

MR01

Particulars of a charge



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✓ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

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You may not use this form to
register a charge where there is no
instrument Use form MR08

SATURDAY



RCS 01/10/2016 #43
COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.

You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. **Do not send the original.**

1 Company details

Company number 0 0 0 1 5 4 5 4
Company name in full The Prudential Assurance Company Limited

41 For official use
→ **Filling in this form**
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d 2 9 m 0 9 y 2 0 y 1 6

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Zurich Assurance Ltd (Company number 02456671)

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4 Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

None

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5 Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☐ Yes

☒ No

6 Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7 Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8 Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9 Signature

Please sign the form here

Signature

Signature

X Hogan Lucels International LLP X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Steven McEwan

Company name Hogan Lovells International LLP

Address Atlantic House

Holborn Viaduct

Post town London

County/Region

Postcode E C 1 A 2 F G

Country United Kingdom

DX 57 London Chancery Lane

Telephone +44 (20) 7296 2000



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 15454

Charge code. 0001 5454 0041

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th September 2016 and created by THE PRUDENTIAL ASSURANCE COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st October 2016.

Given at Companies House, Cardiff on 6th October 2016



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 29 September 2016

PRUDENTIAL RETIREMENT INCOME LIMITED

as Chargor

- and -

ZURICH ASSURANCE LTD

as Reinsured

- and -

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

as PAC

DEED OF AMENDMENT RELATING TO A DEED OF CHARGE

I certify that this is a
true and complete copy
of the composite original
seen by me *Timothy Ellis*

TIMOTHY ELLIS, Solicitor
29/9/2016

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct,
London EC1A 2FG



C4/5124269
133761 095060

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct, London EC1A 2FG

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THIS DEED is made on

29 September

2016

BETWEEN:

- (1) **PRUDENTIAL RETIREMENT INCOME LIMITED**, a company registered in Scotland under registered number SC047842 whose registered office is at PO Box 25, Craigforth, Stirling, Scotland, FK9 4UE (the "**Chargor**"),
- (2) **ZURICH ASSURANCE LTD**, a company registered in England and Wales under registered number 2456671, whose registered office is at The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX (the "**Reinsured**"), and
- (3) **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**, a company registered in England and Wales under registered number 00015454 whose registered office is at Laurence Pountney Hill, London, EC4R 0HH ("**PAC**"),

each a "**Party**" and together, the "**Parties**"

WHEREAS:

- (A) On 21 December 2004, Allied Dunbar Assurance PLC ("**Allied Dunbar**") and the Chargor entered into a deed of charge (the "**Deed of Charge**") to secure the obligations of the Chargor in favour of Allied Dunbar in respect of amounts due under an annuities reinsurance agreement dated 23 December 2003 between Allied Dunbar and the Chargor Pursuant to a transfer under Part VII of the Financial Services and Markets Act 2000, Allied Dunbar subsequently transferred its rights and obligations under the Deed of Charge to the Reinsured
- (B) The long-term insurance business of the Chargor is to transfer to PAC pursuant to a scheme (the "**Scheme**") effected under Part VII of the Financial Services and Markets Act 2000 and as a result of the Scheme, with effect from the SED all of the Chargor's rights and obligations under the Deed of Charge will transfer to PAC
- (C) In connection with the Scheme, the Parties now wish to amend the Deed of Charge with effect from the SED in accordance with the terms set out in this Deed
- (D) A blackline version of the Deed of Charge showing the amendments made by this Deed is appended at Appendix 1 to this Deed

IT IS AGREED

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Deed, including the Recitals, the expressions used shall have the meanings given in the Deed of Charge and the following expression shall have the meaning given below

"**Allied Dunbar**" has the meaning given in Recital (A),

"**Deed of Charge**" has the meaning given in Recital (A),

"**Scheme**" has the meaning given in Recital (C), and

"**SED**" means the effective time of the Scheme, being 00 01 BST on 1 October 2016 or such other time and date as may be agreed by the Chargor and PAC and specified in the order made by the court sanctioning the Scheme

- 1.2 The provisions of Clauses 1.2 to 1.4 of the Deed of Charge shall apply to this Deed as if references therein to "this Deed" were references to this Deed

2 AMENDMENT OF THE DEED OF CHARGE

2.1 With effect from the SED, and in accordance with Clause 12.1 of the Deed of Charge, the Deed of Charge shall be amended as follows

- (a) the name and details of the "Chargor" contained in the Deed of Charge shall be deleted and replaced with the following wording

"THE PRUDENTIAL ASSURANCE COMPANY LIMITED, a company registered in England and Wales under registered number 00015454 whose registered office is at Laurence Pountney Hill, London, EC4R 0HH (the "**Chargor**"), and

- (b) the name and details of the "Reinsured" contained in the Deed of Charge shall be deleted and replaced with the following wording

"ZURICH ASSURANCE LTD, a company registered in England and Wales under registered number 2456671, whose registered office is at The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX (the "**Reinsured**"),

