

MR02

Particulars of a charge subject to which property
or undertaking has been acquired



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A fee is be payable with this form
Please see 'How to pay' on the last page

☒ **What this form is for**
You may use this form to register
particulars of a charge subject to
which property or undertaking
has been acquired (where the
charge was created or evidenced
by an instrument)

☒ **What this form is NOT for**
You may not use this form to
register particulars of a charge
subject to which property or
undertaking has been acquired
where there is no instrument Use
form MR09

WEDNESDAY



A5GZHJSP

A09

05/10/2016

#24

COMPANIES HOUSE

☒ 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

42 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 2 9 0 6 2 0 1 6

3 Date property or undertaking was acquired

Date acquired 0 1 1 0 2 0 1 6

4 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 Vodafone Group Pension Trustee Limited

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

MR02

Particulars of a charge subject to which property or undertaking has been acquired

5

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

N/A

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

6

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

7

Floating charge

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

☒ Yes Continue

☐ No Go to **Section 8**

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

☐ Yes

8

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

9

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)

10

Signature

Please sign the form here

Signature

Signature

X Hogan Lovells International LLP X

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

MR02

Particulars of a charge subject to which property or undertaking has been acquired



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 entered the date on which the charge was created
- ☐ You have entered the date on which the property or undertaking was acquired
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 4, 6, 7, 8 & 9
- ☐ You have given a description in Section 5, 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.companieshouse.gov.uk 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 0042

The Registrar of Companies for England and Wales hereby certifies that a charge acquired by THE PRUDENTIAL ASSURANCE COMPANY LIMITED on 1st October 2016 was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th October 2016.

D x

Given at Companies House, Cardiff on 12th October 2016



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

EXECUTION VERSION

Dated 29 June, 2016

PRUDENTIAL RETIREMENT INCOME LIMITED
as Chargor

-and-

VODAFONE GROUP PENSION TRUSTEE LIMITED
as Chargee

SECURITY DEED


Slaughter and May
One Bunhill Row
London EC1Y 8YY
(GO/IGI)

535562468

WE CERTIFY THIS TO BE
A TRUE COPY OF THE
ORIGINAL *save for material*
REDATED PURSUANT TO S.8596 OF THE COMPANIES ACT 2006
TRAVERS SMITH LLP
10 SNOW HILL, LONDON EC1A 2AL
SOLICITORS
Travers Smith LLP (P.K. Hughes)
DATE *1/7/16*

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Signature

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Authorised by the Registrar of Companies

Date

28th September 2016

EXECUTION VERSION

THIS DEED OF CHARGE is made on 29 June, 2016

BETWEEN,

- (1) **PRUDENTIAL RETIREMENT INCOME LIMITED**, a company registered in Scotland under registered number SC047842 whose registered office is at Craigforth, Stirling, Scotland, FK9 4UE (the "**Chargor**"), and
- (2) **VODAFONE GROUP PENSION TRUSTEE LIMITED**, acting solely in its capacity as trustee of the segregated CWW Section of the Vodafone Group Pension Scheme, incorporated in England and Wales with registered number 02288254 whose registered office is at Vodafone House, The Connection, Newbury, Berkshire RG14 2FN (the "**Chargee**"),

(each a "**Party**" and together the "**Parties**").

WHEREAS:

- A. The Chargor and the Cable & Wireless Pension Trustee Limited (the "**CWSF Trustee**") entered into a Group Buy-In Policy dated 2nd September, 2008 (the "**Original Policy**") and a deed of charge dated 2nd September, 2008 in connection with the Original Policy (the "**Existing Security Deed**"). The Original Policy contains certain provisions specifying that the rights of the CWSF Trustee are subject to subordination in certain circumstances pursuant to a subordination trust deed dated 2nd September, 2008 entered into between the Chargor and the CWSF Trustee (the "**Subordination Trust Deed**")
- B. The Original Policy contains provisions under which the CWSF Trustee can require the Original Policy to be split on the terms provided for in the Original Policy or as otherwise agreed between the Parties (the "**Policy Split**"). The Parties implemented the Policy Split in the following manner, as to which Steps 1 to 5 occurred simultaneously.

Step 1. A new policy (the "**New Policy**") was issued to the CWSF Trustee to cover certain benefits for and in respect of certain members and beneficiaries under the New Policy in respect of periods after 30th November, 2010 (the "**Policy Split Date**")

Step 2. A deed of amendment (the "**2010 Deed of Amendment**") was entered by the Chargor and the CWSF Trustee which amended the Original Policy such that certain benefits for and in respect of certain members and beneficiaries under the New Policy in respect of periods after the Policy Split Date ceased to be provided under the Original Policy and are, instead, provided under the New Policy.

Step 3. The obligations of the Chargor to the CWSF Trustee secured under the Existing Security Deed will continue to secure the obligations of the Chargor under the Original Policy, as amended by the 2010 Deed of Amendment

Step 4. The Chargor entered into a security deed dated 30 November 2010 (the "**First Security Deed**") to secure its obligations under the New Policy on the terms and conditions provided for in the First Security Deed

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Step 5. The OP Subordination Trust Deed (as defined in the New Policy) was amended by a deed of amendment (the "Subordination Trust Deed of Amendment") to provide that the provisions of the OP Subordination Trust Deed, as amended by the Subordination Trust Deed of Amendment, apply to the Original Policy, as amended by the 2010 Deed of Amendment, and to the New Policy, and will also apply on the assignment and novation of the New Policy pursuant to the 2010 Deed of Assignment as defined in Step 6 below

Step 6 The Chargor, the CWSF Trustee and the New Trustee (as trustee of the Cable & Wireless Worldwide Retirement Plan established by a Definitive Deed dated 15th January, 2010 (the "New Scheme")) entered into a deed of assignment and novation (the "2010 Deed of Assignment") under which the CWSF Trustee assigned and novated its rights and obligations.

(a) under the New Policy, and

(b) under the First Security Deed,

to the New Trustee on the terms and subject to the conditions of the 2010 Deed of Assignment with effect from the end of the Policy Split Date.

C. The Chargor, the New Trustee and the Chargee entered into a deed of assignment and novation (the "2014 Deed of Assignment (Policy)") dated 29 May 2014 under which the New Trustee assigned and novated its rights and obligations under the New Policy to the Chargee on the terms and subject to the conditions of the 2014 Deed of Assignment (Policy) with effect from the "Transfer Time" (as defined in the 2014 Deed of Assignment (Policy)).

D. The Chargor, the New Trustee and the Chargee entered into a deed of assignment and novation (the "2014 Deed of Assignment (Security Deed)") dated 29 May 2014 under ~~which the New Trustee assigned and novated its rights and obligations under this Deed~~ to the Chargee, and amended the First Security Deed, on the terms and subject to the conditions of the 2014 Deed of Assignment (Security Deed).

