delivered to the Security Trustee under the CP Agreement.

Reserve Accounts means the Debt Service Reserve Account, the DECC Decommissioning Reserve Account, the Working Capital Reserve Account and the Maintenance Reserve Account.

Reset Date has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Restricted Payment means:

- (a) any payments (including any payments of distributions, dividends, bonus issues, return of capital, interest or principal by way of loan or repayment of any loan or otherwise) (in cash or in kind) by an Obligor to any person other than where that payment:

- (i) has been consented to or approved by the Security Trustee (in accordance with the STID); or
 - (ii) is made in accordance with the provisions of the STID; or
- (b) any payment or repayment of interest, principal of other charges under any Subordinated Intragroup Liabilities.

Restricted Payment Condition means:

- (a) no Event of Default or Potential Event of Default is subsisting or would result from making any proposed Restricted Payment;
- (b) as at the most recent Calculation Date, the Historic DSCR, the Projected DSCR and the Debt Life Cover Ratio were equal to or greater than the applicable Lock-Up Ratio Level, in each case as stated in the Investor Report delivered by the OFTO in respect of that Calculation Date and no Equity Cure Right has been exercised during the Relevant Period;
- (c) the balance standing to the credit of each Reserve Account is not less than the applicable Required Balance;
- (d) the first Payment Date in respect of the Bonds has occurred;
- (e) payment is made in accordance with the Priority of Payments;
- (f) each Secured Creditor (or in respect of the Bondholders the Bond Trustee on their behalf) has received the most recent Forecast at the most recent Calculation Date;
- (g) the O&M Agreement is in full force and effect and has not expired or terminated without being replaced in accordance with the provisions of paragraph 16 (Project Documents other than any Transaction Authorisation) of schedule 3 (Events of Default) of the Common Terms Agreement;
- (h) no notices have been issued under any Authorisation or Transaction Authorisation which, if not remedied, would have a Material Adverse Effect;
- (i) there are no amounts due and payable to the PBCE Provider pursuant to the terms of the PBCE Documents which have not been discharged;
- (j) the Auditors' report on the OFTO's most recent Annual Financial Statements delivered pursuant to paragraph 1(a) of Part 1 (Information Covenants) of Schedule 2 (Obligor Covenants) of the Common Terms Agreement does not include a qualification which has or is reasonably likely to have a Material Adverse Effect;
- (k) no Licence Trigger Event has occurred and remains unremedied;
- (l) no Insurable Event has occurred and is unremedied, unless (where an Insurable Event has occurred) the OFTO can:
 - (i) provide to the Security Trustee (acting on the advice of the Technical Adviser) written evidence that the relevant insurer has agreed to make a payment on a timely basis under the relevant Insurance for that Insurable Event in an amount sufficient to ensure; or
 - (ii) otherwise demonstrate to the satisfaction of the Security Trustee in accordance with the STID (acting on the advice of the Technical Adviser),

that it has and, following the making of any such distribution, shall continue to have sufficient existing or retained cash to meet the total costs associated with the relevant Insurable Event that has occurred and is unremedied; and

- (m) no Emergency is subsisting, unless (where an Emergency has occurred and is subsisting) (1) the OFTO and the Technical Adviser have agreed a remedy plan in connection with such Emergency (which may include the incurrence of Emergency Capital Expenditure, in accordance with paragraph 4 of Part 1 of Schedule 2) and (2) the OFTO can:
- (i) provide to the Security Trustee (acting on the advice of the Technical Adviser) written evidence that it has sufficient existing or retained cash to ensure; or
 - (ii) otherwise demonstrate to the satisfaction of the Security Trustee (acting in consultation with the Technical Adviser and in accordance with the STID),

that it has and, following the making of any such distribution, shall continue to have sufficient existing or retained cash to meet the total costs associated with the Emergency that has occurred and is subsisting in accordance with the agreed remedy plan.

Retail Price Index or 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 determined by the OFTO and approved by the Security Trustee.

Revenue Period means the period commencing on the date of the OFTO Licence and ending on the date falling twenty (20) years after the date of the OFTO Licence.

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).