- (c) the definition of "Charged Property" in clause 1.1 of the Deed of Charge shall be deleted and replaced with the following wording

"Charged Property" means all the present and future assets held in the NPSF of the Chargor (and all rights and interest therein) from time to time, and includes any part of them,"

- (d) the definition of "FSA" in clause 1.1 of the Deed of Charge shall be deleted and replaced with the following wording

"FCA" means the Financial Conduct Authority of the United Kingdom or such other government or regulatory authority as may from time to time be responsible for the regulation of conduct of business and markets regulation of insurance business in the United Kingdom,"

- (e) the definition of "IPRU" in clause 1.1 of the Deed of Charge shall be deleted in its entirety,

- (f) the definition of "Long-Term Insurance Business Assets" in clause 1.1 of the Deed of Charge shall be deleted in its entirety,

- (g) the definition of "Regulatory Requirements" in clause 1.1 of the Deed of Charge shall be deleted and replaced with the following wording

"Regulatory Requirements" means all applicable laws and regulations and all applicable requirements, rules and standards of the FCA and/or PRA and any other relevant regulatory authority, as varied from time to time," and

- (h) the following new definitions shall be inserted in clause 1.1 of the Deed of Charge in their appropriate alphabetical place

(i) **"Collateral Account Floating Charge"** means any prior, contemporaneous or future floating charge granted by the Chargor to a third party over cash or assets contained in a specified collateral account opened by the Chargor with a custodian bank provided that, either

- (a) the total value of the cash and assets subject to all such charges granted or to be granted by the Chargor in respect of Liabilities which

are now or have been incurred or may in the future become incurred by the Chargor under or in connection with Reinsurance Contracts does not exceed an amount equal to £3 2 billion, or

(b) the Reinsured provides its written consent to the Chargor granting such a charge,"

- (ii) **""DCPSF"** means the fund bearing the name "Defined Charge Participating Sub-Fund" maintained by the Chargor within the Chargor's Long-Term Insurance Fund",
 - (iii) **""Long-Term Insurance Fund"** means the fund maintained for accounting purposes by the Chargor comprising all of the assets identified to cover its long-term insurance liabilities",
 - (iv) **""NPSF" or "Non-Profit Sub-Fund"** means the fund bearing the name "Non-Profit Sub-Fund" maintained by the Chargor within the Chargor's Long-Term Insurance Fund, which is maintained for accounting purposes to identify long-term insurance business which is shareholder-backed business and is not allocated to the DCPSF, the WPSF or the SAIF, but excluding any property charged under the deed of charge dated 9 June 2010 between the Chargor and Abbey National Treasury Services plc",
 - (v) **""PRA"** means the Prudential Regulation Authority of the United Kingdom or its successors from time to time or any other body with responsibility for the prudential supervision of the UK insurers from time to time,"
 - (vi) **""SAIF"** means the fund bearing the name "Scottish Amicable Insurance Fund" maintained by the Chargor within the Chargor's Long-Term Insurance Fund," and
 - (vii) **""WPSF"** means the fund bearing the name "With-Profits Sub-Fund" maintained by the Chargor within the Chargor's Long-Term Insurance Fund,"
- (i) Clause 4 1(e) of the Deed of Charge shall be deleted and replaced with the following wording
- "the execution, delivery and performance of this Deed has not, and will not, violate any law, rule or judicial order applicable to it, the Chargor's constitutional documents, or any material agreement or document which is binding upon the Chargor or any of its assets,"
- (j) clause 5 1 of the Deed of Charge shall be deleted and replaced with the following wording
- "The floating charge hereby created shall rank *pari passu* with any prior, contemporaneous or future floating charge, except for any Collateral Account Floating Charge, granted or to be granted by the Chargor in respect of Liabilities which are now or have been incurred or may in the future become incurred by the Chargor under or in connection with Reinsurance Contracts For the avoidance of doubt, this floating charge is intended to secure, *inter alia*, Secured Amounts arising after the date of this Deed",
- (k) clause 5 2 of the Deed of Charge shall be deleted and replaced with the following wording

"The Chargor shall use its reasonable endeavours to procure that security granted by the Chargor by way of floating charge, except for any Collateral Account Floating Charge, to third parties ("**Third Party Chargees**", each a "**Third Party Chargee**") after the date of this Deed in respect of Liabilities which are now incurred or may in the future become incurred by the Chargor under or in connection with Reinsurance Contracts shall be to the extent possible on the same or substantially the same terms to those contained herein (including the proviso to clause 3 1) and shall rank pari passu in the order of priority of payment in accordance with clause 5 1 "

- (l) clause 7 3(B) of the Deed of Charge shall be deleted and replaced with the following wording

