

DATED 21 MARCH 2017

QUADGAS PLEDGECO LIMITED, QUADGAS MIDCO LIMITED AND QUADGAS
FINANCE PLC
AS THE CHARGORS AND THE INITIAL OBLIGORS

AND

U.S. BANK TRUSTEES LIMITED
AS SECURITY TRUSTEE

SECURITY AGREEMENT

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THIS DEED is dated 21 March 2017 and made

BETWEEN:

- (1) **QUADGAS PLEDGECO LIMITED** a company incorporated in England with limited liability (company number 10614954) in its capacity as PledgeCo ("**PledgeCo**");
 - (2) **QUADGAS MIDCO LIMITED** a company incorporated in England with limited liability (company number 10615396) in its capacity as MidCo ("**MidCo**");
 - (3) **QUADGAS FINANCE PLC** a company incorporated in England with limited liability (company number 10619488) in its capacity as the MidCo Issuer ("**MidCo Issuer**");
- (PledgeCo, MidCo and MidCo Issuer, together, the "**Chargors**"); and
- (4) **U.S. BANK TRUSTEES LIMITED**, as security trustee for itself and in respect of the Security, each of the Secured Creditors, pursuant to the terms of the STID (the "**Security Trustee**").

BACKGROUND

- (A) The board of directors of each Chargor is satisfied that acceding to this Deed would be most likely to promote the success of that Chargor for the benefit of its members as a whole and to the further benefit and advantage of that Chargor.
- (B) The Security Trustee and each Chargor intend this document to take effect as a deed (even though the Security Trustee may only execute it under hand).
- (C) The Security Trustee holds the benefit of this Deed for the Secured Creditors on the terms of the Finance Documents.
- (D) Each Chargor accedes to this Deed in connection with the CTA and the STID.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**Administrator**" means an administrator appointed under Schedule B1 to the Insolvency Act.

"**Assigned Agreements**" means:

- (a) any Finance Document;
- (b) any Deed of Adherence;
- (c) the Acquisition Agreement (on and from the date of each Deed of Adherence);

- (d) any Authorised Credit Facility;
- (e) the PledgeCo Loan Agreement;
- (f) any agreements listed as Assigned Agreements in any Accession Memorandum; and
- (g) any other agreement designated as an Assigned Agreement by the relevant Chargor and the Security Trustee.

"Common Terms Agreement" or **"CTA"** means the common terms agreement entered into on or about the date of this Deed between, amongst others, the Parties.

"CREST" means the relevant system (within the meaning of the Uncertificated Securities Regulations) operated by Euroclear UK and Ireland Limited.

"Deed of Adherence" means the PledgeCo DoA and the MidCo DoA.

"Delegate" means a delegate or sub-delegate appointed by the Security Trustee or a Receiver in accordance with this Deed.

"Fixtures" means fixtures, fittings and fixed plant, machinery and apparatus.

"Head Lease" means any lease pursuant to which title to any Real Property is vested in a Chargor.

"Insolvency Act" means the Insolvency Act 1986.

"Insurances" means, in relation to a Chargor, all its rights in and to all contracts and policies of insurance of any kind taken out by or on behalf of it and all Related Rights.

"Intellectual Property" means, in relation to a Chargor, all its rights in respect of:

- (a) any patents, trade marks, 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, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets,

and all Related Rights (in each case including any related licences and sub-licences of the same granted by it or to it).

"Investments" means, in relation to a Chargor, all its rights in respect of:

- (a) shares, stocks, debentures, units, bonds, notes, commercial paper, certificates of deposit, depository interests, securities and other investments;
- (b) warrants, options and other rights to subscribe for, purchase or otherwise acquire securities and investments;
- (c) any other securities or investments deriving from Investments or any rights attaching or relating to securities or investments,

in each case excluding Shares and including whether in certificated or uncertificated form, held through CREST or any other electronic share clearing, transfer or settlement system, and any rights against any custodian, nominee, clearing system or other similar person holding any such right, title or interest on its behalf, and all dividends and other Related Rights.

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

"Master Definitions Agreement" or **"MDA"** means the master definitions agreement entered into on or about the date of this Deed between amongst others, the Security Trustee.

"MidCo DoA" means the deed of adherence entered into by MidCo on 15 February 2017 in compliance with clause 4.1.3 of Schedule 2 of the Acquisition Agreement.

"Occupational Lease" means any lease or contractual licence or other right of occupation of all or any part of any Real Property.

"Party" means a party to this Deed.

"Plant and Machinery" means, in relation to a Chargor, all its rights in respect of all plant and machinery and all Related Rights.

"PledgeCo DoA" means the deed of adherence entered into by PledgeCo on 15 February 2017 in compliance with clause 3.1.3 of Schedule 2 of the Acquisition Agreement.

"PledgeCo Loan Agreement" means the loan agreement pursuant to which a loan will be made by HoldCo to PledgeCo on the Closing Date.

"Quasi Security" means a transaction under which any member of the Group will:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by any other member of the Group;
- (b) sell, transfer or otherwise dispose of any of its Receivables on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

"Real Property" means, in relation to a Chargor, all its rights in respect of any freehold or leasehold property in England and Wales and other real property anywhere in the world, all Fixtures from time to time on that property, and all Related Rights.

"Receivables" means, in relation to a Chargor, all its rights in respect of all book and other debts of any nature, all other rights to receive money (excluding Accounts), and all Related Rights.

"Receiver" means a receiver and manager or other receiver appointed in respect of all or any part of the Security Assets and shall, if allowed by law, include an administrative receiver.

"Related Rights" means, in relation to a Security Asset:

- (a) any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of that Security Asset;
- (b) any dividends, distributions, interest and/or other income paid or payable in relation to that Security Asset (including on any Investment), together with all shares or other property derived from that asset and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that asset (whether by way of conversion, redemption, bonus, preference, option or otherwise);
- (c) any moneys or proceeds paid or payable deriving from that Security Asset;
- (d) any rights, claims, guarantees, indemnities, Security or covenants for title in relation to that Security Asset;
- (e) any rights under any licence, agreement for sale or agreement for lease in respect of that Security Asset;
- (f) any awards or judgments in favour of a Chargor in relation to that Security Asset; and
- (g) any other assets deriving from, or relating to, that Security Asset.

"Security" means the Security Interests created in favour of the Security Trustee on behalf of itself and the other Secured Creditors under this Deed including any guarantee or obligation to provide cash collateral or further assurance hereunder.

"Security Assets" means the assets which from time to time are, or expressed to be, the subject of the Security or any part of those assets.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which: (a) all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full; and (b) none of the Secured Creditors are under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargors under any Finance Documents.

"Shares" means, in relation to a Chargor, all its rights in respect of:

- (a) the shares described in Schedule 2 (*Shares*) and any other shares issued in the future by any person identified in Schedule 2 (*Shares*) as the issuer of any such shares;

- (b) warrants, options and other rights to subscribe for, purchase or otherwise acquire any such shares;
- (c) any other securities or investments deriving from any such shares or any rights attaching or relating to any such shares,

in each case including any rights against any custodian, nominee, clearing system or other similar person holding any such right, title or interest on its behalf, and all dividends and other Related Rights.