E. By a written consent dated 9 December 2015 (the "Charged Accounts Consent") the Chargee consented to certain new cash accounts and securities accounts being (respectively) Cash Accounts and Securities Accounts (as defined in, and for the purpose of, the First Security Deed).

F. The Chargor and the Chargee then entered into a deed of amendment (the "2015 Deed of Amendment (Security Deed)") dated 9 December 2015 which, inter alia:

(1) amended the First Security Deed to reflect, inter alia, the addition of the new Charged Accounts (as defined in, and for the purpose of, the First Security Deed) pursuant to the Charged Accounts Consent,

(2) created security over, inter alia, the new Charged Accounts to the extent that such Charged Accounts were not already subject to security pursuant to the First Security Deed, and

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- (3) amended the First Security Deed to enable the Trustee, in certain circumstances, to transfer the Charged Property to its own custodian, to be held in accordance with requirements set out in the First Security Deed.
- G. Concurrently with the 2015 Deed of Amendment (Security Deed), the Chargor and the Chargee also entered into a deed of amendment (the "2015 Deed of Amendment (Policy)") to amend, inter alia, the termination provisions of the New Policy as they apply in certain circumstances
- H. The Chargor and the Chargee have, immediately prior to the entering into of this Deed, entered into a deed of amendment and restatement (the "2016 Deed of Amendment (Policy)") in order to reflect, inter alia, certain changes to the New Policy agreed between the Parties as a consequence of the new regime for insurers under EC Directive 2009/138/EC (the "Solvency II Directive") becoming effective on 1 January 2016.
- I. Under the 2016 Deed of Amendment (Policy) the Chargor and the Chargee acknowledged and confirmed that, following the changes to the New Policy made by the 2016 Deed of Amendment (Policy), the First Security Deed (as amended by the 2015 Deed of Amendment (Security Deed)) and any security created by the 2015 Deed of Amendment (Security Deed) continue to secure the obligations of the Chargor to the Chargee under, inter alia, the New Policy (as amended by the 2016 Deed of Amendment (Policy)).
- J. Notwithstanding such acknowledgement and confirmation, the Parties have entered into this Deed in order to create security on substantially the same terms as the security under the First Security Deed, but ranking behind any security created by the First Security Deed and/or the 2015 Deed of Amendment (Security Deed)

IT IS HEREBY AGREED 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.

"2010 Assignment" means the assignment and novation of the rights, benefits, interests and obligations of the parties to the 2010 Deed of Assignment including the assignment and novation to the New Trustee of the CWSF Trustee's rights, benefits, interests and obligations in or under the New Policy and the First Security Deed pursuant to the 2010 Deed of Assignment,

"2010 Deed of Assignment" has the meaning ascribed to it in the Recitals hereto,

"2012 Deed of Amendment" means the deed of amendment and restatement relating to the New Policy entered into on 15 August 2012 for the purposes of extending the New Policy so as to cover liabilities in respect of Additional Pensioner Members and Additional Beneficiaries.

"2014 Assignment" means the assignment and novation of the rights, benefits, interests and obligations of the parties to the 2014 Deed of Assignment (Security Deed) by way

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of the assignment and novation to the Chargee of the New Trustee's rights, benefits, interests and obligations in or under the First Security Deed pursuant to the 2014 Deed of Assignment (Security Deed);

"2014 Deed of Assignment (Security Deed)" has the meaning ascribed to it in the Recitals hereto;

"2015 Deed of Amendment (Policy)" has the meaning ascribed to it in the Recitals hereto,

"2015 Deed of Amendment (Security Deed)" has the meaning ascribed to it in the Recitals hereto;

"2016 Deed of Amendment (Policy)" has the meaning ascribed to it in the Recitals hereto,

"Assigned Assets" means all of the Chargor's present and future rights, title, interest and benefit in, to, under or in respect of

- (a) the Custody Agreement (including, without limitation against the Custodian); and
- (b) any investment management agreement, with respect to giving instructions to the Investment Manager;

to the extent that such rights relate to the Charged Property;

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

~~"Cash" means any cash, whether representing capital or income in any currency (whether arising out of or in connection with the Securities or otherwise) received or collected by or on behalf of the Custodian pursuant to the Custody Agreement and (in each case) relating to any Charged Account,~~

"Cash Accounts" means the cash accounts maintained by the Custodian as an FCA and PRA-approved deposit-taker for the account of the Chargor (but subject to the security created under this Deed in the Chargee's favour) pursuant to the Custody Agreement with the account numbers

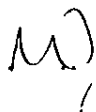
(or as redesignated or renumbered from time to time, or such other substituted or additional accounts as may be from time to time established pursuant to clauses 19.9 or 19.10 or otherwise with the prior written agreement of the Chargee);

"Charged Account" means each of the Cash Accounts and the Securities Accounts;

"Charged Property" means (subject to Clause 18.3) all of the Chargor's right, title, interest and benefit, existing now or in the future, in, to, under or in respect of

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- (A) each Charged Account and all sums of money for the time being held in or standing to the credit of each Cash Account together with all interest from time to time accruing thereon,
- (B) all Securities being held in or standing to the credit of each Securities Account from time to time;
- (C) all other Property and all rights, cash (including, without limitation, coupons) and property whatsoever which may from time to time be derived from, accrue on or be offered in respect of any Property referred to in paragraphs (a) and (b) above, whether by way of corporate action or otherwise, including any right or benefit arising by way of bonus, consolidation, conversion, exchange, option, preference, redemption, return of capital and any right or benefit arising by way of dividend, distribution, interest or in any other way, including without limitation any rights against the Custodian, any sub-custodian, clearing system, banker or other person, and
- (D) the Charged Accounts including without limitation all rights of the Chargor to the delivery of Equivalent Securities or payment or repayment of cash,

"Crystallisation Event" means any event or circumstance specified as such in Clause 4.1,


"Custodian" means HSBC Bank plc, a company incorporated in England and Wales under registered number 00014259, whose registered office is at 8 Canada Square, London E14 5HQ, or such other person as may from time to time be appointed as custodian of the Charged Property in accordance with Clause 19.2,

"Custodian Notice Event" means circumstances where:

- (a) the Chargee exercises its right under Clause 10.2 of the New Policy to terminate the New Policy and demand the Surrender of all Policy Benefits (which termination, for the avoidance of doubt and notwithstanding Clause 4.2 below, may without limitation be in respect of any event or circumstance that gives rise to a right to terminate the New Policy in Clause 10.2 of the New Policy);
- (b) a Custody Agreement Termination Notice Event (as defined in Clause 10.2(f) of the New Policy) has occurred (whether before or after the termination referred to in Clause 4.2(A) below),
- (c) the parties have not reached agreement within the meaning of Clause 10.2(f)(ii) of the New Policy (whether or not the Chargor has complied with its obligations under Clause 10.2(f)(i) of the New Policy), and implemented such agreement, within six months following the Custody Agreement Termination Notice Event, and
- (d) an Enforcement Event has not otherwise arisen by the date falling two weeks prior to (and excluding) the last day of the Continuation Period (as defined in

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paragraph 2(a) of the acknowledgement of the Notice (as defined in Clause 19.1 of this Deed) given by the Custodian to the Chargee).