"(B) the Chargor is prohibited from providing or maintaining the Charged Property referred to in this Deed or if a change in Regulatory Requirements has a material adverse effect on the ability of the Chargor to provide or maintain the Charged Property or if (by virtue of this Deed) assets subject to the Charged Property can no longer be valued to their full extent or the Chargor is required to make a deduction from the contribution of such assets to its regulatory capital, and the parties fail to reach agreement on a modification to the Charge or the provision of alternative security by the Chargor within 30 Business Days of the relevant change in Regulatory Requirements,"

- (m) in clause 7 5 of the Deed of Charge, the word "of" shall be inserted into the first line between the words "event" and "the",
- (n) clause 13 4(a) of the Deed of Charge shall be deleted and replaced with the following wording

"Chargor

Address The Prudential Assurance Company Limited, 3 Sheldon Square, London, W2 6PR, United Kingdom
Fax No 020 7548 3886
Attention The Company Secretary

With a copy to
The Prudential Assurance Company Limited
3 Sheldon Square, London, W2 6PR, United Kingdom
Attention General Counsel",

- (o) clause 13 4(b) of the Deed of Charge shall be deleted and replaced with the following wording

"Reinsured

Address Zurich Assurance Ltd, The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX

Attention The Company Secretary", and

- (p) the references to "Prudential Retirement Income Limited" in Schedule 1 to the Deed of Charge shall be deleted and replaced with "The Prudential Assurance Company Limited"

3. CONTINUITY AND FURTHER ASSURANCE

3 1 Continuing obligations

The rights, obligations and liabilities of the parties under the Deed of Charge shall continue in full force and effect, uninterrupted by the amendment hereunder, save insofar as they are amended hereby

3 2 Prospective effect only

The amendments made hereby to the Deed of Charge shall, with effect from the SED, have prospective effect only

3 3 Actions already taken

Any action already taken and any payment already made by a party under the Deed of Charge shall be treated as having been taken or made notwithstanding the amendment hereby, and shall not be required to be taken or made again by reason of the amendment hereby

3 4 Further assurance

Each of the Parties shall do all acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Deed

4 EXCLUSION OF CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person other than a Party shall have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term (express or implied) of this Deed

5. COUNTERPARTS

This Deed may be executed in one or more counterparts and by the different parties on separate counterparts, each of which when executed shall be an original, but all the counterparts together shall constitute one and the same instrument

6. INCORPORATION OF TERMS

The provisions of clauses 11 (*Forbearance and Illegality*), 12 (*Varations*), 13 (*Demands, Notices etc*), 14 (*Waivers, Remedies Cumulative*), 15 (*Partial Invalidity*), 16 (*Costs and Expenses*), 17 (*Assignment*) and 18 (*Governing Law and Jurisdiction*) of the Deed of Charge shall be incorporated into this Deed as if set out herein and as if references to "this Deed" were references to this Deed

IN WITNESS whereof this Deed has been executed and delivered as a deed by the parties on the date specified above

THIS DEED OF CHARGE made on 21 December 2004 as amended with effect from 1 October 2016

BETWEEN:

- (1) ~~PRUDENTIAL RETIREMENT INCOME LIMITED~~, a company under registered number SC047842 whose registered office is at PO Box 25, Craigforth, Stirling, Scotland, FK9 4UE (the "Chargor") and
- (1) ~~ALLIED DUNBAR ASSURANCE PLC~~ THE PRUDENTIAL ASSURANCE COMPANY LIMITED, a company registered in England and Wales under registered number 86529200015454 whose registered office is at Laurence Pountney Hill, London, EC4R 0HH (the "Chargor"), and
- (2) ZURICH ASSURANCE LTD, a company registered in England and Wales under registered number 2456671, whose registered office is at UK Life Centre, Station Road, Swindon SN1 4EL ~~The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX~~ (the "Reinsured")

WITNESSES as follows

1 INTERPRETATION

- 1.1 In this Deed, except insofar as the context otherwise requires, the following words and expressions shall have the meanings set out below

"Annuities Reassurance Agreement" means the annuities reassurance agreement entered into between the Chargor and the Reinsured on 23rd December 2003,

"Business Day" means a day (other than a Saturday or Sunday) on which the Reinsured is ordinarily open for business in London,

"Charged Property" means all the present and future assets, ~~property, business, undertaking and uncalled capital of~~ held in the Chargor ~~including the Long Term Insurance Business Assets~~ NPSF of the Chargor (and all rights and interest ~~in any of the foregoing therein~~) from time to time, and includes any part of them,

"~~ESACollateral Account Floating Charge~~" means any prior, contemporaneous or future floating charge granted by the Chargor to a third party over cash or assets contained in a specified collateral account opened by the Chargor with a custodian bank provided that, either

(a) the total value of the cash and assets subject to all such charges granted or to be granted by the Chargor in respect of Liabilities which are now or have been incurred or may in the future become incurred by the Chargor under or in connection with Reinsurance Contracts does not exceed an amount equal to £3.2 billion, or

(b) the Reinsured provides its written consent to the Chargor granting such a charge.