RPI Hedged Amount means (i) until 31 December 2028, 78% and (ii) from 1 January 2029, 75%, of the forecast "Real Gross unitary Charge" such 78% and 75% figures being the figures referred to in rows 191 and 192 of the "Operations" worksheet of the Forecast.

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

Sanctions means any financial sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department and any other agency of the U.S. federal government, the United Nations, the European Union or Her Majesty's Treasury.

Securities Act means the United States Securities Act of 1933, as amended.

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

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

Screen Rate has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

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;
- (h) each other Agent; and
- (i) each other party that accedes to the STID as a Secured Creditor,

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

Secured Debt means any financial accommodation that is, for the purposes of the STID, to be treated as Secured Debt and includes:

- (a) the Bond Liabilities;
- (b) the Hedging Liabilities; and
- (c) the PBCE Liabilities.

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 means the security constituted by the Security Documents including any guarantee or obligation to provide cash collateral or further assurance thereunder, including the following:

- (a) fixed charge over all shares in the OFTO;
- (b) assignments by way of security of its rights under the Transaction Documents (other than the Bond Trust Deed, the Bonds and the Security Documents) to which it is a party, including the Hedging Agreements, the Common Terms Agreement and the STID;
- (c) assignments by way of security of the benefit of insurance policies;
- (d) fixed or floating charges over bank accounts (depending on the relevant account) and charges over investments; and
- (e) a floating charge over all of its assets to the extent not effectively charged or assigned by way of fixed security.

Security Agreement means the security agreement dated on or about the Signing Date among each Obligor and the Security Trustee.

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 Group means HoldCo and the OFTO.

Security Interest means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

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

Security Trustee's Spot Rate of Exchange means, in respect of the conversion of one currency (the **First Currency**) into another currency (the **Second Currency**), while the Security Trustee is HSBC Corporate Trustee Company (UK) Limited, HSBC Bank plc's internal spot rate of exchange, and at any other times (where the Security Trustee is not HSBC Corporate Trustee Company (UK) Limited and does have such a spot rate of exchange), the Security Trustee's internal spot rate of exchange, for the purchase of the Second Currency with the First Currency for same day settlement on a particular day.

Semi-Annual Financial Statements means the financial statements delivered pursuant to paragraph i(b) (Financial Statements) of part 1 (Information Covenants) of schedule 2 (Obligor Covenants) of the Common Terms Agreement.

Senior Creditor means any Secured Creditor other than the PBCE Provider.

Senior Creditor Entrenched Rights has the meaning given to it in clause 22.3 (Entrenched Rights) of the STID.

Senior Debt means any financial accommodation that is, for the purposes of the STID, to be treated as Senior Debt and includes:

- (a) the Bond Liabilities and the Hedging Liabilities; and
- (b) any further debt incurred which ranks *pari passu* with the debt specified in (a) above.

Senior Discharge Date means the first date on which all Senior Debt have been fully and finally discharged in accordance with the Conditions (in the case of the Bond Liabilities) and each Hedge Counterparty (in the case of its Hedging Liabilities), whether as the result of any Enforcement Action or otherwise, and the Senior Creditors are under no further obligation to provide financial accommodation to the OFTO under the Senior Finance Documents.

Senior Finance Document means a Common Document, a Bond Document or a Hedging Agreement (as the context may require).

Senior Voting Debt means, in relation to a Bondholder or a Hedge Counterparty, the aggregate of:

- (a) its aggregate of the Outstanding Principal Amount of the Bonds, if any; and
- (b) in respect of any matter upon which a Hedge Counterparty is entitled to vote in accordance with the STID:
 - (i) in respect of any Hedging Transaction of that Hedge Counterparty under any Hedging Agreement that has, as of the date the calculation is made, been terminated or closed out in accordance with the terms of the STID, the amount, if any, payable to it under any Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (and before taking into account any interest accrued on that amount since the date of termination or close-out), but including any termination payments which have deferred in accordance with the terms of the relevant Hedging Agreement to the extent that amount is unpaid (that amount to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement); and
 - (ii) in respect of any Hedging Transaction of that Hedge Counterparty under any Hedging Agreement that has, as of the date the calculation is made, not been terminated or closed out the amount, if any, which would be payable to it under that Hedging Agreement in respect of that Hedging Transaction, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the OFTO is the Defaulting Party (as defined in the relevant ISDA Master Agreement), as certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement.