"Custody Agreement" means the global custody agreement dated 4 July 2001 made between the Custodian and the Investment Manager as amended, modified and supplemented by supplemental agreements dated 18 November 2003, 20 January 2004 and 18 May 2005 or such other custody agreement as may be entered into by the Chargor and a new custodian in accordance with Clause 19.2,

"Enforcement Event" means any event or circumstance specified as such in Clauses 4.2 and 4.3;

"Equivalent Securities" means, with respect to any Securities standing from time to time to any Charged Account, securities of the same type, nominal value, description and amount as such Securities;

"FCA" means the Financial Conduct Authority or its successors from time to time;

"FCA Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003, as varied from time to time;

"First Security Deed" has the meaning ascribed to that term in the Recitals hereto,

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

"Increase in the Index" means the percentage increase in the value of the May Index over the value of the immediately preceding May Index, such amount being zero if there is a decrease in the Index over the Reference Period;

"Index" means the All Items Retail Prices Index published by the Office for National Statistics,

"Initial Premium Transfer Date" has the meaning given to it in the New Policy,

"Insolvency Act" means the Insolvency Act 1986, as varied from time to time;

"Insolvency Event" means:

- (a) that the Chargor is or becomes at any time unable or admits inability to pay its debts as they fall due within the meaning of section 123 of the Insolvency Act, but where, in section 123(1)(a) of the Insolvency Act "£750" is replaced by "£5,000,000", or otherwise save where any debt is disputed by the Chargor in good faith,
- (b) a moratorium is declared in respect of any of the Chargor's indebtedness,
- (c) any corporate action of the Chargor or any legal proceedings or other procedure or step is taken in relation to the Chargor for:

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- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise), save for any solvent reorganisation;
- (ii) a composition, compromise, assignment, assignation, trust or arrangement with any creditor; or
- (iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer over any of its assets;

or any analogous procedure or step is taken in relation to the Chargor or that occurs in relation to the Chargor in any jurisdiction to which it is subject save where any step, proceedings or procedure are disputed by the Chargor in good faith,

- (d) any event in any jurisdiction to which the Chargor is subject having an effect similar to that of any of the events referred to in paragraphs (a) to (c) save where any step, proceedings or procedure are disputed in good faith by the Chargor,

"Investment Manager" means M&G Investment Management Limited, a company incorporated in England and Wales under registered number 00936683, whose registered office is at Laurence Pountney Hill, London, EC4R 0HH,

"Liability" means any liability, damage, loss, cost, claim or expense of any kind or nature, whether present, future, prospective, contingent, direct, indirect, special, consequential or otherwise;

"LPA" means the Law of Property Act 1925 as varied from time to time;

"New Policy" means the bulk annuity buy-in policy between the Chargor and the Chargee dated 30th November, 2010 (as amended and restated from time to time, including pursuant to the 2010 Deed of Assignment, the 2012 Deed of Amendment, the 2014 Deed of Assignment (Policy), the 2015 Deed of Amendment (Policy) and the 2016 Deed of Amendment (Policy)),

"New Trustee" means Cable & Wireless Worldwide Pension Trustee Limited, a company registered in England and Wales under registered number 07029188, whose principal address is at Buckingham Road, Bletchley, Milton Keynes, MK3 5JL,

"Notice" has the meaning given to it in Clause 19.1;

"Notice of Exclusive Control" means a notice in the form appearing in Schedule 2 Part 1 (*Form of Notice of Exclusive Control*) served by the Chargee on the Custodian in accordance with clause 7.2 notifying the Custodian that an Enforcement Event has occurred and directing the Custodian to cease to accept or to comply with any instructions in respect of any Charged Account given by any person other than the

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A handwritten signature in black ink, consisting of a stylized 'M' followed by a loop and a small tick at the end.

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Chargee or any person who the Chargee notifies the Custodian in writing has been duly appointed by it to give instructions to the Custodian;

"Permitted Custodian" means a financial institution which has all governmental and regulatory authorisation and permission necessary to enable it to carry on the business of a custodian in the United Kingdom, other than any custodian which has committed any material breach of the Custody Agreement (or any agreement which was previously the Custody Agreement) and in place of whom the Chargor has appointed a Replacement Custodian under Clause 19.2,

"Permitted PRIL Assignment" has the meaning given to it in the New Policy,

"Permitted Security Interest" means:

- (a) any Security Interest arising in favour of the Chargee under this Deed,
- (b) any Security Interest arising in favour of the Custodian or any sub-custodian pursuant to the Custody Agreement or in favour of any clearing system or central securities depository;
- (c) any Security Interest created with the consent of the Chargee,
- (d) any existing Security Interest notified to the Chargee prior to the execution of this Deed including the Prudential Group Reinsurance Floating Charges;
- (e) any Security Interest which ranks after the Security Interests created under the First Security Deed, the 2015 Deed of Amendment (Security Deed) and this Deed;
- (f) any trust over the Charged Property where the beneficial interest is expressly made subject to the Security Interests arising in favour of the Chargee under this Deed; and
- (g) any security created in favour of the Chargee under the First Security Deed and/or the 2015 Deed of Amendment (Security Deed),

"Policy Benefits" has the meaning given to it in the New Policy;

"PRA" means the Prudential Regulation Authority or its successors from time to time,

"Property" means Cash and Securities;

"Prudential Group Reinsurance Floating Charges" means the floating charges referred to in clause 13.4 and schedule 3, part 1;

"Reference Period" means the 12 month period ending on 31 May before the 1 August in question,

"Release Threshold" means £100,000,000 as shall be increased on each 1 August after 1 August 2008 by the increase in the Index over the Reference Period,

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A handwritten signature in black ink, appearing to be 'W. O.' followed by a flourish.