"DCPSF" means the fund bearing the name "Defined Charge Participating Sub-Fund" maintained by the Chargor within the Chargor's Long-Term Insurance Fund,

"FCA" means the Financial Services ~~Conduct~~ Authority or its successors ~~of the United Kingdom or such other government or regulatory authority as may~~ from time to time be responsible for the regulation of conduct of business and markets regulation of insurance business in the United Kingdom,

"FSMA" means the Financial Services and Markets Act 2000, as varied from time to time,

"Insurance Debts" has the meaning attributed to that expression by Regulation 2 of the Winding Up Regulations,

~~"IPRU" means the Interim Prudential Sourcebook for Insurers forming part of the FSA's Handbook of Rules and Guidance made pursuant to FSMA, as varied from time to time,~~

"**Liabilities**" means all or any amounts which would have constituted Insurance Debts had Reinsurance Contracts been contracts of ~~insurance~~insurance for the purposes of the Winding Up Regulations,

"Long-Term Insurance ~~Business Assets Fund~~" means the ~~whole of the fund maintained for accounting purposes by the Chargor comprising all of the assets identified to cover its long-term insurance liabilities.~~

"**NPSF**" or "**Non-Profit Sub-Fund**" means the fund bearing the name "**Non-Profit Sub-Fund**" maintained by the Chargor within the Chargor's Long-Term Insurance Fund, which is maintained for accounting purposes to identify long-term insurance business assets of the Chargor as that term is defined in Chapter 11 which is shareholder-backed business and is not allocated to the DCPSF, the WPSF or the SAIF, but excluding any property charged under the deed of charge dated 9 June 2010 between the Chargor and Abbey National Treasury Services plc.

"**PRA**" means the Prudential Regulation Authority of ~~IPRU~~the United Kingdom or its successors from time to time or any other body with responsibility for the prudential supervision of the UK insurers from time to time.

"**Reinsurance Contracts**" means reinsurance contracts written by the Chargor (whether prior to, on or after the date of this Deed) which are contracts of long term insurance as that term is defined in Article 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001,

"**Regulatory Requirements**" means all applicable laws and regulations and all applicable requirements, rules and standards of the FSAFCA and/or PRA and any other relevant regulatory authority, as varied from time to time,

"**SAIF**" means the fund bearing the name "**Scottish Amicable Insurance Fund**" maintained by the Chargor within the Chargor's Long-Term Insurance Fund.

"**Secured Amounts**" means all Liabilities which are now incurred or may in the future become incurred to the Reinsured by the Chargor under or in connection with Reinsurance Contracts,

"**Security Interest**" means any right or interest arising out of

- (a) any mortgage, standard security, charge, pledge, assignment or assignation (whether or not expressed to be by way of security), hypothecation, lien, encumbrance or other priority or security interest of any kind, howsoever created or arising,
- (b) any deferred purchase, title retention, trust, sale-and-repurchase, sale-and-leaseback, hold back or "flawed asset" arrangement or right of set-off,
- (c) any other agreement or arrangement of any kind having the same or a similar commercial or economic effect as security, and
- (d) any agreement for any of the foregoing,

"**Third Party Chargees**" has the meaning set out in clause 5 2,

"**VAT**" means valued added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature, ~~and~~

"**Winding Up Regulations**" means The Insurers__ (Reorganisation and Winding Up) Regulations 2004, as varied from time to time, and

"WPSF" means the fund bearing the name "With-Profits Sub-Fund" maintained by the Chargor within the Chargor's Long-Term Insurance Fund

1 2 Unless the context otherwise requires, in this Deed

- (a) references to any party shall be construed so as to include that party's respective successors in title, permitted assigns and permitted transferees,
- (b) "including" and "in particular" shall not be construed restrictively but shall mean respectively "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing",
- (c) a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing,
- (d) "variation" includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and "vary" and "varied" shall be construed accordingly,
- (e) "writing" includes facsimile transmission legibly received except ~~in~~ relation to any certificate, notice or other document which ~~is~~ expressly required by this Deed to be signed and "~~written~~ written" has a corresponding meaning,
- (f) subject to clause 12 (*Variations*), references to this Deed or to any other document include references to this Deed or such other document as varied in any manner from time to ~~time~~ lifetime,
- (g) the singular shall include the plural and vice versa, any gender shall include the other genders, and
- (h) clauses and schedules shall be construed as references to clauses of, and schedules to, this Deed

1 3 Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any secondary legislation made thereunder or any statutory modification, amendment, re-enactment or substitution of it for the time being in force

1 4 Headings in this Deed are inserted for convenience and shall not affect its interpretation

2 COVENANT TO PAY SECURED AMOUNTS

The Chargor hereby covenants that it will pay or discharge when due to the Reinsured all Secured Amounts in accordance with the terms of all relevant Reinsurance Contracts