Shared Amount has the meaning given to it in clause 12.1(b) (Redistribution) of the STID.

Sharing Creditor has the meaning given to it in clause 12.1(a) (Redistribution) of the STID.

Shareholders' Agreement means the shareholders agreement dated on or about the Signing Date among 3i Infrastructure plc and Macquarie Capital Group Limited setting out the terms regulating the relations between them.

Signing Date means the date of this Agreement.

Sites has the meaning given in the Acquisition Agreement.

Spread has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

SLC Termination Date has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

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.

STC Framework Agreement has the meaning given in the OFTO Licence.

Sterling, GBP or £ means the lawful currency for the time being of the UK.

STID or Security Trust and Intercreditor Deed means the security trust and intercreditor deed entered into on or about the Signing 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.

STID Permitted Payment means a Payment permitted in accordance with the STID.

STID Proposal means a proposal or request made by the OFTO in accordance with clause 22 (Consents, Amendments and Override) of the STID.

STID Voting Request has the meaning given to the term in paragraph 2.7(a) (*STID Voting Request*) of schedule 2 (*STID Decision Making Protocol*) of the STID.

Stock Exchange means the Irish Stock Exchange or any other or further stock exchange(s) on which any Bonds may from time to time be listed, and references to the **relevant Stock Exchange** shall, in relation to any Bonds, be references to the Stock Exchange on which such Bonds are, from time to time, or are intended to be, listed.

Subordinated Intragroup Liabilities means all present and future liabilities at any time of any Obligor to an Obligor or to TopCo, in respect of any Financial Indebtedness.

Subscription Agreement means the subscription agreement in relation to the Bonds signed on or about the Signing Date and made between the OFTO and each Bookrunner.

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.

Substituted Obligor means the substitution of another company in the place of the Issuer in accordance with Clause 22.7 of the Bond Trust Deed.

Successor means, in relation to the Principal Paying Agent, any successor to it in relation to the Bonds which shall become such pursuant to the provisions of the Bond Trust Deed and/or the Agency Agreement (as the case may be) and/or such other or further principal paying agent, agent bank and calculation agent (as the case may be) in relation to the Bonds as may from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the case of the Principal Paying Agent being within the same city as the office(s) for which it is substituted) as may from time to time be nominated, in each case by the OFTO and the Obligors, and (except in the case of the initial appointments and specified offices made under and specified in the Conditions and/or the Agency Agreement, as the case may be) notice of whose appointment or, as the case may be, nomination has been given to the Bondholders.

Supplier has the meaning given to that term in clause 12.2(a) of the Common Terms Agreement.

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 Issuer, the Principal Paying Agent and the Bond Trustee.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest) and **Taxes, taxation, taxable** and comparable expressions will be construed accordingly.

Tax Authority means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function, including HMRC.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

Technical Adviser means Ove Arup & Partners Limited or any other person (which is of international repute and with equivalent expertise in transactions and projects of a similar nature to the Project) appointed by the OFTO as replacement Technical Adviser from time to time.

Technical Description has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

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.

Tender Period has the meaning set out in clause 5.12(f) (Termination of hedging transactions due to Hedge Counterparty default) of the STID.

Term has the meaning given to it in clause 1.2 (Definitions) of the PBCE Letter of Credit and Reimbursement Deed.

Third Party Event means an Income Adjusting Event or an Insurable Event.

Third Party Event Remediation Plan has the meaning given to it in paragraph 6.3(a) (*Third Party Event Remediation Plan*) of the Common Terms Agreement.

TopCo means WoDS Transmission TopCo Limited, a company incorporated in Jersey (registered no. 117070), whose registered office is at 47 Esplanade, St Helier, Jersey JE1 0BD, Channel Islands (the Company).

Transaction Authorisation means:

- (a) the OFTO Licence (and any directions issued pursuant to the OFTO Licence);
- (b) the STC; and
- (c) 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.

Transfer Deed means a deed of transfer dated on or about the Completion Date between the Vendors and the Issuer in respect of the Onshore Substation Site.