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under this Deed.

"Uncertificated Securities Regulations" means the Uncertificated Securities Regulations 2001.

1.2 Interpretation

- (a) Save as expressly herein defined, capitalised terms defined in, or by incorporation in, the MDA or the CTA, will have the same meaning when used in this Deed.
- (b) The provisions in Part 2 (*Construction*) of Schedule 1 (*Common Definitions*) of the MDA shall, so far as relevant, also apply to this Deed as if expressly set out herein (*mutatis mutandis*) with each reference to **"this Agreement"** being deemed to be a reference to this Deed.
- (c) Such of the terms of the other Finance Documents and of any side letters between the Parties in relation to the Finance Documents are incorporated herein to the extent required for any purported disposition of the Real Property contained herein to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (d) If the Security Trustee considers that an amount paid to a Secured Creditor under any Finance Document is reasonably likely to be avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes hereof.
- (e)
 - (i) The term **"Account"** includes any sub-account of that Account.
 - (ii) The term **"this security"** or **"this Security"** means any security created by this Deed.
 - (iii) The term **"all its rights"** includes, unless the context requires otherwise:
 - (A) all of each Chargor's rights, title, interest and benefit, present and future, in, to and under the relevant property or assets;

- (B) the benefit of all covenants, undertakings, representations, warranties and indemnities;
- (C) all powers and remedies of enforcement and/or protection;
- (D) all rights to receive payment of all amounts assured or payable (or to become payable), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable; and
- (E) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof.

in each case, in respect of the relevant Security Asset.

- (f) Unless the context otherwise requires, a reference in this Deed to a Security Asset includes the proceeds of sale of that Security Asset.

1.3 **Certificates**

A certificate of the Security Trustee setting forth the amount of any Secured Liability due from any Chargor shall be conclusive evidence of such amount against such Chargor in the absence of manifest error.

1.4 **Common Terms Agreement**

The terms of the Common Terms Agreement apply to this Deed, where applicable, and will be binding on the Parties as if expressly set out herein (*mutatis mutandis*). If there is a conflict between the Common Terms Agreement and this Deed, the provisions of the Common Terms Agreement will prevail.

1.5 **STID**

This Deed is entered into subject to the STID and each of the Parties agrees to be bound by the provisions of the STID and to the extent that any provision of this Deed is inconsistent with the STID, the STID will prevail and each Party acknowledges and agrees that any rights, protections and indemnities afforded to the Security Trustee in this Deed are without prejudice to any additional rights, protections and indemnities given to the Security Trustee in the STID and that in acting (or refraining to act) in connection with this Deed (or any other Finance Document) the Security Trustee shall do so (or refrain from doing so) in accordance with the provisions of the STID. Without limitation, the provisions of clause 20 (*Activities of the Security Trustee*) and clause 21 (*Remuneration and Indemnification of the Security Trustee*) of the STID shall apply to this Deed.

1.6 **Third Party Rights**

Except each Secured Creditor with respect to the reference to each Secured Creditor in Clause 20.7 (*Appropriations*) and Clause 27 (*Enforcement*), a person who is not a party to this Deed or who is not expressly contemplated as having any rights under

this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

2. SECURITY INTERESTS

2.1 General

- (a) All the security created under this Deed:
 - (i) is created in favour of the Security Trustee for the Security Trustee itself and on trust for the Secured Creditors on the terms of the STID;
 - (ii) is created over present and future assets of each Chargor;
 - (iii) is continuing security for the payment, discharge and performance of the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) If the rights of a Chargor under a document to which it is a party cannot be secured without the consent of a party to that document:
 - (i) that Chargor must notify the Security Trustee promptly;
 - (ii) this security will secure all amounts which that Chargor may receive, or has received, under that document but excluding the document itself; and
 - (iii) unless the Security Trustee otherwise requires, that Chargor must use reasonable endeavours to promptly obtain the consent of the relevant party to that document being secured under this Deed.
- (c) The Security Trustee holds the benefit of this Deed on trust for the Secured Creditors.
- (d) The obligations and undertakings given by the Chargors under this Deed are additional to the covenants for title deemed to be included in this Deed by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Creation of Security Interests

- (a) Each Chargor, with full title guarantee, charges:
 - (i) by way of first legal mortgage, all Real Property in England and Wales owned by it on the date of this Deed;
 - (ii) by way of first fixed equitable charge, all other Real Property owned by it on the date of this Deed, all Real Property acquired by it after the date of this Deed and, to the extent not validly and effectively

mortgaged under sub-paragraph (i) above, all Real Property in England and Wales owned by it on the date of this Deed;

- (iii) by way of first fixed charge, all moneys (other than moneys deposited to the MidCo Distribution Account but including interest) from time to time standing to the credit of each of its Accounts and any other account opened by it with any bank, financial institution or other person and in each case the debts represented thereby;
- (iv) by way of first fixed charge, all its Receivables;
- (v) by way of first mortgage, the Shares held by it and/or any nominee on its behalf, including those described in Schedule 2 (*Shares*) to this Deed;
- (vi) by way of first fixed charge, all its rights in respect of its uncalled capital and goodwill;
- (vii) by way of first fixed charge, all its rights in respect of any intra-group loans from time to time both present and future;
- (viii) by way of first fixed charge, all its Intellectual Property;
- (ix) by way of first fixed charge, all its Plant and Machinery, office equipment, computers, vehicles and other chattels, both present and future, (except that validly and effectively mortgaged or charged under sub-paragraph (i) or sub-paragraph (ii) above);
- (x) by way of first fixed charge, all its Insurances, any Assigned Agreement and any MidCo Hedging Agreement to the extent not validly and effectively assigned under paragraph (b) below;
- (xi) by way of first fixed charge, any disposal proceeds from the disposal of any Real Property received from time to time;
- (xii) (to the extent that the same do not fall within any other paragraph of this Clause 2.2 and are not effectively assigned by paragraph (b) below) by way of first fixed charge, all its rights under each of the Finance Documents and any other contracts, licences or agreements to which such Chargor is a party from time to time and/or that confer any rights upon such Chargor including all bills of exchange and other negotiable instruments held by it, any letters of credit issued in its favour and (subject to any necessary third party's consent to such charge being obtained) any distributorship or agreement for the licensing of Intellectual Property or similar agreements entered into by it; and
- (xiii) by way of first floating charge, all its undertaking and all its property, assets and rights whatsoever and wheresoever, both present and future (excluding any property, assets or rights at any time effectively charged or assigned by way of fixed charge or assignment under this Clause 2.2).