3 CREATION OF FLOATING CHARGE AND CRYSTALLISATION

3 1 As continuing security for the payment and discharge of the Secured Amounts, the Chargor hereby charges to the Reinsured by way of floating charge all the Chargor's right to and title and interest in the Charged Property, provided that, unless and until all unsecured and unsubordinated ~~insurance~~ insurance Debts of the Chargor have been fully discharged, the amount recoverable under this Deed shall not exceed such amount as the Reinsured would have been entitled to receive from the Chargor if the Secured Amounts had been unsecured and unsubordinated Insurance Debts of the Chargor and had not been hereby secured

3 2 The Reinsured shall not appoint an administrative receiver, receiver or administrator under this Deed and shall not apply to court for the appointment of a receiver before crystallisation of the charge as contemplated by clause 3 3

- 3 3 The floating charge shall only crystallise into a fixed charge over all the Charged Property on the Chargor going into liquidation within the meaning of section 247(2) of the Insolvency Act 1986
- 3 4 The Reinsured undertakes promptly upon notice by the Chargor to enter into such absolute and unconditional releases and to take such steps as are reasonably necessary to effect the sale or realisation of all or any of the Charged Property to enable a distribution to be made to the creditors of the Chargor, having regard to clause 3 1
- 3 5 The Reinsured consents to any liquidator of the Chargor carrying on the Chargor's business so far as it consists of carrying out the Chargor's contracts of long term insurance pursuant to section 376 of FSMA

4 REPRESENTATIONS AND WARRANTIES

- 4 1 The Chargor represents and warrants to the Reinsured that

- (a) it is a company duly formed and validly existing under ~~the~~ laws of its jurisdiction of formation,
- (b) it has the capacity and power to execute and deliver this Deed and to perform its obligations under it and has taken all necessary action to authorise such execution, delivery and performance,
- (c) the persons signing this Deed on its behalf are duly authorised to do so on its behalf,
- (d) it has obtained all authorisations of any governmental or regulatory body required in connection with execution, delivery and performance of this Deed and such authorisations are in full force and effect,
- (e) the execution, delivery and performance of this Deed has not, and will not, violate any law, rule or judicial order applicable to it, the Chargor's constitutional documents, or any material agreement or document which is binding upon the ~~Charger~~Chargor or any of its assets ~~or result in the creation of (or a requirement for the creation of) any security over any Charged Property.~~
- (f) it is acting as a principal in entering into this Deed and performing its obligations hereunder, and
- (g) it has the right to charge the Charged Property in favour of the Reinsured under this Deed

- 4 2 The representation and warranties set out in this Clause 4 are made on the date of this Deed

5 RANKING AND THIRD PARTY CHARGEES

- 5 1 The floating charge hereby created shall rank *pari passu* with any prior, contemporaneous or future floating charge, except for any Collateral Account Floating Charge, granted or to be granted by the Chargor in respect of Liabilities which are now or have been incurred or may in the future become incurred by the Chargor under or in connection with Reinsurance Contracts. For the avoidance of doubt, this floating charge is intended to secure, *inter alia*, Secured Amounts arising after the date of this Deed
- 5 2 The Chargor shall use its reasonable endeavours to procure that security granted by the Chargor by way of floating charge, except for any Collateral Account Floating Charge, to third parties ("Third Party Chargees", each a "Third Party ~~Charges~~Chargee") after the date of this Deed in respect of Liabilities which are now incurred or may in the future become incurred by the Chargor under or in connection with Reinsurance Contracts shall be to the extent

possible on the same or substantially the same terms to those contained herein (including the proviso to clause 3 1) and shall rank ~~pari~~ passu in the order of priority of payment in accordance with clause 5-15 1

- 5 3 In the event of the floating charge hereby created crystallising, the Reinsured shall co-operate with any Third Party Chargees in order to realise the Charged Property in a proper and orderly manner in accordance with the terms of this Deed and the equivalent terms of the floating charge or charges securing amounts due to those Third Party Chargees