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"Released Property" has the meaning given to it in Clause 18.3;

"Required Collateral Amount" has the meaning given to it in Schedule 5 of the New Policy,

"Replacement Custodian" has the meaning given to it in Clause 19.2;

"Secured Liabilities" means all moneys which are, or are expressed to be, or may become, due, owing or payable to the Chargee by the Chargor under the New Policy or this Deed up to the Required Collateral Amount;

"Securities" means marketable debt securities and other assets from time to time recorded in and represented by the Securities Accounts,

"Securities Accounts" means the securities accounts maintained by the Custodian and following the transfer of assets to the Chargor in accordance with paragraph 2.1 of Schedule 5 to the New Policy for the account of the Chargor (but subject to the Security Interests created under this Deed in the Chargee's favour) pursuant to the Custody Agreement with the account numbers [REDACTED] (or as redesignated or renumbered from time to time, or such other substituted or additional accounts as may from time to time be established pursuant to clauses 19.9 or 19.10 or otherwise with the prior written agreement of the Chargee),

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

- (A) any mortgage, 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,

"Surrender" has the meaning given to it in the New Policy,

"Surrender Value" has the meaning given to it in the New Policy; and

"Valuation" has the meaning given to it in Schedule 5 of the New Policy.

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

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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) "set-off" includes analogous and corresponding rights, claims and actions under other applicable laws;
- (E) "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;
- (F) "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" has a corresponding meaning,
- (G) subject to Clause 23 (*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;
- (H) the singular shall include the plural and vice versa; any gender shall include the other genders, and
- (I) 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.

1.5 If the composition of the Index changes or if the Index is replaced by another similar index, the parties may agree (such agreement not to be unreasonably withheld or delayed by either party) to make such adjustments to any calculation using the Index or any replacement index as may be agreed between the parties.

2. Covenant to pay Secured Amounts

The Chargor hereby covenants and undertakes that it will pay or discharge when due to the Chargee all Secured Liabilities in accordance with the terms of the New Policy or this Deed, as applicable.


3. Creation of Floating Charge

3.1 As continuing security for the payment or discharge of the Secured Liabilities, the Chargor charges to the Chargee by way of floating charge all the Chargor's right, title,

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interest and benefit in, to, under and in respect of the Charged Property, subject to Clause 3.3

- 3.2 As continuing security for the payment or discharge of the Secured Liabilities, the Chargor assigns to the Chargee by way of security all of its right, title, interest and benefit in, to, under and in respect of the Assigned Assets, subject to Clause 3.3
- 3.3 Notwithstanding any contrary provision of the First Security Deed, this Deed or the New Policy,

(A) the aggregate amount recoverable by the Chargee under the First Security Deed and this Deed and the liability of the Chargor under the First Security Deed and this Deed to the Chargee shall not exceed the Required Collateral Amount from time to time; and

(B) the Chargee shall have no right or interest in any Charged Property remaining after the Chargee has received the amounts referred to in Clause 11 of the First Security Deed and the amounts referred to in Clause 11 of this Deed (but not, for the avoidance of doubt, after the Chargee has received only the amounts referred to in Clause 11 of the First Security Deed unless no amount is due in accordance with Clause 11 of this Deed).

- 3.4 All security created under this Deed is created in addition to and does not affect the security created by the First Security Deed and/or the 2015 Deed of Amendment (Security Deed)

- 3.5 Where a right or asset has been assigned by way of security under the First Security Deed and/or the 2015 Deed of Amendment (Security Deed) and the same right or asset is expressed to be assigned again under this Deed, that further assignment under this Deed will take effect as a fixed charge over the right or asset and will only take effect as an assignment if the relevant security interest created by the First Security Deed and/or the 2015 Deed of Amendment (Security Deed) ceases to have effect at a time when the assignment by way of security under the First Security Deed and/or the 2015 Deed of Amendment (Security Deed) still has effect

4. Crystallisation Events and Enforcement Events

- 4.1 Each of the following events or circumstances is a Crystallisation Event.

(A) The occurrence of any of the events or circumstances in Clause 10.2 of the New Policy (provided that a Custody Agreement Termination Notice Event shall not constitute a Crystallisation Event until the Chargee has served notice to terminate the New Policy under Clause 10.2(f)(iii) of the New Policy);

(B) **Charged Property:**

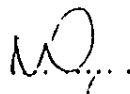
If, without the Chargee's prior written consent:

- (i) the Chargor resolves to take or takes any step (save in relation to the creation of a Permitted Security Interest) to:

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- (A) charge, secure or otherwise encumber any of its Charged Property;
 - (B) create a trust over any of its Charged Property save in accordance with the Custody Agreement; or
 - (ii) any person resolves to take or takes any step to levy any distress, execution, diligence, sequestration or other process against any Charged Property and the Chargor fails to comply with its obligations under Schedule 5.
- (C) **Termination and Surrender of New Policy**

The Chargee exercises its right under Clause 10.2 of the New Policy to terminate the New Policy and demand the Surrender of all Policy Benefits

- 4.2 An Enforcement Event shall occur where, following an event or circumstance set out above as being a Crystallisation Event,
- (A) the Chargee exercises its right under Clause 10.2 of the New Policy to terminate the New Policy and demand the Surrender of all Policy Benefits,
 - (B) for the purposes of the Surrender referred to in Clause 4.2(A) above the Surrender Value has been calculated and a Valuation conducted in accordance with Schedule 5 of the New Policy; and
 - (C) the Chargor has failed to pay the Surrender Value to the Chargee when due in accordance with the terms of the Surrender referred to in Clause 4.2(A) above and otherwise in accordance with the terms of the New Policy.

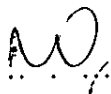
~~4.3 Without prejudice to clause 4.2, an Insolvency Event shall be an Enforcement Event.~~

5. Crystallisation

- 5.1 **Crystallisation by notice:** Subject to Clause 5.5 (*Moratorium Assets*), on the occurrence of a Crystallisation Event, the floating charge created by the Chargor in Clause 3 (*Creation of floating charge*) may be crystallised into a fixed charge by notice in writing given at any time by the Chargee to the Chargor as regards any property specified in the notice.
- 5.2 **Automatic crystallisation:** Notwithstanding Clause 5.1 (*Crystallisation by notice*) and without prejudice to any law relating to the automatic conversion of a floating charge into a fixed charge, if an Insolvency Event occurs in relation to the Chargor then the floating charge created by Clause 3 (*Creation of floating charge*) shall, subject to Clause 5.5 (*Moratorium Assets*), be automatically and instantly crystallised (without the necessity of notice) into a fixed charge over such Charged Property.
- 5.3 **Future Floating Charge Assets:** Except as otherwise stated in any notice given under Clause 5.1 (*Crystallisation by notice*) or unless such notice relates to all its Charged Property, prospective Charged Property acquired by the Chargor after crystallisation has

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occurred under Clause 5.1 (*Crystallisation by notice*) or Clause 5.2 (*Automatic crystallisation*) shall be and become subject to the floating charge created by Clause 3 (*Creation of floating charge*), so that the crystallisation shall be effective only as to the relevant Charged Property in existence at the date of crystallisation, provided always that, to the extent any such crystallisation notice or automatic crystallisation shall be ineffective under applicable law, all Charged Property concerning which such crystallisation shall be so ineffective shall be and become subject to such floating charge

5.4 **Reconversion:** Any charge which has crystallised under Clause 5.1 (*Crystallisation by notice*) or Clause 5.2 (*Automatic crystallisation*) may, by notice in writing given at any time by the Chargee to the Chargor and the Custodian, be reconverted into a floating charge in relation to the Charged Property specified in such notice

5.5 **Moratorium Assets:** The floating charge created by the Chargor in Clause 3 (*Creation of floating charge*) may not be converted into a fixed charge on assets for which a moratorium is in force if and for so long as such conversion would breach paragraph 13 in Schedule A1 of the Insolvency Act.