Transferred Assets has the meaning given in the Acquisition Agreement.

Transferred Contracts has the meaning given in the Acquisition Agreement.

Transformer Outage means an Outage attributable (whether in whole or in part) to a fault or failure of a transformer forming part of the Transmission Assets.

Transmission Assets has the meaning given to the term "Assets" in the Acquisition Agreement.

Transmission Interface Agreement means the agreement dated on or about the Signing Date, between the OFTO and NGET.

Transmission Owner Construction Agreement means:

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

Treasury Transaction means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, index linked agreement, interest rate or currency or future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined similar agreement or any derivative transaction protecting against or benefiting from fluctuations in any rate or price.

Trust Corporation means a corporation entitled by the rules made under the Public Trustee Act 1906 of Great Britain or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee.

Trustee Acts means the Trustee Act 1925 and the Trustee Act 2000 of England and Wales.

United States persons means persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source.

Unused Equity Cure Amount means any Equity Cure Amount that the OFTO has received and has not otherwise applied in accordance with paragraph 20 of Schedule 3 (Events of Default) of the Common Terms Agreement.

U.S. Dollar, USD or \$ means the lawful currency for the time being of the United States of America.

VAT means value added tax as provided for in the Council Directive 2006/112/EC on the common system of value added tax and any law of a member state of the European Union adopting or implementing the same and any other tax of a similar nature, together with any applicable fines, penalties or interest payable in connection with a failure to pay or any delay in paying of the same.

VAT Group means a group for the purposes of the VAT Grouping Legislation.

VAT Grouping Legislation means any legislation or regulation enacted or implemented pursuant to Article 11 of Council Directive 2006/112/EC in any member state of the European Union or any equivalent legislation elsewhere.

Vendor means DONG Energy West of Duddon Sands (UK) Limited and ScottishPower Renewables (WODS) Limited.

Vote means an instruction from a Bondholder to the Bond Trustee to vote on its behalf in respect of any STID Proposals, such instructions to be given in accordance with this Schedule 5 (Provisions for Voting in respect of STID Proposals) and Voting shall be construed accordingly.

Voting Certificate means an English language certificate issued by the Principal Paying Agent in which it is stated that on the date thereof Bonds (not being Bonds in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a Clearing System and that no such Bonds will cease to be so blocked until the first to occur of: (i) the conclusion of the meeting specified in such Voting Certificate; and (ii) the surrender of the Voting Certificate to the Principal Paying Agent who issued the same; and that the bearer thereof is entitled to attend and vote at such meeting in respect of the Bonds represented by such Voting Certificate.

Voting Date means (i) in respect of a Decision Period, the Business Day immediately preceding the last day of such Decision Period and (ii) in respect of a Decision Period that is extended in accordance with 6.2 (*Quorum Requirement for an Extraordinary Voting Matter*) of the STID (as the case may be), means the Business Day immediately preceding the last date of such extended Decision Period.

Wind Farm has the meaning given in the Acquisition Agreement.

Working Capital Reserve Account means the account opened and maintained by the OFTO entitled the **Working Capital Reserve Account** credited with a cash reserve by the OFTO on or before the Initial Issue Date, as contemplated by paragraph 7 (Working Capital Reserve Account) of schedule 5 (Cash Management) of the Common Terms Agreement.