6 ORDINARY COURSE DEALINGS AND PART VII TRANSFERS

- 6 1 At all times prior to the crystallisation of the floating charge created by this Deed, the Chargor shall be at liberty to deal with the Charged Property in the ordinary course of business as if this Deed had not been executed
- 6 2 For the avoidance of doubt, and without any intention to limit the scope of clause 6 1, it is hereby agreed that the Chargor may, in the ordinary course of business, enter into any agreement for the transfer of securities, financial instruments, money and/or other assets by way of a stock lending or borrowing, repurchase arrangement or sale and buy-back, as well as enter into collateralised derivatives contracts, and perform its obligations under any such agreement, arrangement or contract
- 6 3 Any party dealing in good faith with the Charged Property which consists of or includes real property shall be entitled to assume without further enquiry that
- (A) the dealing is in the ordinary course of business,
 - (B) Prudential Property Investment Managers Limited (or any other investment manager appointed by the Chargor in respect of any or all of the Charged Property which consists of or includes real property) or the Chargor is authorised to issue letters of non-crystallisation in respect of the Charged Property, such letters to be issued substantially in the form attached to Schedule 1 of this Deed, and
 - (C) in the absence of any entry in respect of this Deed at the Land Registry (or, where applicable, in the Land Register in Scotland), the floating charge created by this Deed has not crystallised
- 6 4 Nothing in this Deed shall restrict, prevent or limit the Chargor from entering into an insurance business transfer scheme pursuant to Part VII of FSMA whether in respect of the whole or part of the ~~Charger's~~Chargor's assets and liabilities (which scheme may, for the avoidance of doubt, include the transfer of the rights and obligations of the Chargor under this Deed but without prejudice to any right the Reinsured may have to argue that it would be adversely affected by the carrying out of such a scheme) "Insurance business transfer scheme" for the purposes of this clause 6 4 and clause 12 1 has the same meaning ascribed to it as under section 105 of FSMA
- ## 7 CONTINUANCE OF SECURITY, REDEMPTION
- 7 1 Without prejudice to the generality of clause 2 (*Covenant to pay Secured Amounts*) and the circumstances specified in clause 3 4, the charge, covenants and provisions contained in this Deed shall remain in force as a continuing security to the Reinsured, notwithstanding any settlement of account or any other act, event or matter, whatsoever, until the execution by the Reinsured of an absolute and unconditional release by deed under English law or the release and discharge of this Deed pursuant to clauses 7 2 and 7 3
- 7 2 Once the Secured Amounts are repaid and discharged in full and the ~~Charger~~Chargor has no further obligation (whether actual, prospective or contingent) in relation to any Reinsurance

Contract with the Reinsured, the ~~Charger~~Chargor shall be entitled to redeem the security constituted, by this Deed and to require the Reinsured to effect a full release and discharge of it, including performing all such deeds, acts and things as are necessary to release the Charged Property from the security created by this Deed

7 3 Subject to clause 7 4, notwithstanding that any Secured Amounts remain outstanding, the Chargor shall be entitled to redeem the security created by this Deed and to require the Reinsured at the Chargor's cost to effect a full release and discharge of it, including performing all such deeds, acts and things as are reasonably necessary to release the Charged Property from the security created by this Deed, if, owing to a change in Regulatory Requirements

(A) the Secured Amounts would (on the assumption that they are not secured under this Deed or otherwise) rank ~~pari passu~~ in order of priority of payment with unsecured or unsubordinated Insurance Debts, or

(B) the ~~Charger~~Chargor is prohibited from providing or maintaining the Charged Property referred to in this Deed or if a change in Regulatory Requirements has a material adverse effect on the ability of the Chargor to provide or maintain the Charged Property or if (by virtue of this Deed) assets subject to the Charged Property can no longer be ~~treated as fully admissible assets, or otherwise~~ valued to their full extent, ~~in accordance with Chapter 4 or the Chargor is required to make a deduction from the contribution of IPRU~~ such assets to its regulatory capital, and the parties fail to reach agreement on a modification to the Charge or the provision of alternative security by the Chargor within 30 Business Days of the relevant change in Regulatory Requirements,

provided that such entitlement of the ~~Charger~~Chargor shall only arise in the case of (A) automatically upon notice in writing to the Reinsured or in the case of (B) at any time upon 6 months' notice in writing to the Reinsured and, in either case following the performance by the Chargor of any obligation to the Reinsured consequential upon exercise by the Reinsured of a right to recapture the reinsurance under the Annuities Reassurance Agreement as referred to in clause 7 5

7 4 The entitlement of the Chargor to redeem the security created by this Deed and to require the Reinsured to effect a full release and discharge of it in accordance with clause 7 3 shall be automatically and unconditionally revoked if at any time at or before the date the Chargor exercises such entitlement following compliance with the applicable notification requirements under clause 7 3

(A) the Chargor is or becomes ~~insolvent~~insolvent or unable to pay its debts as they fall due, or the value of its assets is less than the amount of its liabilities (taking into account contingent and prospective liabilities), or

(B) the security created by this Deed has crystallised pursuant to clause 3 3

7 5 In the event of the giving of notice to effect a release of the security under either of clause 7 3(A) or 7 3(B), the Reinsured may terminate the Annuities Reassurance Agreement and, in that event, the reinsurance under the Annuities Reassurance Agreement shall be recaptured by the transfer of the appropriate assets and liabilities between the Reinsured and the Chargor in accordance with the applicable terms and conditions of the Annuities Reassurance Agreement

8 REINSURED'S UNDERTAKING

8 1 If the Reinsured is notified in advance in writing that a meeting of creditors of the ~~Charger~~Chargor is to be convened or held for the purposes of approving a proposal for a

scheme of arrangement under section 425 Companies Act 1985 (as amended) or for a voluntary arrangement under Part 1 of the Insolvency Act 1986 (as amended) in respect of the Chargor, the Reinsured undertakes that it will agree to be bound by the proposal and (to the extent necessary to give effect to the intention of this clause) to release the security constituted by this Deed, provided that