- (b) Each Chargor, with full title guarantee, assigns to the Security Trustee by way of security all its rights in respect of:
 - (i) the Insurances;
 - (ii) any Assigned Agreement;
 - (iii) any MidCo Hedging Agreement; and
 - (iv) any other contract, licence and agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause.

2.3 Each Chargor shall procure that all rights granted in favour of the Investor (as such term is defined in the Acquisition Agreement) in the Acquisition Agreement is effectively charged or assigned by way of fixed charge.

2.4 **Ranking**

The floating charge created by each Chargor under Clause 2.2(a)(xiii) (*Creation of Security Interests*) ranks:

- (a) behind all the mortgages, fixed charges and assignments created by that Chargor; but
- (b) in priority to any other Security Interests over the Security Assets of that Chargor except for Security Interests ranking in priority in accordance with paragraph (g) of Schedule 1 (*Rights of Receivers*).

2.5 **Conversion by notice**

The Security Trustee may convert the floating charge over all or any of the Security Assets into a fixed charge by notice to the relevant Chargor specifying the relevant Security Assets, if:

- (a) it considers it desirable to do so in order to protect or preserve the Security Interests over those Security Assets and/or the priority of those Security Interests; and/or
- (b) the Security Trustee is of the view that any legal process or execution is being enforced against any floating charge over the relevant Security Assets.

2.6 **Automatic conversion**

If:

- (a) any Chargor takes any step to create (or purports to create) any Security Interest or Quasi Security in breach of Clause 4.1 (*Negative pledge*) over any Security Asset subject to a floating charge;
- (b) a Standstill Period is terminated other than by virtue of a Standstill Remedy;
or

- (c) any person takes any step to effect any expropriation, attachment, sequestration, distress, execution or similar legal process against any such Security Asset,

the floating charge over the relevant Security Assets shall automatically and immediately be converted into a fixed charge.

2.7 Company voluntary arrangement moratorium

Obtaining a moratorium or doing anything with a view to obtaining a moratorium pursuant to Schedule A1 of the Insolvency Act (including any preliminary decision or investigation) shall not cause the floating charge over all or any of the Security Assets to crystallise until the date upon which it is permitted to crystallise in accordance with paragraph 13 of Schedule A1 of the Insolvency Act.

2.8 Qualifying Floating Charge

The floating charge created by this Clause is a "qualifying floating charge" for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

2.9 Consents

If the consent of any party to a document is required to create fixed security over, or an assignment of, the rights of a Chargor under that document:

- (a) that Chargor shall promptly notify the Security Trustee;
- (b) until the consent of the relevant party has been obtained, this Deed shall secure all amounts which that Chargor may receive, or has received, under that document but exclude any fixed security over, or any assignment of, those rights;
- (c) unless the Security Trustee requires otherwise, that Chargor shall use reasonable endeavours to obtain the consent of the relevant party to the creation of fixed security over or, as the case may be, an assignment of, those rights under this Deed as soon as reasonably practicable; and
- (d) on the date on which the consent of the relevant party is obtained, the fixed security over or, in respect of an asset expressed to be subject to an assignment, the assignment of, those rights under this Deed shall attach to those rights.

3. GUARANTEE AND INDEMNITY

Each Chargor jointly and severally and irrevocably and unconditionally:

- (a) guarantees to the Security Trustee (for itself and for and on behalf of the Secured Creditors) punctual performance and observance by each member of the Group of that member of the Group's obligations under the Finance Documents;
- (b) undertakes with the Security Trustee (for itself and for and on behalf of the Secured Creditors) that, whenever any other Chargor does not pay any amount

when due under or pursuant to any Finance Document, that Chargor must immediately on demand by the Security Trustee pay that amount as if it were the principal obligor; and

- (c) in addition to and without prejudice to any indemnity given to the Security Trustee in any other Finance Document, indemnifies the Security Trustee (for itself and for and on behalf of the Secured Creditors) immediately on demand against any cost, loss or liability suffered by the Security Trustee or any Secured Creditor if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal or ineffective; the amount of the cost, loss or liability under this indemnity will be equal to the amount the Security Trustee or that Secured Creditor would otherwise have been entitled to recover.

4. RESTRICTIONS ON DEALING WITH SECURITY ASSETS

4.1 Negative pledge

No Chargor shall create or agree to create or permit to subsist any Security Interest or Quasi Security over any Security Asset, except as permitted by and in accordance with the Finance Documents.

4.2 Disposals

No Chargor shall enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any Security Asset, except as permitted by and in accordance with the Finance Documents.

5. FURTHER ASSURANCE

- (a) Each Chargor shall promptly (and at its own expense) do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may reasonably specify (and in such form as the Security Trustee may reasonably require in favour of the Security Trustee or its nominee(s)):
 - (i) to perfect the Security Interests created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other Security Interest over all or any of the assets which are, or are intended to be, the subject of the Security Interests) or for the exercise of any rights, powers and remedies of the Security Trustee, any Receiver or the Secured Creditors provided by or pursuant to the Finance Documents or by law; or
 - (ii) to confer on the Security Trustee or confer on the Secured Creditors Security Interests over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security Interests intended to be conferred by or pursuant to this Deed; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security.

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

6. REAL PROPERTY

6.1 Notification

Each Chargor shall promptly notify the Security Trustee of its acquisition of, or agreement to acquire, any Real Property.

6.2 Documents

Each Chargor shall promptly deposit with the Security Trustee, and the Security Trustee shall be entitled to hold, all title deeds and documents relating to that Chargor's present and future Real Property.

6.3 Present Real Property

Each Chargor shall, in respect of all Real Property in England and Wales owned by it:

- (a) promptly apply to the Land Registry for first registration of that Real Property (where that Real Property is capable of being registered at the Land Registry and is not already so registered) and for registration of it as proprietor of that Real Property;
- (b) promptly apply to the Land Registry to register the Security Interests created by paragraphs (a)(i) and (a)(ii) of Clause 2.2 (*Creation of Security Interests*);
- (c) promptly apply to the Land Registry requesting:
 - (i) a restriction in the form specified by the Security Trustee; and
 - (ii) the obligation to make further advances,to be entered on the register of the title to that Real Property in respect of the Security Interests created by paragraphs (a)(i) and (a)(ii) of Clause 2.2 (*Creation of Security Interests*);
- (d) promptly pay all applicable registration fees;
- (e) promptly deal with any requisitions by the Land Registry relating to that Real Property and keep the Security Trustee informed as to the progress of any such application for registration, the nature of any such requisitions and its response,

or, if the Security Trustee gives notice to that Chargor that the Security Trustee will submit the relevant forms to the Land Registry, that Chargor shall promptly provide the Security Trustee with all duly completed forms reasonably requested by the Security Trustee and all applicable registration fees.