PART 2

CONSTRUCTION

1. In any Finance Document, unless the contrary intention appears, a reference to:
 - (a) an **Act of Parliament** is a reference to such act as amended from time to time;
 - (b) **acting reasonably** or like references means, in relation to the Security Trustee, acting on the instructions of any of the Secured Creditors pursuant to the STID except in relation to Discretion Matters;
 - (c) **agency** of a state is a reference to any political sub division thereof, and any ministry, department or authority thereof and any company or corporation which is controlled and of which 50 per cent. or more of the issued share capital is owned by one or more of such agencies;
 - (d) a document being in an **agreed form** means that the form of the document has been agreed between the proposed parties to such document and that a copy of the document has been signed for the purposes of identification by the Security Trustee, where applicable, and the proposed parties to that document;
 - (e) an **amendment** includes a supplement, novation, restatement or re-enactment and **amended** will be construed accordingly;
 - (f) an **approval** shall be construed as a reference to any approval, consent, authorisation, exemption, permit, licence, registration, filing or enrolment by or with any competent authority;
 - (g) **assets** includes present and future assets, properties, revenues and rights of every description;
 - (h) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
 - (i) **Bonds** shall include any Global Bond representing the Bonds;
 - (j) a **certificate** delivered by an Authorised Signatory of the relevant Obligor shall be a certificate, signed by one Authorised Signatory of such Obligor containing, *inter alia*, a warranty that the matters certified therein are, to the best of the knowledge and belief of the relevant Obligor having made due and careful enquiries, true and accurate (or, to the extent that the matters certified are matters of opinion, are opinions honestly and reasonably held) and do not omit any fact, matter or thing that may cause such certificate to be misleading but which shall not, for the avoidance of doubt, impose any personal liability on such Authorised Signatory;
 - (k) **consent** includes approval and agreement;
 - (l) **consent or approval not to be unreasonably withheld** or like references mean, in relation to the Security Trustee, that, in determining whether to give such consent or approval, the Security Trustee shall have regard to the time necessary to seek and act upon the instructions of any of the Secured Creditors pursuant to the provisions of the STID;

- (m) a **currency** is a reference to the lawful currency for the time being of the relevant country;
- (n) **Euroclear and/or Clearstream, Luxembourg** shall be deemed to include a reference to any additional or alternative clearing system approved by the OFTO, the Bond Trustee and the Principal Paying Agent or as may otherwise be specified in the Conditions;
- (o) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and dispose will be construed accordingly;
- (p) **Finance Document** includes all amendments and supplements to a Finance Document including supplements providing for further advances;
- (q) **guarantee** includes any guarantee, indemnity, contingent liability, surety obligation or liability in respect of the obligations of any person other than the grantor;
- (r) **including** shall be construed as a reference to including without limitation, so that any list of items or matters appearing after the word including shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word including;
- (s) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (t) **interest payable** means any interest which is accrued but not yet paid whether or not such interest is payable at such time;
- (u) **know your customer** requirements are the checks that a Finance Party requests in order to meet its obligations under applicable law or regulation to identify a person who is (or is to become) its customer.
- (v) a **law** shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, by law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;
- (w) a Bond having a **listing** or being **listed** on a Stock Exchange shall (i) in relation to the Irish Stock Exchange, be construed to mean that such Bonds have been admitted to listing on the official list of the Irish Stock Exchange and to trading on the main market of the Irish Stock Exchange, (ii) in relation to any other Stock Exchange in a jurisdiction within the European Economic Area, be construed to mean that such Bonds have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of the Investment Services Directive (Directive 93/22/EEC), and (iii) in relation to any other Stock Exchange outside of the European Economic Area, be construed to mean that such Bonds have been admitted to trading on a market in the relevant in accordance with the rules and regulations of that market, and all references to **listing** and **listed** shall include references to quotation and quoted respectively;
- (x) **may reasonably direct or may reasonably request** or like references means, in relation to the Security Trustee, such directions and requests acting on the instructions of any of the Secured Creditors pursuant to the provisions of the STID;
- (y) **may reasonably require** or like references means, in relation to the Security Trustee, such requirements acting on behalf of any of the Secured Creditors pursuant to the provisions of the STID;

