

PAYMENT GUARANTEE

THIS DEED OF GUARANTEE is made on 29 June 2017.

BETWEEN:

SSE PLC a company registered in Scotland (registered number SC117119) whose registered office is at Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ (the “Guarantor”); and

SSE GENERATION LIMITED a company registered in England and Wales (registered number 2310571) whose registered office is at 55 Vastern Road, Reading, Berkshire RG1 8BU (the “Company”).

WHEREAS:

- A. The Company is a wholly owned subsidiary of the Guarantor.
- B. The Guarantor has agreed to provide a continuing security in respect of the Company’s liabilities in accordance with the terms set out below.

NOW IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Guarantee the following words and phrases have the meanings stated:

“Effective Date” means the date of this Guarantee;

“Guaranteed Sum” means any present or future indebtedness, liabilities or other payment obligations which is due, owing or payable by the Company to any creditor and which is incurred by the Company in the ordinary course of business, whether incurred solely, severally or jointly with any other person, and in whatever currency;

1.2 The Clause headings used in this Guarantee are inserted for ease of reference only and shall not affect construction.

1.3 References in this Guarantee to a “party” or “Clause” are references respectively to the relevant party to or clause of this Guarantee.

2. **GUARANTEE**

- 2.1 The Guarantor undertakes that if the Company defaults in the payment of any Guaranteed Sum, the Guarantor will, within 14 days from receipt by it of notice in writing of such default from the creditor (containing full details of the sum claimed), pay such Guaranteed Sum as Guarantor.
- 2.2 The total cumulative amount recoverable from the Guarantor under this Guarantee shall not exceed three hundred million pounds sterling (£300,000,000);
- 2.3 This Guarantee shall become effective from the Effective Date and shall be a continuing security and remain in full force until terminated in accordance with Clause 3.

3. **TERMINATION**

- 3.1 The Guarantor may terminate this Agreement at any time by written notice to the Company with effect from the date specified in such notice (the "**Termination Date**").
- 3.2 Notwithstanding any notice of termination given under Clause 3.1, the liability of the Guarantor under the Guarantee shall continue in full force in relation to all Guaranteed Sums which:
- 3.2.1 have become due prior to the Termination Date; or
- 3.2.2 may become due, owing or incurred by the Company to any third party pursuant to any transaction, dealing or commitment or other engagement entered into or effected prior to the Termination Date.

4. **GENERAL**

- 4.1 This Guarantee may not be assigned by the Company without the prior written consent of the Guarantor. The Guarantor may not assign this Guarantee.
- 4.2 Any notice or communication given under this Guarantee shall be delivered personally, or sent by special delivery or by commercial courier, to the party required to receive the notice or communication as set out below:

To the Guarantor:

Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ

For the attention of: Company Secretary, SSE plc

To the Company:

Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ

For the attention of: Company Secretary, SSE Generation Limited


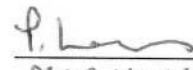
- 4.3 Any notice or other communication shall be deemed to have been duly received:
- (a) if delivered personally, when left at the address and for the contact referred to in Clause 4;
 - (b) if sent by special delivery post, at 9.00 am on the second Business Day after posting; or
 - (c) if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed.

4.4 This Guarantee may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this guarantee, but all the counterparts shall together constitute the same agreement.

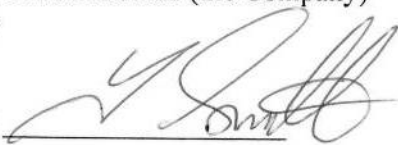

4.5 This Guarantee and any dispute or claim arising out of it (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and Wales and the parties submit to the exclusive jurisdiction of the English courts in respect of any dispute arising from or in connection with this Guarantee.

IN WITNESS WHEREOF the parties have executed this Guarantee as a Deed the day and year above mentioned.

Executed as a Deed for and on behalf of
SSE plc (the Guarantor) acting by

Director:  Witness: 
Name: PETER LAUN'S
Address: 200 DUNKELD ROAD, PERTH, PH1 3AQ
Occupation: COMPANY SECRETARY

Executed as a Deed for and on behalf of
SSE Generation Limited (the Company)
acting by

Director:  Witness: 
Name: Anna Zvanova
Address: 200 Dunkeld Road, Perth, PH1 3AQ
Occupation: Company Secretarial Assistant