- (a) the proposal has the effect of ensuring that the Reinsured will receive the amount recoverable under this Deed up to the limits specified in clause 3.1, and
- (b) if (but only if) the Reinsured had notified the Chargor at or prior to the meeting that the Reinsured opposed the proposal, the proposal would have been passed by the requisite majority(ies) even if the Reinsured had been entitled to vote on the proposal in respect of the Secured Amounts as an ~~insurance~~insurance Debt and had voted against the proposal in respect of that amount

9 ADDITIONAL SECURITY

The charge contained in this Deed is in addition to and shall neither be merged in, nor in any way exclude or prejudice, any other Security Interest, right of recourse or other right whatsoever which the Reinsured may now or in the future hold or have (or would apart from this Deed hold or have) as regards the Chargor or any other person in respect of the Secured Amounts, whether by virtue of contract, statute or otherwise

10 THIRD PARTY RIGHTS

No person other than a party to this Deed shall have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term (express or implied) of this Deed, but without prejudice to any right or remedy of the third party which may exist or be available apart from that Act, save that Third Party Chargees shall be entitled to enforce the terms of clauses 5.2 to 5.1 (inclusive) and clause 12.2 but only to the extent that such Third Party Chargees shall be bound by the provisions of this Deed in relation to clauses 5.2 and 5.1 (inclusive) and clause 12.2

11 FORBEARANCE AND ILLEGALITY

11.1 All rights, powers and privileges under this Deed shall continue in full force and effect, regardless of either party exercising, delaying in exercising or omitting to exercise any of them

11.2 Any provision of this Deed which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity or unenforceability, without invalidating the remaining provisions of this Deed

12 VARIATIONS

12.1 Subject to clause 12.2 and other than pursuant to an insurance business transfer scheme under Part VII of FSMA or any successor legislation thereto, no variation of this Deed shall be valid and constitute part of this Deed, unless such variation shall have been made in writing and signed by the Chargor and the Reinsured

12.2 No variation of this Deed which to any material extent adversely affects the rights (whether under this Deed or otherwise) of a Third Party Chargee under security granted by the Chargor pursuant to, and in accordance with, clause 5.2 shall be valid without the consent in writing of the relevant Third Party Chargee (such consent not to be unreasonably withheld or delayed) The Chargor acknowledges that the Reinsured shall have the benefit of equivalent provisions in such security granted in favour of a Third Party Chargee, in relation to which the Reinsured agrees not unreasonably to withhold or delay its consent

13 DEMANDS, NOTICES ETC

13 1 A demand for payment or other demand or notice to the Chargor under this Deed shall be made or given by any director or officer of the Reinsured in accordance with clause 13 2

13 2 Each party shall notify to the other party an authorised address and facsimile number in the United Kingdom for the purpose of this clause and the first such authorised address for each party shall be the address and facsimile number stated ~~in~~ clause 13 4 Any demand, notice, consent or approval or other communication to be given under this Deed shall be ~~in~~ writing and shall either be delivered personally or sent by pre-paid first class post or facsimile transmission to the relevant party's address or facsimile number stated in clause 13 4 (or such other address or facsimile number (in each case in the United Kingdom) as is notified in writing from time to time by such party to the other party ~~in~~ accordance with the requirements of this clause) Subject to clause 13 3, any such notice shall be effective upon receipt and shall be deemed to have been received -

- (a) ~~it~~ delivered personally, at the time of delivery,
- (b) if sent by pre-paid first class post, at 12 00pm (noon) on the Business Day following the day of posting and in proving the same, it shall be sufficient to show that the envelope containing the same was duly addressed, stamped and posted, and
- (c) if communicated by facsimile transmission, upon receipt by the sender of a facsimile transmission report (or other appropriate evidence) that the facsimile has been transmitted to the address

13 3 If any demand, notice, consent or approval or other communication under this Deed is deemed to have been received at the address for receipt after 5 00pm on a Business Day or on a day which is not a Business Day, it will be deemed to have been received at 9 00am on the next Business Day for the purposes of this Deed

13 4 For the purposes of this clause the authorised address of each party shall be the address set out below

(a) Chargor

Address ~~The Prudential Retirement Income Assurance Company Limited, Laurence Pountney Hill,~~
3 Sheldon Square, London, EC4R 0HHW2 6PR, United Kingdom

Fax No 020 7548 3886

Attention The Company Secretary

With a copy to

The Prudential Assurance Company Limited

3 Sheldon Square, London, W2 6PR, United Kingdom

Attention General Counsel

(b) Reinsured:

Address ~~Allied Dunbar Zurich Assurance plc, UK Life Centre, Station Road, Swindon Ltd, The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX~~
SN1 1EL

~~Fax No 01793 504 739~~
Attention The Company Secretary

14 **WAIVERS, REMEDIES CUMULATIVE**

Save as expressly provided in this Deed, no failure to exercise, or delay in exercising, on the part of any party to this Deed any right, power or privilege under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise, or the exercise of any other right, power or privilege. No waiver by the Reinsured shall be effective unless it is in writing. The rights and remedies of the Reinsured are cumulative and not exclusive of any rights or remedies provided by law.