- (z) a **person** includes any individual, company, corporation, joint stock company, unincorporated association or body (including a partnership, trust, (including any beneficiary thereof), joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
- (aa) **principal** shall, where applicable, include premium;
- (bb) **reasonable satisfaction or is otherwise reasonably satisfied** or like references mean in relation to the Security Trustee that it shall be reasonably satisfied if either it is a Discretion Matter in relation to which the Security Trustee is able to exercise its discretion or, if it is not a Discretion Matter, if it has acted upon the instructions of any Secured Creditors pursuant to the provisions of the STID;
- (cc) **relevant currency** shall be construed as references to the currency in which payments in respect of the relevant Bonds and/or Coupons are to be made;
- (dd) **reasonable** or like references, when used herein in relation to the Bond Trustee and the exercise by it of any power, discretion, opinion, determination or other similar matter shall be construed as meaning reasonable by reference to the interest of the Bondholders only;
- (ee) **reasonable time** means, in relation to the Security Trustee and any action to be taken, consent to be given or determination to be made by it, the time necessary for it to take such action, give its consent or make a determination, including, where it is necessary to do so (because such matter is not a Discretion Matter), to seek and act upon the instructions of the Secured Creditors or otherwise pursuant to the provisions of the STID;
- (ff) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (gg) a **relevant Finance Document** in relation to any person means each of the Finance Documents to which that person is or will be a party;
- (hh) **repay, redeem and pay** shall each include both of the others and cognate expressions shall be construed accordingly;
- (ii) any statement made which is qualified by reference to **so far as it is aware** or to the **best of its knowledge** or similar means that statement is made on the basis of the knowledge of the person making such statement and, where appropriate the knowledge of the directors of that person (if a body corporate) and includes such knowledge as that person or those persons could have had, had it or they actually carried out all appropriate enquiries and any reference to a person **becoming aware** of a matter or similar shall mean that such person, and where appropriate, the directors of that person (if a body corporate) has knowledge of the relevant matter or could have had knowledge of such matter, had it or they actually carried out the appropriate enquiries;
- (jj) **set-off** includes, without limitation, set-off, off set, compensation, retention, counterclaim and balancing of accounts;
- (kk) a **successor** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under the

relevant Finance Document or to which, under such laws, such rights and obligations have been transferred or any permitted assignee in accordance with the terms of the Finance Documents;

- (ll) a **waiver** includes a waiver of any actual or proposed breach of any provision of any document and, in relation to the Common Terms Agreement, a waiver of a Default;
- (mm) a Default being **outstanding, continuing or subsisting** means that it has not been remedied within the relevant grace period or waived in accordance with the relevant Finance Document;
- (nn) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
- (oo) a Clause, a Subclause or a Schedule is a reference to a Clause or Subclause of, or a Schedule to, this Agreement;
- (pp) a person includes its successors in title, permitted assigns and permitted transferees;
- (qq) a Finance Document or another document is a reference to that Finance Document or other document amended, novated, supplemented, extended or restated as permitted in the Common Terms Agreement or such Finance Document;
- (rr) a time of day is a reference to London time;
- (ss) singular includes the plural and vice versa; and
- (tt) any indemnity or agreement to reimburse (the **Payment Obligation**) which is given on an **after Tax basis** or expressed to be **calculated on an after Tax basis** means that the amount payable pursuant to such Payment Obligation (the **Payment**) shall be increased (or decreased, as the case may be) so as to ensure that, after taking into account:
 - (i) the amount in respect of Tax required by law to be deducted or withheld from such amount (or increased or decreased amount, as the case may be);
 - (ii) the Tax that is chargeable (or would be chargeable but for the use, setting off or application of any relief) on such amount (or increased or decreased amount, as the case may be) in the hands of the recipient or any person who is treated as receiving such payment for any tax purpose (a **Deemed Recipient**); and
 - (iii) any Tax credit, repayment or other Tax benefit which is actually received and used by the recipient or the Deemed Recipient of the Payment solely as a result of the matter giving rise to the Payment Obligation or as a result of receiving the Payment,

(which amount of Tax and Tax credit, repayment or other Tax benefit is to be determined by the recipient or Deemed Recipient (acting reasonably and in good faith) and certified as such to the party making the Payment), each of the recipient of the Payment or any Deemed Recipient is in the same position as it would have been in if there had been no such withholding, deduction, Tax, Tax credit, repayment or other Tax benefit, **provided that** nothing in this paragraph 1(tt) shall require the recipient or Deemed Recipient to make any changes to the way in which it deals with any Tax Authority in relation to any Tax credit, repayment or other Tax benefit. For the purposes of this paragraph 1(tt), Tax shall not include VAT.