6.4 Future Real Property

If any Chargor acquires any Real Property in England and Wales after the date of this Deed, that Chargor shall:

- (a) promptly apply to the Land Registry for first registration of that Real Property (where that Real Property is capable of being registered at the Land Registry and is not already so registered) and for registration of it as proprietor of that Real Property;
- (b) promptly upon request by the Security Trustee execute and deliver to the Security Trustee a legal mortgage of that Real Property as security for the payment of all Secured Liabilities;
- (c) promptly apply to the Land Registry to register the Security Interests created by paragraph (a)(ii) of Clause 2.2 (*Creation of Security Interests*) and any legal mortgage created pursuant to paragraph (b) above;
- (d) promptly apply to the Land Registry requesting:
 - (i) a restriction in the form specified by the Security Trustee; and
 - (ii) the obligation to make further advances,to be entered on the register of the title to that Real Property in respect of the Security Interests created by paragraph (a)(ii) of Clause 2.2 (*Creation of Security Interests*) and any legal mortgage created pursuant to paragraph (b) above;
- (e) promptly pay all applicable registration fees;
- (f) promptly deal with any requisitions by the Land Registry relating to that Real Property and keep the Security Trustee informed as to the progress of any such application for registration, the nature of any such requisitions and its response,

or, if the Security Trustee gives notice to that Chargor that the Security Trustee will submit the relevant forms to the Land Registry, that Chargor shall promptly provide the Security Trustee with all duly completed forms reasonably requested by the Security Trustee and all applicable registration fees.

6.5 Unregistered Real Property

In the case of a Chargor's Real Property in England and Wales, both present and future, which is not registered at the Land Registry and is not required by law or this Deed to be so registered, if the title deeds and documents are not deposited with the Security Trustee, that Chargor shall promptly apply to the Land Charges Registry to register:

- (a) in respect of all such Real Property owned by it on the date of this Deed, this Deed and the Security Interests created by paragraphs (a)(i) and (a)(ii) of Clause 2.2 (*Creation of Security Interests*); and

- (b) in respect of all such Real Property acquired by it after the date of this Deed, this Deed, the Security Interests created by paragraph (a)(ii) of Clause 2.2 (*Creation of Security Interests*) and any legal mortgage created pursuant to Clause 6.4(b) of Clause 6.4 (*Future Real Property*).

6.6 Title Information Document

On completion of the registration of any Security Interest pursuant to this Clause 6 the relevant Chargor shall promptly supply to the Security Trustee a certified copy of the relevant Title Information Document issued by the Land Registry or, as the case may be, Certificate of Registration of Land Charge issued by the Land Charges Registry.

6.7 Protection of assets

- (a) Each Chargor shall:
 - (i) repair and keep in good and substantial repair and condition all its Real Property which is a Security Asset; and
 - (ii) keep all its Fixtures which are Security Assets in good working order and condition.
- (b) No Chargor shall:
 - (i) fix or permit the affixing of any Security Asset to any real estate which is not itself a Security Asset;
 - (ii) sever or remove any Fixture, except for any necessary repairs or replacements.

6.8 Compliance with obligations

Each Chargor shall comply with any covenants, stipulations, conditions, licences, consents and any other statutory, regulatory or contractual obligations relating to its Real Property or its use.

6.9 Leases

Each Chargor shall:

- (a) observe and perform all covenants, stipulations, conditions and obligations binding upon it as lessee under any Head Lease and as lessor or lessee under any Occupational Lease;
- (b) diligently enforce all covenants, stipulations, conditions and obligations benefiting it as lessor under any Head Lease or Occupational Lease;
- (c) not amend, waive, release or vary any provision of, or exercise any option or power to break, terminate, forfeit or extend (or agree to do any of the foregoing) any Head Lease or Occupational Lease;

- (d) not do or permit to be done anything under any Head Lease which may result in its forfeiture;
- (e) immediately upon becoming aware notify the Security Trustee of anything which may result in the forfeiture or termination of any Head Lease or Occupational Lease; and
- (f) not grant any new Occupational Lease or exercise any of the powers of leasing or agreeing to lease any Real Property vested in or conferred on mortgagors by law.

6.10 Notices

Each Chargor shall produce to the Security Trustee within 7 days of receipt by it a copy of every material communication made in connection with any of its Real Property and comply with the instructions of the Security Trustee in relation to any such communication.

6.11 Power to remedy

- (a) If a Chargor does not comply with any provision of this Clause 6, the Security Trustee, or any agent, contractor or other person required by the Security Trustee, may take any action reasonably required by the Security Trustee to comply with any such provision.
- (b) The cost and expense of any action referred to in paragraph (a) above shall be borne by the relevant Chargor.

6.12 Inspection

Each Chargor will permit the Security Trustee or any person nominated by the Security Trustee to enter into any Real Property which is part of the Security Assets in which it has an interest at all reasonable times during business hours and on not less than one Business Day notice to view the state and condition of that Real Property and will remedy any material defect or want of repair forthwith after service by the Security Trustee of notice of the defect or want of repair.

7. RECEIVABLES

7.1 Collection

Each Chargor shall promptly collect all Receivables due to it and shall hold the proceeds of collection on trust for the Security Trustee.

7.2 Payment into designated Account(s)

Each Chargor shall immediately pay all moneys received or receivable by it from any source (including all proceeds of collection of Receivables) into the relevant Account(s) as specified and managed by the Cash Manager prior to a Standstill and by the Standstill Cash Manager during any Standstill Period, in each case in accordance with the CTA and the Account Bank Agreement and, in any case where an Event of Default is still subsisting after the end of a Standstill Period, as designated for this

purpose by the Security Trustee. Accordingly, the Security Trustee, the Cash Manager or, as the case may be, the Standstill Cash Manager may designate different Accounts for different moneys.

7.3 Documents

Each Chargor shall promptly deliver to the Security Trustee, and the Security Trustee shall be entitled to hold, such documents relating to that Chargor's Receivables as the Security Trustee requires.

8. SHARES

8.1 Notification

Each Chargor shall promptly notify the Security Trustee of:

- (a) its acquisition of, or agreement to acquire, any Share;
- (b) the declaration, payment, receipt, offer or issue of any Related Right in respect of any Share excluding any cash dividend; and
- (c) any intention of which it becomes aware for any Share to be held in uncertificated form and to be transferable through CREST.

8.2 Documents

Each Chargor shall on the Closing Date and, where Shares are acquired by it after the Closing Date, on the date of that acquisition:

- (a) deliver to the Security Trustee, or as it directs, and the Security Trustee shall be entitled to hold, all certificates and other documents of title or evidence of ownership in relation to its Shares; and
- (b) deliver to the Security Trustee, or as it directs, and the Security Trustee shall be entitled to hold, transfers of the Shares, each executed in blank, and other documents relating to the Shares reasonably required by the Security Trustee.

8.3 Voting before enforcement

At any time prior to the occurrence of an Event of Default which is continuing each Chargor shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Share **provided that**:

- (a) it does so for a purpose not inconsistent with any Finance Document; and
- (b) the exercise of or, as the case may be, the failure to exercise those rights would not have an adverse effect on the value of the relevant Shares or the Security Assets or the ability of the Security Trustee to enforce the Security Interests or realise the Security Assets and would not otherwise prejudice the interests of any Secured Creditor under any Finance Document.