6. Undertakings by the Chargor and Chargee's rights on Crystallisation Event

6.1 **Negative Pledge:** The Chargor shall not, except with the prior written consent of the Chargee.

(A) sell, assign, transfer, grant any interest in or otherwise dispose of any of the Charged Property other than in accordance with the terms of the New Policy; or

(B) create, or agree or attempt to create, or permit to subsist, any Security Interest (except under this Deed) over any of the Charged Property other than a Permitted Security Interest.

6.2 **Management of the Charged Property:** The Chargor may not remove or permit the withdrawal of the Charged Property from the Charged Accounts or the sale or other disposition of the Charged Property except as permitted pursuant to the New Policy and this Deed.

6.3 **Title to Charged Property:** Save as permitted pursuant to the New Policy or under this Deed, the Chargor shall not permit its right, title, interest in and to the Charged Property to be conferred on any person other than as permitted under the terms of the Custody Agreement

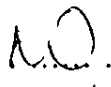
6.4 **Chargee's Rights on crystallisation:** Following crystallisation of the floating charge created by the Chargor in Clause 3 (*Creation of floating charge*) until any reconversion under Clause 5.4, the Chargee shall only be entitled to give instructions to the Custodian.

(A) to transfer out of the Cash Accounts to the Chargee of any amount then owing to the Chargee by the Chargor in respect of Policy Benefits, as certified by the Chargee to the Chargor, or

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- (B) (if the balance standing to the credit of the Cash Accounts is not sufficient for that purpose) to sell or otherwise realise all or such part of the cash or assets held in or standing to the credit of the Securities Accounts as is necessary to fund such transfer and to apply the proceeds of sale for that purpose, provided that the Chargee shall use its reasonable efforts to ensure that the best price available in all the circumstances is obtained for any such sale or realisation of Charged Property, or
- (C) as requested by the Chargor to comply with its obligations under Schedule 5 of the New Policy, provided always that the consent of the Chargee will be required in relation to instructions for the withdrawal, substitution or exchange of Charged Property.

7. Enforcement

7.1 Chargee's Powers

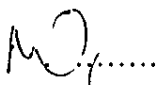
On the occurrence of an Enforcement Event, this Deed shall become enforceable and the Chargee may, unless precluded by law, immediately or at any time thereafter.

- (A) appoint one or more persons as a receiver or receiver and manager (together, a "Receiver") of any Charged Property;
- (B) enforce all or any part of the security created by this Deed and take possession of or dispose of all or any of the Charged Property in each case at such times and upon such terms as it sees fit, including by way of appointment of a Receiver; and
- (C) whether or not the Chargee has appointed a Receiver, the Chargee may exercise all of the powers, authorities and discretions granted from time to time to a Receiver by this Deed and any applicable law.

- ### 7.2 Service of Notice of Exclusive Control:
- The Chargee shall be entitled at any time when an Enforcement Event or a Custodian Notice Event has occurred to serve on the Custodian a Notice of Exclusive Control, with a copy to the Chargor, provided that no inadvertent failure to serve a copy of a Notice of Exclusive Control on the Chargor shall invalidate the Notice of Exclusive Control. Where the Chargee has served a Notice of Exclusive Control, it may at any time by notice in writing to the Chargor and the Custodian direct that the Notice of Exclusive Control is to be treated as being withdrawn and give instructions as to the terms on which the Charged Property is to be held thereafter. Where, in the Chargee's reasonable judgement, no Enforcement Event or Custodian Notice Event is continuing and withdrawal of the Notice of Exclusive Control will result in the Chargee being placed in a position no worse than that which existed prior to the occurrence of the Enforcement Event or the Custodian Notice Event as a result of which the Notice of Exclusive Control was served, the Chargee shall, as soon as reasonably practicable following request by the Chargor, direct that the Notice of Exclusive Control is to be treated as being withdrawn. Any withdrawal of a Notice of Exclusive Control shall be without prejudice to the Chargee's right to serve another Notice of Exclusive Control in accordance herewith.

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- 7.3 **Power to give instructions:** In addition to and without prejudice to the foregoing, the Chargor hereby irrevocably authorises the Chargee, at any time when an Enforcement Event or a Custodian Notice Event has occurred, and subject to Clause 7.5 below, to give instructions to the Custodian for the transfer out of the Cash Accounts to the Chargee of any amount then owing to the Chargee by the Chargor, as certified to the Custodian by the Chargee, or, if the balance standing to the credit of the Cash Accounts is not sufficient for that purpose, to give instructions to the Custodian
- (A) to sell or otherwise realise all or such part of the cash or assets held in or standing to the credit of the Securities Accounts as is necessary to fund such transfer and to apply the proceeds of sale for that purpose, and the Chargee shall use its reasonable efforts to ensure that the best price available in all the circumstances is obtained for any such sale or realisation of Charged Property; or
 - (B) to transfer out of the Securities Accounts to the Chargee such cash or assets as may be selected by the Chargee and whose transfer to the Chargee is certified by the Chargee as necessary to fund payment of the amount then owing to the Chargee by the Chargor.
- 7.4 **Chargor not to give instructions:** Following the occurrence of an Enforcement Event or a Custodian Notice Event, the Chargor shall not, and shall procure that no other person acting on the Chargor's behalf will, give any instructions to the Custodian in respect of the Charged Accounts until the Notice of Exclusive Control is withdrawn by the Chargee in accordance with Clause 7.2 or the security hereunder is released and discharged in accordance with Clauses 18.2 and 18.3
- 7.5 **Chargee instructions pursuant to a Custodian Notice Event:** For so long as there is a continuing Custodian Notice Event but there is no continuing Enforcement Event
- (A) the Chargee shall be entitled, and the Chargor irrevocably authorises the Chargee, to give instructions to the Custodian for the transfer out of the Charged Accounts of all or any part (as the Chargee requires in its absolute discretion) of the Charged Property to a custodian provided that such custodian is a Permitted Custodian that is then holding, on behalf of the Chargee, a material part of the assets of the segregated CWW Section of the Vodafone Group Pension Scheme (such custodian the "**Chargee Custodian**"), and any related instructions necessary to enable such transfer(s) to be effected;
 - (B) the Chargee shall not give any other instructions to the Custodian pursuant to the Custodian Notice Event, and
 - (C) following the effecting of the transfer(s) required by the Chargee pursuant to this Clause 7.5, the Chargee shall withdraw the Notice of Exclusive Control (but without prejudice to the Chargee's ability to serve a Notice of Exclusive Control in relation to any subsequent Enforcement Event or Custodian Notice Event)