15 **PARTIAL INVALIDITY**

Without prejudice to clause 7.3 of this Deed, if, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any relevant jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed, nor the legality, validity or enforceability of that provision under the law of any other jurisdiction, shall be affected or impaired in any way.

16 **COSTS AND EXPENSES**

All costs and expenses (~~including~~including legal fees and any applicable VAT) incurred by the Chargor and the Reinsured in connection with the perfection of the security contemplated by this Deed or by the Reinsured in connection with the exercise, preservation and/or enforcement or attempted enforcement of the security created by or contemplated by this Deed shall be borne equally by the Chargor and Reinsured.

17 **ASSIGNMENT**

Other than in conjunction with a business transfer pursuant to Part VII of FSMA, or any successor legislation thereto, neither party may assign and transfer all or any part of its rights and obligations under the Deed without the prior written consent of the other party.

18 **GOVERNING LAW AND JURISDICTION**

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

18.2 The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed, ~~including~~including a dispute regarding the existence, validity or discharge of this Deed or the security comprised in it (a "Dispute").

18.3 The parties agree that the English courts are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

18.4 Nothing in this clause limits the rights of the Reinsured to bring proceedings against the Chargor in connection with this Deed in any other court of competent jurisdiction or concurrently in more than one jurisdiction.

THIS DEED has been executed by the Chargor and Reinsured as a deed and it shall take effect on the day and year first above written.

EXECUTED AND DELIVERED)
as a Deed by **THE PRUDENTIAL RETIREMENT**)
INCOME ASSURANCE COMPANY LIMITED)

Director

Director/Secretary

EXECUTED AND DELIVERED)
as a Deed by ~~ALLIED~~ DUNBARZURICH)
ASSURANCE ~~PLCLTD~~)

Director

Director/Secretary

SCHEDULE 1 LETTER OF NON-CRYSTALLISATION

[Letterhead of Chargor/Property Investment Manager]

[Date]

[Address of purchaser/tenant]

Dear Sirs,

The Prudential Retirement Income Assurance Company Limited (the "Chargor")
[Address of relevant property] (the "Property")

We, the [Chargor] [property investment manager to the Chargor], being the Chargor under the Deed of Charge dated [] and made between [] and ourselves [and under the Deed of Charge dated [] and made between [] and ourselves] [*list any other relevant Deeds of Charge to which Chargor a party*] and as the [grantor of a floating charge] [property investment manager to the grantor of a floating charge], HEREBY CERTIFY that,

- 1 as at the date hereof we are not aware of any event and we have not taken any action causing the floating charge contained in the Deed[s] of Charge to crystallise, and
- 2 as at the date hereof we have no objection to the sale of the Property and acknowledge that when the Property no longer forms ~~part~~ part of the Chargor's assets it will cease to be subject to the floating charge contained in the Deed[s] of Charge

Dated this [day] [month], [year]

Yours truly,
for and on behalf of

The Prudential Retirement Income Assurance Company Limited [Property Investment Manager]

Authorised Signatory

SIGNATURES

Chargor

EXECUTED as a DEED by
the affixing of the common seal of
**PRUDENTIAL RETIREMENT
INCOME LIMITED**

acting in the presence of

)
)
)
)
)
)

Sealing Officer

Reinsured

EXECUTED as a DEED by
ZURICH ASSURANCE LTD
acting by a director in the presence of a witness

)
)
)
)



Director

Witness

Signature

c-arnold

Print name

Caroline Arnold

Address

TCI, New Bridge Quay
London, SW1 1HN

PAC

EXECUTED as a DEED by
the affixing of the common seal of
**THE PRUDENTIAL ASSURANCE
COMPANY LIMITED**

acting in the presence of

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Sealing Officer

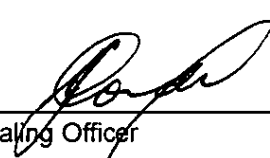
SIGNATURES

Chargor

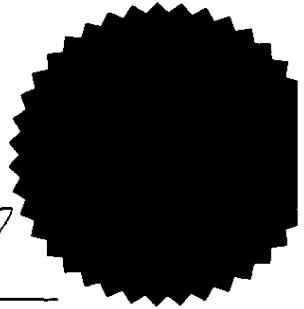
EXECUTED as a DEED by
the affixing of the common seal of
**PRUDENTIAL RETIREMENT
INCOME LIMITED**

acting in the presence of

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Sealing Officer



Reinsured

EXECUTED as a DEED by
ZURICH ASSURANCE LTD
acting by a director in the presence of a witness

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)

Director

Witness

Signature

Print name

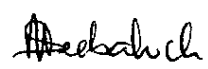
Address

PAC

EXECUTED as a DEED by
the affixing of the common seal of
**THE PRUDENTIAL ASSURANCE
COMPANY LIMITED**

acting in the presence of

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Sealing Officer