8.4 Voting after enforcement

At any time while an Event of Default is continuing and the Security Trustee has given notice to the relevant Chargor that it intends to exercise its rights under this Clause 8.4:

- (a) the Security Trustee or the Receiver shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Share; and
- (b) each Chargor shall comply or procure the compliance with any directions of the Security Trustee or the Receiver in respect of the exercise of those rights and shall promptly execute and/or deliver to the Security Trustee or the Receiver such forms of proxy as it requires with a view to enabling such person as it selects to exercise those rights.

8.5 Cash dividends before enforcement

At any time prior to the occurrence of an Event of Default which is continuing each Chargor shall be entitled to retain any cash dividend deriving from the Shares.

8.6 Cash dividends after enforcement

At any time after the termination of the Standstill Period (other than by way of a Standstill Remedy) each Chargor shall hold any cash dividend deriving from the Shares received by it on trust for the Secured Creditors and transfer or pay the same immediately to the Security Trustee or as it may direct.

8.7 Shares held by nominees of Chargors

If any Share is held in the name of a nominee of a Chargor, that Chargor shall promptly upon request by the Security Trustee deliver to it an irrevocable power of attorney, expressed to be given by way of security and executed as a deed by that nominee. That power of attorney shall appoint the Security Trustee, each Receiver and each Delegate, as the attorney of the holder and shall be in such form as the Security Trustee requires.

8.8 Communications

- (a) Each Chargor shall promptly upon request by the Security Trustee deliver to it a copy of each circular, notice, report, set of accounts or other document received by it or its nominee relating to any of its Shares.
- (b) Each Chargor shall promptly deliver to the Security Trustee a copy of, and comply with, each request for information which is made under section 793 of the Companies Act 2006 or any similar provision contained in any articles of association or other constitutional document relating to any of its Shares.
- (c) If a Chargor does not comply with paragraph (b) above, the Security Trustee may, but shall not be obliged to, provide any information it has on behalf of that Chargor.

8.9 Payment of calls

- (a) Each Chargor shall promptly pay all calls or other payments in respect of any of its Shares.
- (b) If a Chargor does not comply with paragraph (a) above, the Security Trustee may, but only if it is in receipt of funds to do so, pay that call or other payment on behalf of that Chargor.
- (c) The relevant Chargor shall immediately on request by the Security Trustee reimburse the Security Trustee for any payment made by the Security Trustee under this Clause 8.9.

9. INTELLECTUAL PROPERTY

9.1 Notification

Each Chargor shall promptly notify the Security Trustee of its creation, acquisition of, or agreement to acquire, (by licence or otherwise) any Intellectual Property, and any application by it or on its behalf to register any Intellectual Property.

9.2 Documents

Each Chargor shall promptly deliver to the Security Trustee, and the Security Trustee shall be entitled to hold, such documents relating to that Chargor's Intellectual Property as the Security Trustee requires.

9.3 Maintenance

Each Chargor shall:

- (a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for its business from time to time;
- (b) use reasonable endeavours to prevent any infringement in any material respect of its Intellectual Property including, where appropriate, commencing and diligently undertaking the prosecution of infringement actions or oppositions;
- (c) make registrations where registration is necessary or desirable and pay all registration fees, renewal fees and taxes necessary to maintain its Intellectual Property in full force and effect and record its interest in that Intellectual Property;
- (d) not use or permit its Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of its Intellectual Property or imperil the right of any member of the MidCo Group to use such property;
- (e) not discontinue the use of its Intellectual Property;

- (f) take all steps to record this Deed and restrictions on disposal under this Deed on such registers, in such jurisdictions and within such time limits as the Security Trustee requires in order to perfect the Security Interests over its Intellectual Property; and
- (g) perform and comply with all laws and obligations to which it is subject as registered proprietor, beneficial owner, user, licensor or licensee of any Intellectual Property held by it.

9.4 Grant

No Chargor shall grant any exclusive registered user agreement or exclusive licence in relation to any of its present or future Intellectual Property.

10. INSURANCES

10.1 Documents

Each Chargor shall promptly upon request by the Security Trustee deliver to it, and the Security Trustee shall be entitled to hold, such Insurance taken out by or on behalf of it and the related premium receipts, and such other documents relating to that Chargor's Insurances, as the Security Trustee requires.

10.2 Sole loss payee

Each Chargor shall ensure that each Insurance taken out by or on behalf of it names the Security Trustee as sole loss payee.

10.3 Enforceability

No Chargor shall do or omit to do or permit to be done or omitted anything which might render any of its Insurances void, voidable or unenforceable.

10.4 Use of proceeds

The proceeds of any insurance claim shall be applied, at the option of the Security Trustee:

- (a) promptly towards making good the loss or damage in respect of which the proceeds were received; or
- (b) towards the discharge of any Secured Liabilities.

and, pending that payment, the relevant Chargor shall hold those proceeds on trust for the Security Trustee.

11. ACCOUNTS

Each Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account only in accordance with the Account Bank Agreements.

12. NOTICE OF ASSIGNMENT

Unless such notice of assignment is covered within the Assigned Agreement itself or clause 20 (*Notice and acknowledgement of Security*) of the CTA, each Chargor shall on the Closing Date or, if later, on the date that the Assigned Agreement is entered into, give notice of each assignment in paragraph (b) of Clause 2.2 (*Creation of Security Interests*) to the relevant counterparty in such form as is acceptable to the Security Trustee and shall use its reasonable endeavours to ensure that each recipient of any such notice promptly signs and returns the relevant form of acknowledgement.

13. ENFORCEMENT OF SECURITY INTERESTS

13.1 When enforceable

The Security shall be immediately enforceable on and at any time after the occurrence of an Event of Default which is continuing.

13.2 Enforcement action

At any time after the Security has become enforceable in accordance with Clause 13.1 (*When Enforceable*) and subject to the restrictions in the STID, the Security Trustee may in its absolute discretion enforce all or any part of the Security Interests and take possession of and hold, sell or otherwise dispose and/or deal with all or any part of the Security Assets in any manner it sees fit, acting in accordance with the terms of the STID.

13.3 Law of Property Act powers

At any time after the Security has become enforceable in accordance with Clause 13.1 (*When Enforceable*), the powers, authorities and discretions conferred by the Law of Property Act on mortgagees, including the power of sale and other powers conferred by section 101 (*Powers incident to estate or interest of mortgagee*) of the Law of Property Act, as varied and extended by this Deed, shall be immediately exercisable.

14. LAW OF PROPERTY ACT

14.1 Section 101

The power of sale and other powers conferred by section 101 (*Powers incident to estate or interest of mortgagee*) of the Law of Property Act on mortgagees, as varied and extended by this Deed, shall be immediately exercisable in accordance with Clause 13.3 (*Law of Property Act powers*).