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7.6 Obligations of Chargee in relation to assets transferred pursuant to Clause 7.5: The Chargee shall, in respect of any Charged Property that is transferred to the Chargee Custodian pursuant to Clause 7.5 ("Transferred Charged Property"):

- (A) use all reasonable endeavours to put in place a security agreement with the Chargee Custodian (to which the Chargor need not be party) which provides protection for both the Chargor and the Chargee which is not materially worse than as contemplated by this Deed (and the notices and acknowledgements given in relation to this Deed) as soon as reasonably practicable and shall use all reasonable endeavours so to do in any event within four weeks of the service of the related Notice of Exclusive Control under Clause 7.2; and
- (B) pending such security agreement being put in place, shall hold such Transferred Charged Property on trust for the Chargee and the Chargor for the purpose.
 - (i) first, of application towards satisfaction of the Secured Liabilities, following the occurrence of an Enforcement Event (including by realising any such assets for cash so that such cash amount can be so applied); and
 - (ii) second, after such satisfaction, or after the Secured Liabilities have otherwise been unconditionally and irrevocably paid or discharged in full by the Chargor, the remaining Transferred Charged Property (including any remaining proceeds of realisation of such Transferred Charged Property) to be transferred to the Chargor as it may direct,


(and the Chargee shall be required, and entitled, so to apply such Transferred Charged Property and realisation proceeds) and following such security agreement being put in place, the then remaining Transferred Charged Property ~~shall cease to be held subject to such purpose trust and shall instead be held~~ subject to such security agreement

7.7 Powers under the LPA

- (A) The provisions of the LPA relating to the power of sale conferred by that Act are
 - (i) varied so that sections 103 and 109(1) shall not apply, and
 - (ii) extended to authorise the Chargee at any time after this Deed becomes enforceable to sell or otherwise dispose of (or instruct any nominee to do so), or instruct the Custodian to sell or otherwise dispose of all or any part of the Charged Property or, in relation to any Securities (as it may elect and without prejudice to any later exercise of this power) the whole or part of the equitable or other interest divested of or separately from the legal title for such consideration, upon such terms and generally in such manner as the Chargee thinks fit.

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- (B) The power of sale and all other powers conferred on a chargee by law (including by section 101 of the LPA) as varied or extended by this Deed will arise upon execution of this Deed by the Chargor, but shall not be exercised until an Enforcement Event has occurred

7 8 Power of Sale

- (A) In favour of a purchaser of all or any part of the Charged Property, a certificate in writing by an officer, attorney or agent of the Chargee or of a Receiver that any power of sale or other disposal has arisen and is exercisable shall be conclusive evidence of that fact and no purchaser shall be concerned to enquire whether any power exercised or purported to be exercised by the Chargee or any Receiver has become exercisable or whether any Secured Liability remains due or owing or be concerned with any propriety or regularity on the part of the Chargee or such Receiver.
- (B) The Chargor shall not have any right or claim against the Chargee in respect of any loss arising out of such sale or other realisation howsoever such loss may have been caused and whether or not a better price could or might have been obtained on the sale of the Charged Property or any part of it by either deferring or advancing the date of such sale or other realisation or otherwise howsoever unless caused by the Chargee's gross negligence or wilful default.

7 9 Receivers

- (A) The Chargee may appoint any Receiver upon such terms as to remuneration and otherwise as the Chargee thinks fit
- (B) Any Receiver will be the agent of the Chargor for all purposes and the Chargor will be responsible for such Receiver's acts and defaults and for their remuneration, costs, fees, taxes and expenses to the exclusion of liability on the part of the Chargee
- (C) Where two or more persons are appointed as Receiver any act authorised to be done by the Receiver may be done by all of them acting jointly or by any one or more of them acting independently or severally
- (D) The Chargee may at any time by writing remove any Receiver whether or not the Chargee appoints any other person as Receiver in his place.


8. Powers of Receiver and Chargee

8 1 Statutory powers

A Receiver shall have and be entitled to exercise all the powers conferred on a receiver by the LPA and, whether or not such a Receiver is an administrative receiver, all the powers conferred upon an administrative receiver by Schedules 1 and 2 to the Insolvency Act which powers are incorporated in this Deed

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8.2 Additional powers

By way of addition to and without limiting any other powers referred to in this clause a Receiver shall have power (both before and after the commencement of any liquidation of the Chargor) to do every act and thing and exercise every power

- (A) which the Chargor would have been entitled to do or exercise if no Receiver (and, as the case may be, no liquidator) had been appointed; and
- (B) which such Receiver in his absolute discretion considers necessary or desirable for maintaining or enhancing the value of any Charged Property or for or in connection with the enforcement of the security created by this Deed or the realisation of any Charged Property,

and may use the name of the Chargor in connection with any exercise of such powers.

8.3 Prior encumbrances

At any time after an Enforcement Event, the Chargee may redeem any prior Security Interest against the Charged Property or procure a transfer of such Security to itself and may agree the accounts of the person entitled to that Security Interest and any accounts so agreed will be binding on the Chargor. Any money paid by the Chargee in connection with a redemption or transfer of any prior Security Interest will form part of the Secured Liabilities

8.4 Possession

If the Chargee, any Receiver or any delegate of either of them takes possession of any Charged Property it may relinquish such possession at any time

9. ~~Protection of the Chargee and Receiver~~

- 9.1 **Limitation:** Neither the Chargee nor any Receiver shall be liable in respect of any Liability which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise, any of their respective powers under or by virtue of this Deed, except if and insofar as such Liability results from its or his or her gross negligence or wilful default.

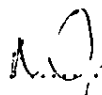
- 9.2 **Entry into possession:** Without prejudice to the generality of Clause 9.1 (*Limitation*), neither the Chargee nor any Receiver shall be liable to account as mortgagee in possession or otherwise for any sum not actually received by it or him respectively

10. Costs, Expenses and Liabilities

The Chargor will, within three Business Days of the Chargee's written demand, pay to the Chargee, on a full indemnity basis, the amount of all costs and expenses (including legal, valuation, accountancy and consultancy fees and disbursements and out-of-pocket expenses) and any VAT thereon incurred by the Chargee in connection with the exercise, enforcement and/or preservation of any of its rights under this Deed (or any document contemplated therein) including the remuneration of a Receiver or any

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proceedings instituted by or against the Chargee, in any jurisdiction. The Chargor will, within three Business Days of the Chargee's written demand, pay to the Chargee, on a full indemnity basis, any stamp duty, stamp duty reserve tax or similar tax which may be payable as a result of the execution or performance of this Deed.