2. Unless the contrary intention appears, a reference to a **month** or **months** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
 - (a) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (b) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (c) notwithstanding paragraph (a) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
3. Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.
4. Subject to the terms of the Common Terms Agreement and the STID, the consent of any third party is not required for any variation (including any release or compromise of any liability under) or termination of that Finance Document.
5. Unless the contrary intention appears or except as otherwise provided in any Finance Document:
 - (a) a reference to a Party will not include that Party if it has ceased to be a Party under this Agreement;
 - (b) a term used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement;
 - (c) if there is an inconsistency between this Agreement and any other Finance Document, this Agreement will prevail;
 - (d) any obligation of an Obligor under the Finance Documents which is not a payments obligation remains in force for so long as any payment obligation is or may be outstanding under the Finance Documents;
 - (e) the headings in this Agreement do not affect its interpretation; and
 - (f) all calculations and payment obligations will be made without double counting.
6. Any reference in any Finance Document to any right, entitlement or obligation of any person under the laws in relation to VAT, or to any business carried on by any person for VAT purposes, shall (where appropriate and unless the context otherwise requires) be construed to include a reference to a person who is making the supply or (as appropriate) receiving the supply under any relevant VAT Grouping Legislation.
7. For the purposes of calculating a period of **Clear Days** in relation to a meeting, no account shall be taken of the day on which the notice of such meeting is given (or, in the case of an adjourned meeting, the day on which the meeting to be adjourned is held) or the day on which such meeting is held.

8. All references in this Agreement to a "meeting" shall, where the context so permits, include any relevant adjourned meeting.

SIGNATORIES

This Agreement has been entered into on the date stated at the beginning of this Agreement.

The OFTO

**EXECUTED
WODS TRANSMISSION PLC**

acting by **JAVIER FALERO
DIRECTOR**

by) 
)

) WITNESS SIGNATURE 
NAME: **GRAEME MACDONALD**
) ADDRESS:

HoldCo

**EXECUTED by WODS TRANSMISSION
HOLDCO LTD**

acting by **JAVIER FALERO
DIRECTOR**

) 
)

) WITNESS SIGNATURE 
NAME: **GRAEME MACDONALD**
) ADDRESS:

**ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD**

**ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD**

Bond Trustee

SIGNED for and on behalf of HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED

by



Leticia Wilson
Director

Name of signatory

Security Trustee

SIGNED for and on behalf of HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED

by

Name of signatory

PBCE Provider

**EXECUTED
THE EUROPEAN INVESTMENT BANK**

acting by

by)
)
)



María Teresa Massad



Levent Hanenli-Gilencet

Principal Paying Agent

EXECUTED by HSBC BANK PLC

acting by

Security Trustee

SIGNED for and on behalf of HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED

by



Leticia Wilson
Director

Name of signatory

PBCE Provider

EXECUTED
THE EUROPEAN INVESTMENT BANK

by)
)

acting by

)

Principal Paying Agent

EXECUTED by HSBC BANK PLC

acting by



Jenny Pennell
Authorised Signatory

Account Bank

EXECUTED by HSBC BANK PLC

acting by



Jenny Pennell
Authorised Signatory

Initial Hedge Counterparty

EXECUTED by ABBEY NATIONAL TREASURY SERVICES PLC

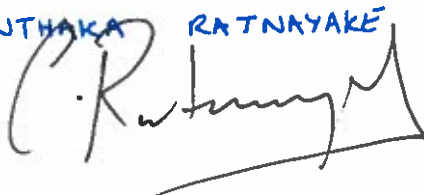
acting by



Initial Hedge Counterparty

EXECUTED by LLOYDS BANK PLC

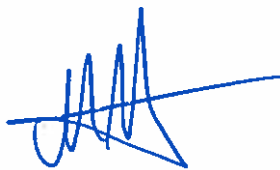
acting by

CHINTHAKA RATNAYAKE


Initial Hedge Counterparty

EXECUTED by ROYAL BANK OF CANADA

acting by

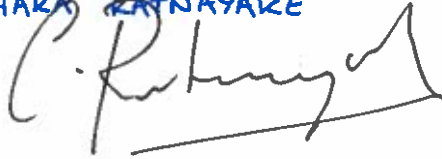
A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Bookrunner

EXECUTED by LLOYDS BANK PLC

CHINTHAKA RATNAYAKE

acting by



Bookrunner

EXECUTED by BANCO SANTANDER, S.A

acting by



Bookrunner

EXECUTED by THE ROYAL BANK OF SCOTLAND PLC

acting by