14.2 Section 103

Section 103 (*Regulation of exercise of power of sale*) of the Law of Property Act shall not apply to this Deed.

14.3 Section 93

Section 93 (*Restriction on consolidation of mortgages*) of the Law of Property Act shall not apply to this Deed.

14.4 Sections 99 and 100

At any time after the Security Interests have become enforceable in accordance with Clause 13.1 (*When Enforceable*), the Security Trustee may make any lease or agreement for lease, accept any surrender of lease and grant any option as it sees fit, acting in accordance with the terms of the STID, and without the need to comply with any provision of section 99 (*Leasing powers of mortgagor and mortgagee in possession*) or section 100 (*Powers of mortgagor and mortgagee in possession to accept surrenders of leases*) of the Law of Property Act.

15. APPOINTMENT OF RECEIVERS AND ADMINISTRATORS

15.1 Appointment of Receivers

If:

- (a) requested by any Chargor; or
- (b) the Security has become enforceable in accordance with Clause 13.1 (*When Enforceable*),

without any notice or further notice, the Security Trustee may, by deed or otherwise in writing signed by the Security Trustee or any person authorised for this purpose by the Security Trustee, appoint one or more persons to be a Receiver of all or any part of the Security Assets. The Security Trustee may similarly remove any Receiver and appoint any person instead of any Receiver. If the Security Trustee appoints more than one person as Receiver, the Security Trustee may give those persons power to act either jointly or severally.

15.2 Appointment of Administrators

Paragraph 14 of Schedule B1 to the Insolvency Act applies to this Deed and the Security Trustee may appoint an Administrator of any Chargor pursuant to that paragraph.

15.3 Agent of Chargor

Any Receiver shall be the agent of the relevant Chargor for all purposes. That Chargor alone shall be responsible for the Receiver's contracts, engagements, acts, omissions and defaults. The Security Trustee will not incur any liability (either to the Chargors or to any other person) by reason of the appointment of a Receiver.

15.4 Remuneration of Receivers

The Security Trustee may determine the remuneration of any Receiver and the maximum rate specified in section 109(6) (*Appointment, powers, remuneration and duties of receiver*) of the Law of Property Act shall not apply. The Security Trustee may direct payment of that remuneration out of moneys it receives as Receiver. The relevant Chargor alone shall be liable for the remuneration and all other costs, losses, liabilities and expenses of the Receiver.

16. RIGHTS AND LIABILITIES OF SECURITY TRUSTEE AND RECEIVERS

16.1 Rights of Receivers

Any Receiver appointed pursuant to Clause 15 (*Appointment of Receivers and Administrators*) shall have:

- (a) the rights set out in Schedule 1 (*Rights of Receivers*); and
- (b) the rights, powers, privileges and immunities conferred by law, including:
 - (i) in the case of an administrative receiver, the rights, powers, privileges and immunities conferred by the Insolvency Act on administrative receivers duly appointed under the Insolvency Act; and
 - (ii) in all other cases, the rights, powers, privileges and immunities conferred by the Law of Property Act and the Insolvency Act on receivers or receivers and managers.

16.2 Rights of Security Trustee

At any time after the Security has become enforceable in accordance with Clause 13.1 (*When Enforceable*), to the fullest extent permitted by law, any rights conferred by any Finance Document or by law upon a Receiver may be exercised by the Security Trustee, whether or not the Security Trustee shall have appointed a Receiver of all or any part of the Security Assets.

16.3 Delegation

The Security Trustee may delegate in any manner to any person any rights exercisable by the Security Trustee under any Finance Document. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Security Trustee thinks fit and the Security Trustee may pass confidential information to any such Delegate. The Security Trustee will not be liable or responsible to any Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any Delegate.

16.4 Financial collateral arrangement

- (a) To the extent that this Deed constitutes a "financial collateral arrangement" (as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Financial Collateral Regulations**")) the Security Trustee shall have the right at any time after the Security has become enforceable in accordance with Clause 13.1 (*When Enforceable*), to appropriate any Security Asset which constitutes "financial collateral" (as defined in the Financial Collateral Regulations ("**Financial Collateral**")) in such manner as it sees fit in or towards satisfaction of the Secured Liabilities in accordance with the Financial Collateral Regulations.

(b) If the Security Trustee is required to value any Financial Collateral for the purpose of paragraph (a) above, the value shall be:

- (i) in the case of cash, its face value at the time of appropriation; and
- (ii) in the case of financial instruments or other Financial Collateral, their market value at the time of appropriation as determined (after appropriation) by the Security Trustee by reference to a public index or other applicable generally recognised source or such other process as the Security Trustee may select in a commercially reasonable manner, including a valuation carried out by an independent investment bank, firm of accountants or other valuers appointed by the Security Trustee,

as converted, where necessary, into the currency in which the Secured Liabilities are denominated at a market rate of exchange prevailing at the time of appropriation selected by the Security Trustee. The Parties agree that the methods of valuation set out in this paragraph (b) are commercially reasonable for the purpose of the Financial Collateral Regulations.

16.5 Possession

If the Security Trustee, any Receiver or any Delegate takes possession of the Security Assets, it may at any time relinquish possession. Neither the Security Trustee, any Receiver nor any Delegate shall be liable, by reason of viewing or repairing any of the present or future assets of any Chargor, as a mortgagee in possession.

16.6 Security Trustee's liability

Neither the Security Trustee, any Receiver nor any Delegate shall, either by reason of taking possession of the Security Assets or for any other reason and whether as mortgagee in possession or otherwise, be liable for:

- (a) any costs, losses, liabilities or expenses relating to the realisation of any Security Assets; or
- (b) any act or omission of the Security Trustee, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Security Assets or in connection with the Finance Documents, unless directly caused by its gross negligence or wilful misconduct.

17. ORDER OF APPLICATION

All amounts from time to time received or recovered by the Security Trustee or any Receiver appointed by it pursuant to the terms of this Deed and/or under the powers hereby conferred must, after the Security has become enforceable in accordance with Clause 13.1 (*When Enforceable*) but subject to the payment of any claims having priority to this Security and to the Security Trustee's and such Receiver's rights under Clause 16.1 (*Rights of Receivers*) and 16.2 (*Rights of Security Trustee*) and subject as provided in the STID, be applied by the Security Trustee or Standstill Cash Manager in accordance with Schedule 6 (*Cash Management*) to the Common Terms

Agreement. This Clause does not prejudice the right of any Secured Creditor to recover any shortfall from the Chargor.

18. POWER OF ATTORNEY

18.1 Appointment

Each Chargor by way of security irrevocably appoints the Security Trustee, each Receiver and each Delegate severally to be its attorney (with full power of substitution and delegation), on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit, subject to the STID:

- (a) to do anything which that Chargor is obliged to do under any Finance Document to which it is party but has failed to do (including to do all such acts or execute all such documents, assignments, transfers, mortgages, charges, notices, instructions, filings and registrations as the Security Trustee may reasonably specify (and in such form as the Security Trustee may reasonably require in favour of the Security Trustee or its nominee(s))); and
- (b) to exercise any of the rights conferred on the Security Trustee, any Receiver or any Delegate in relation to the Security Assets or under any Finance Document or under any law.