11. Application of Sums Realised – Order of application

Subject to claims having priority to the Security Interests created by or pursuant to this Deed, all money recovered by the Chargee or a Receiver as a result of the enforcement of this Deed or otherwise by reason of the Security Interests created by or pursuant to this Deed will be held in the Charged Accounts pending the conclusion of the Valuation referred to in clause 4.2(B) and thereafter shall be applied in the following order:

- (A) in payment of the Secured Liabilities up to the lesser of (i) the Required Collateral Amount as determined by the Valuation referred to in clause 4.2(B) above; and (ii) the Surrender Value referred to in clause 4.2(B) above,
- (B) in payment of all costs, fees, taxes and expenses incurred by the Receiver in or pursuant to the exercise of the powers set out in this Deed and of all other outgoings properly payable by the Receiver,
- (C) in payment of remuneration to the Receiver,
- (D) in respect of the balance, if any, the Chargee or any Receiver will account to the Chargor for any amount by which the sums received by the Chargee or the Receiver exceed the Secured Liabilities then outstanding and the Chargee shall have an unsecured claim against the Chargor for any amount by which the sums received by the Chargee or the Receiver are less than the Secured Liabilities then outstanding.

12. Right of Appropriation

12.1 Subject to clause 12.5, the Chargee may, on or at any time after an Enforcement Event, by notice in writing to the Chargor appropriate with immediate effect any of its Charged Property comprising financial collateral which is subject to a security financial collateral arrangement (within the meaning of the FCA Regulations) and apply it in or towards the discharge of the Secured Liabilities in such manner as the Chargee may determine, whether such Charged Property is held by the Chargee or otherwise.

12.2 The value of any Charged Property appropriated under clause 12.1 shall be:

- (A) in the case of Cash, its face value at the time the right of appropriation is exercised; and
- (B) in the case of other Charged Property, the value of the relevant Charged Property as calculated in the Valuation referred to at clause 4.2(B) above.

12.3 The Chargee will account to the Chargor for any amount by which the value of the appropriated Charged Property exceeds the Secured Liabilities then due and the Chargor

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shall remain liable to the Chargee for any amount by which the value of the appropriated Charged Property is less than the Secured Liabilities then due.

12.4 The Chargor agrees that the method of valuing such Charged Property under clause 12.2 is commercially reasonable

12.5 The Chargee may only appropriate Charged Property pursuant to clause 12 on or at any time after the occurrence of an Insolvency Event after the conclusion of a Valuation referred to in clause 4.2(B)

13. Further action

13.1 **Execution of further documents and doing of further things:** The Chargor shall, at its own expense, promptly take any action and sign or execute any further documents which the Chargee may require in order to:

- (A) give effect to the requirements of this Deed;
- (B) create, protect, preserve and perfect the Security intended to be created by or pursuant to this Deed (including the creation of fixed security in such form as the Chargee may reasonably require over Charged Property relative to which a crystallisation notice under Clause 5.1 or automatic crystallisation under Clause 5.2 may be ineffective);
- (C) protect and preserve the ranking of the Security Interests intended to be created by or pursuant to this Deed with any other Security Interests over any assets of the Chargor; or
- (D) facilitate the realisation of all or any of the Charged Property or the exercise of any rights, powers and discretions conferred on the Chargee, any Receiver or any administrator in connection with all or any of the Charged Property.

13.2 **Execution of further documents and doing of further things by the Custodian:** Promptly on demand by the Chargee, the Chargor shall (if so requested by the Chargee) use its reasonable endeavours to procure that the Custodian, the Custodian's nominee or the Investment Manager will execute all such documents and do or procure the doing of all such things as the Chargee may reasonably specify (and in such manner and in such form as the Chargee may reasonably require) for the purpose of (a) securing and perfecting its security over or title to all or any part of the Charged Property or (b) following the occurrence of an Enforcement Event, enabling the Chargee to enforce its security in respect of the Charged Property

13.3 **Protection of security:** The Chargor shall itself, and (if so requested by the Chargee) use reasonable endeavours to procure that the Custodian, the Custodian's nominee or the Investment Manager will, take all such action as the Chargee may reasonably require (including making all filings and registrations) for the purpose of the constitution, perfection, protection or maintenance of any security conferred or intended to be conferred on the Chargee by or pursuant to this Deed.

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13.4 **Prudential Group Reinsurance Floating Charges:** The Chargor shall use its reasonable endeavours to procure the execution (as soon as practicable after the date of this Deed) by the chargee for each Prudential Group Reinsurance Floating Charge of an acknowledgement in the form of Schedule 3, Part 2

13.5 **Investment Manager:** The Chargor shall use its reasonable endeavours to procure the execution (within five weeks of the execution of this Deed) by the Investment Manager of an acknowledgement in the form of Schedule 4, Part 2

14. **Power of attorney**

14.1 **Appointment as attorney:** The Chargor irrevocably and by way of security appoints each of the Chargee and any Receiver independently or severally as the Chargor's attorney, in the Chargor's name, on its behalf and in such manner as the attorney may in its or his absolute discretion think fit, to take any action and sign or execute any further documents which the Chargor is required to take, sign or execute in accordance with this Deed following the occurrence of an Enforcement Event

14.2 **Ratification by the Chargor:** The Chargor agrees, promptly on the request of the Chargee or any Receiver, to ratify and confirm all such actions taken and documents signed or executed by the Chargee and any Receiver in the exercise of the power of attorney conferred under this Clause 14.

14.3 **Power of attorney irrevocable:** The Chargor hereby declares that the power of attorney conferred under this Clause 14 shall be irrevocable and shall not be affected by the liquidation or receivership of the Chargor or the making of an administration order or the appointment of an administrator or administrative receiver or any other similar officer in respect of the Chargor.

15. **Representations and Warranties**

The Chargor represents and warrants to the Chargee that:

- (A) it is a company duly incorporated and validly existing under the laws of Scotland,
- (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) it is acting as a principal in entering into this Deed and performing its obligations hereunder; and

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- (F) in respect only of Charged Property which is not comprised of assets transferred to the Chargor by the Chargee on the Initial Premium Transfer Date, it is the full beneficial owner of that Charged Property free from any Security Interest other than that created by this Deed and any Permitted Security Interest and it has the right to charge and assign that Charged Property in favour of the Chargee under this Deed.