18.2 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 18.1 (*Appointment*).

19. PROTECTION OF THIRD PARTIES

No purchaser or other person dealing with the Security Trustee, any Receiver or its agents shall be obliged or concerned to enquire:

- (a) whether the powers conferred on the Security Trustee, any Receiver or its agents have arisen;
- (b) whether the powers conferred on the Security Trustee, any Receiver or its agents have become exercisable;
- (c) whether any consents, regulations, restrictions or directions relating to such powers have been obtained or complied with;
- (d) whether the Security Trustee, any Receiver or its agents is acting within such powers;
- (e) whether any money remains due under the Finance Documents and the receipt in writing of the Security Trustee, any Receiver or its agents shall be sufficient discharge to that purchaser or other person;
- (f) as to the propriety or validity of acts purporting or intended to be in exercise of any such powers; or

- (g) as to the application of any money paid to the Security Trustee, any Receiver or its agents.

20. SAVING PROVISIONS

20.1 Continuing Security

Subject to Clause 21 (*Discharge of Security*), the Security is continuing security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

20.2 Continuing Guarantee

Each guarantee given under this Deed is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

20.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Chargor or Obligor or any security for those obligations or otherwise) is made by a Secured Creditor in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, then the liability of each Chargor and Obligor and the Security Interests will continue or be reinstated as if the discharge, release or arrangement had not occurred.

20.4 Waiver of defences

Neither the obligations of each Chargor under this Deed nor the Security will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under any Finance Document or any of the Security Interests (without limitation and whether or not known to it or any Secured Creditor) including:

- (a) any time, waiver or consent granted to, or composition with, any Chargor, any member of the Group or other person;
- (b) the release of any other Chargor, any member of the Group or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Chargor, Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Chargor, any member of the Group or any other person;

- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

20.5 Chargor intent

Without prejudice to the generality of Clause 20.4 (*Waiver of defences*), each Chargor expressly confirms that it intends that the Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

20.6 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Creditor (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

20.7 Appropriations

Until all amounts which may be or become payable by the Obligors or the Chargors under or in connection with the Finance Documents have been irrevocably paid in full and all facilities which might give rise to Secured Liabilities have terminated, each Secured Creditor (or any trustee or agent on its behalf) may, subject to the terms of the STID:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Creditor (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability under this Deed.

20.8 Deferral of Chargors' rights

Until all amounts which may be or become payable by the Obligors or the Chargors under or in connection with the Finance Documents have been irrevocably paid in full and all facilities which might give rise to Secured Liabilities have terminated and unless the Security Trustee otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under the Finance Documents:

- (a) to be indemnified by a Chargor or an Obligor;
- (b) to claim any contribution from any other Chargor or guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Creditors under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Creditor;
- (d) to bring legal or other proceedings for an order requiring any Obligor or any Chargor to make any payment, or perform any obligation, in respect of which the Obligor or the Chargor had given a guarantee, undertaking or indemnity;
- (e) to exercise any right of set-off against any Obligor or any Chargor; and/or
- (f) to claim or prove as a creditor of any Obligor or any Chargor in competition with any Secured Creditor.

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Creditors by the Obligors or the Chargors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Creditors and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 17 (*Order of application*).

20.9 Additional security

The Security Interests are in addition to and are not in any way prejudiced by any other guarantee or security now or subsequently held by any Secured Creditor.

20.10 Tacking

Each Secured Creditors shall comply with its obligations under the Finance Documents (including any obligation to make further advances).

20.11 Tax Deductions

- (a) Each Chargor shall make all payments to be made by it pursuant to this Deed without any Tax Deduction unless a Tax Deduction is required by law and where such Tax Deduction is required by law, that Chargor shall make that

Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

- (b) If such Tax Deduction is required by law to be made by a Chargor, the amount of the payment due from that Chargor shall (subject to any provision expressly to the contrary contained in any relevant Finance Document) be increased to any amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (c) The recipient or expected recipient of a payment under this Deed shall claim from the appropriate Tax Authority any exemption, rate reduction, refund, credit or similar benefit (including pursuant to any relevant double tax treaty) to which it is entitled in respect of any Tax Deduction in respect of which a payment has been or would otherwise be required to be made pursuant to paragraph (b) above and, for such purposes shall, within any applicable time limits, submit any claims, notices, returns or applications and send a copy of them to the payer.
- (d) If the recipient of a payment made under this Deed receives a credit for or refund of any Tax payable by it or similar benefit by reason of any deduction or withholding for or on account of Tax then it shall reimburse to the payer such part of such additional amounts paid to it pursuant to paragraph (b) above as the recipient of the payment certifies to the payer will leave it (after such reimbursement) in no better and no worse position than it would have been if the payer had not been required to make such deduction or withholding.

21. DISCHARGE OF SECURITY

Subject to the provisions of the STID (and, in particular, clauses 6.4 (*Release of Security on Discharge of Secured Liabilities*) and 6.5 (*Release of Security for Permitted Disposals*), upon expiry of the Security Period (but not otherwise), in the sole discretion of the Security Trustee, the Security Trustee and each Secured Creditor shall, at the request and cost of the Chargors, execute all such documents and do all such deeds, acts and things as may be necessary to release or discharge (as appropriate) the Security Assets from the Security and to reassign to the relevant Chargor the property and assets assigned to the Security Trustee under this Deed.

22. PAYMENTS

22.1 Undertaking to pay

Each Chargor shall pay each of the Secured Liabilities owed by it when due in accordance with its terms.

22.2 Demands

Any demand for payment made by any Secured Creditor shall be valid and effective even if it contains no statement of the relevant Secured Liabilities or an inaccurate or incomplete statement of them.

22.3 Payments

All payments by any Chargor under this Deed shall be made to such account, with such financial institution and in such other manner as the Security Trustee may direct.

22.4 Continuation of accounts

- (a) At any time after the Security Trustee has received or is deemed to have received notice of any subsequent Security Interest affecting all or any part of the Security Assets of any Chargor, the Security Trustee may open a new account in the name of that Chargor (whether or not it permits any existing account to continue).
- (b) If the Security Trustee does not open such a new account, it shall be treated as if it had done so when the relevant notice was received or deemed to have been received and as from that time all payments made by or on behalf of that Chargor to the Security Trustee shall be credited or be treated as having been credited to the relevant new account and not as having been applied in reduction of the Secured Liabilities as at the time the relevant notice was received or deemed to have been received.

22.5 Contingencies

If all or any part of the Security Interests are enforced at a time when no amount is due under the Finance Documents but any such amount may or will become due, the Security Trustee or the Receiver may pay the proceeds of any recoveries effected by it into a suspense account.

22.6 VAT

Where any Chargor is required by the terms of this Deed to reimburse or indemnify any other person for any cost or expense, such Chargor shall reimburse or indemnify such other person for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such other person (or the representative member of any VAT Group of which it forms part) is entitled to credit or repayment in respect of such VAT from any Tax Authority.

23. REMEDIES, WAIVERS AND DETERMINATIONS

23.1 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Secured Creditor, Receiver or Delegate, any right or remedy under any Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No waiver or election to affirm any of the Finance Documents on the part of any Secured Creditor, Receiver or Delegate shall be effective unless in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law, including the right to appoint an Administrator under the Insolvency Act.

23.2 **Certificates and Determinations**

Any certification or determination by the Security Trustee or any Receiver of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

24. **SEPARATE AND INDEPENDENT OBLIGATIONS**

- (a) Subject to paragraph (b) below, the Security Interests created by each Chargor by or in connection with any Finance Document is separate from and independent of the Security Interests created or intended to be created by any other Chargor by or in connection with any Finance Document.
- (b) Any reference in this Deed to a "Chargor" in relation to any Security Asset is, if that Chargor holds any right, title or interest in that Security Asset jointly with any other Chargor, a reference to those Chargors jointly.

25. **COUNTERPARTS**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

26. **GOVERNING LAW**

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

27. **ENFORCEMENT**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 27 is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been delivered on the date stated at the beginning of this Deed.

SCHEDULE 1

RIGHTS OF RECEIVERS

Any Receiver appointed pursuant to Clause 15 (*Appointment of Receivers and Administrators*) shall have the right, either in its own name or in the name of the relevant Chargor or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person:

(a) **Enter into possession**

to take possession of, get in and collect all or any part of the Security Assets, and to require payment to it or to any Secured Creditor of any Receivables;

(b) **Accounts**

to apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards payment or other satisfaction of all or part of the Secured Liabilities;

(c) **Carry on business**

to manage and carry on any business of that Chargor;

(d) **Contracts**

to enter into any contract or arrangement and to perform, repudiate, rescind or vary any contract or arrangement to which that Chargor is a party;

(e) **Deal with Security Assets**

to sell, transfer, assign, exchange, hire out, lend, licence or otherwise dispose of or realise all or any part of the Security Assets (including any Fixtures, which may be sold separately from the related Real Property) to any person either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments or deferred);

(f) **Hive down**

to form a new company and to subscribe for or acquire (for cash or otherwise) any investment in or of the new company and to sell, transfer, assign, exchange and otherwise dispose of or realise any such investments or any rights attaching thereto;

(g) **Borrow money**

to borrow or raise money either unsecured or on the security of all or any part of the Security Assets (either in priority to the Security Interests or otherwise);

(h) **Lend money**

to lend money or advance credit to any person;

(i) **Covenants and guarantees**

to enter into bonds, covenants, guarantees, indemnities and other commitments;

(j) **Dealings with tenants**

to grant leases, tenancies, licences and rights of user, grant renewals and accept surrenders of leases, tenancies, licences or rights of user, and otherwise to reach agreements and make arrangements with, and to make allowances to, any lessees, tenants or other persons;

(k) **Rights of ownership**

to manage and use all or any part of the Security Assets and to exercise and do all such rights and things as the Receiver would be capable of exercising or doing if it were the absolute beneficial owner of all or any part of the Security Assets;

(l) **Protection of Security Assets**

to insure all or any part of the Security Assets, to carry out decorations, repairs, alterations, improvements and additions to all or any part of the Security Assets (including the development or redevelopment of any Real Property), to commence and/or complete any building operation, to apply for and maintain any planning permission, building regulation approval or any other authorisation and to purchase or otherwise acquire or do anything in connection with all or any part of the Security Assets;

(m) **Legal actions**

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings relating to all or any part of the Security Assets or any business of that Chargor;

(n) **Claims**

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or relating to all or any part of the Security Assets or any business of that Chargor;

(o) **Redemption of Security**

to redeem any Security (whether or not having priority to the Security Interests) over all or any part of the Security Assets and to settle the accounts of any person with an interest in all or any part of the Security Assets;

(p) **Employees**

to appoint, hire and employ officers, employees, contractors, agents, advisors and others and to discharge any such persons and any such persons appointed, hired or employed by that Chargor;

(q) **Delegation**

to delegate in any manner to any person any rights exercisable by the Receiver under any Finance Document, and any such delegation may be made upon such terms and conditions (including power to sub-delegate) as it thinks fit, and to pass confidential information to any such delegate;

(r) **Insolvency Act**

to exercise all powers set out in Schedule 1, Schedule B1 or (in the case of a Scottish Receiver) Schedule 2 to the Insolvency Act as now in force (whether or not in force at the date of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 or Schedule 2, as the case may be;

(s) **Receipts**

to give a valid receipt for any moneys and do anything which may be necessary or desirable for realising all or any part of Security Assets; and

(t) **Other powers**

to do anything else it may think fit for the realisation of all or any part of the Security Assets or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Finance Document to which the relevant Chargor is party, the Law of Property Act or the Insolvency Act.

**SCHEDULE 2
SHARES**

Chargor:	Name of Company in which Shares are held:	Percentage of Shares held:
PledgeCo	MidCo	100
MidCo	MidCo Issuer	100
MidCo	National Grid Gas Distribution Limited	100
MidCo	Gas Distribution Property Holdings Limited	100

SIGNATURES

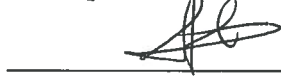
EXECUTED as a **DEED** by
QUADGAS PLEDGECO LIMITED
acting by its duly authorised signatory

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Signature



in the presence of:



Signature of witness

Samantha Loh

Name of witness

Clifford Chance LLP

10 Upper Bank Street

Address of witness

London E14 5JJ

EXECUTED as a **DEED** by
QUADGAS MIDCO LIMITED
acting by its duly authorised signatory

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Signature



in the presence of:



Signature of witness

Samantha Loh

Name of witness

Clifford Chance LLP

Address of witness

10 Upper Bank Street

London E14 5JJ

EXECUTED as a DEED by
QUADGAS FINANCE PLC
acting by its duly authorised signatory

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) _____
Signature 

in the presence of:

 Signature of witness

Samantha Loh Name of witness

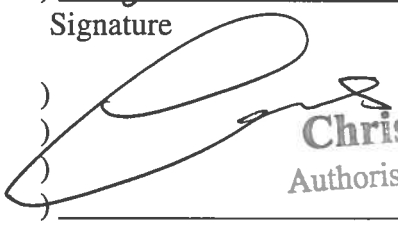
Quadgas Chance LLP Address of witness

Upper Bank Street

London E14 5JJ

EXECUTED as a DEED by
U.S. BANK TRUSTEES
LIMITED
acting by its duly authorised signatory

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Signature  **Chris Yates**
Authorised Signatory

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Signature  **Chris Hobbs**
Authorised Signatory