16. Ranking

- 16.1 Subject to clause 16.2 below, the floating charge hereby created by the Chargor in Clause 3 shall rank in priority to any other security created by the Chargor in respect of the Charged Property, other than an assignment under Clause 3.2, which shall rank in priority to the floating charge created pursuant to Clause 3.1 in respect of the Charged Property.
- 16.2 The security created under the First Security Deed (and/or under the 2015 Deed of Amendment (Security Deed)) shall rank in priority to the floating charge created by this Deed.

17. Ordinary Course Dealings

At all times prior to the crystallisation of the floating charge created by this Deed, subject to the terms of the New Policy and the First Security Deed, the Chargor shall be at liberty to deal with the Charged Property in the ordinary course of its business

18. Continuance of Security; Release; Reassignment

- 18.1 Without prejudice to the generality of Clause 2, the charge, covenants and other provisions contained in this Deed shall remain in force as a continuing security to the Chargee, notwithstanding any settlement of account or any other act, event or matter ~~whatsoever, until the execution by the Chargee of an absolute and unconditional release~~ by deed or the release and discharge of this Deed in whole or part pursuant to Clauses 18.2 and 18.3

- 18.2 Subject to Clauses 18.3 and 18.5, on the earlier of.

- (A) the Required Collateral Amount with respect to any Valuation being equal to or less than the Release Threshold,
- (B) all Secured Liabilities being unconditionally and irrevocably paid or discharged in full; and
- (C) security or a guarantee for the Secured Liabilities, in each case acceptable to the Chargee having been provided in substitution for this Deed in accordance with paragraph 4 of Schedule 5 of the New Policy,

the Chargee shall execute a deed of release (in the form approved by the Chargor) and take whatever action is reasonably necessary irrevocably to release the Charged Property and re-assign the Assigned Assets or such part thereof as may still be

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subsisting and vested in the Chargee, from the Security Interests created under or pursuant to this Deed

- 18.3 Upon the transfer or withdrawal of any Property ("**Released Property**") from the Charged Accounts by the Chargor which is permitted by this Deed and the New Policy, the Security Interests granted under this Deed in respect of such Released Property will be released immediately without any further action by the Chargor, the Chargee or the Custodian, but without prejudice to any Security Interest granted over any Charged Property other than such Released Property.
- 18.4 Upon effecting a reassignment of an Assigned Asset pursuant to Clause 18.2 the Chargee shall notify the Custodian of such reassignment.
- 18.5 Any re-assignment, release, settlement or discharge (whether in respect of any of the Secured Liabilities or any security for those liabilities or otherwise) shall be conditional upon no payment to, or security provided to, the Chargee in respect of the relevant Secured Liabilities being avoided, invalidated or reduced or required to be restored or paid away by virtue of any requirement having the force of law
- 18.6 Where any such re-assignment, release, settlement or discharge is made in whole or in part on the faith of any payment, guarantee, security or other disposition, transaction or arrangement which is or is required to be repaid, restored or otherwise avoided, invalidated or reduced by virtue of any requirement having the force of law, any such re-assignment, release, settlement or discharge of, or other arrangement in connection with, the Charged Property shall *ipso facto* be treated as null and void and shall for all purposes be deemed not to have occurred, and the Chargee shall be entitled to recover the value or amount of any such payment, guarantee, security or other disposition and the relevant Secured Liability shall continue as if the re-assignment, release, settlement or discharge had not occurred

19. **Covenants Relating to Custody Agreements**

- 19.1 As soon as practicable after the execution of this Deed the Chargor shall give notice in the form set out in Schedule 1 Part 1 (Form of Notice to Custodian) (with such amendments as the Chargee may in its absolute discretion agree) to the parties specified in that notice (a "Notice"). The Chargor shall use its reasonable endeavours to procure that the addressee of that Notice promptly acknowledges that Notice by signing and returning the duplicate of that Notice as envisaged therein
- 19.2 The Chargor may at any time, at its own expense and with the prior written consent of the Chargee (such consent not to be unreasonably withheld or delayed) terminate the Custody Agreement and, pursuant to a new custody agreement between the Chargor and the new custodian, appoint a new custodian (a "**Replacement Custodian**"), being a Permitted Custodian, and the Chargor shall procure that the Charged Property shall be transferred out of the Charged Accounts, to the Replacement Custodian, and such custodian shall thereafter be the Custodian and the custody agreement between the Chargor and the Replacement Custodian shall thereafter be the Custody Agreement. The Chargor shall not appoint a Replacement Custodian unless and until the Replacement Custodian has agreed and executed an acknowledgement to a Notice in the

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form set out in Schedule 1 (Form of Notice to Custodian) (with such amendments as the Chargee may in its absolute discretion agree).

19.3 If, at any time:

- (A) a Notice becomes invalid or ineffective for any reason; or
- (B) a Custodian or Replacement Custodian refuses or fails to act upon any instruction validly given by the Chargee in accordance with the terms of a Notice,

the Chargor shall, at the request and on the behalf of the Chargee, itself give to the Custodian any instructions which the Chargee wishes and is entitled to give and shall ensure that the Custodian complies with any such instructions.

19.4 The Chargor undertakes that it shall not, and that it shall procure that the Investment Manager does not, amend, modify, give waivers, terminate or suspend any material provision of or performance of any material obligation under, or exercise any material discretion under the Custody Agreement with respect to the Charged Property or the Charged Accounts unless:

- (A) it has the prior written consent of the Chargee; or
- (B) it (i) is of the reasonable opinion that such amendment, modification, waiver, termination or suspension is likely to be beneficial or unlikely to be prejudicial to the interest of the Chargee under the New Policy or this Deed, (ii) has given to the Chargee not less than 30 (thirty) Business Days' prior written notice of such amendment, modification, waiver, termination or suspension, accompanied by such supporting documentation as it reasonably believes supports such conclusion, and (iii) has not received any notification from the Chargee that the Chargee is not satisfied with such documentation or that it objects to the relevant amendment, modification, waiver, termination or suspension before the expiry of the 30 (thirty) Business Day period

19.5 The Chargor shall be entitled to amend, modify, give waivers, terminate or suspend any material obligations under any investment management agreement provided that it shall not amend, modify, give waivers, terminate or suspend any material provision of or performance of any material obligation under, or exercise any material discretion under any such investment management agreement with respect to the Charged Property or the Charged Accounts in a manner which:

- (a) would prejudice the Security Interests created in favour of the Chargee under this Deed; or
- (b) is inconsistent with the Chargor's obligations under this Deed and the New Policy.

19.6 The Chargor undertakes that it will, and that it shall procure that the Investment Manager will, maintain and take all reasonable steps to enforce its rights and exercise its discretions under the Custody Agreement where failure to do so could adversely affect

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the ability of the Chargor to comply with any of its material obligations in respect of the Charged Property, or could be material to the interests of the Chargee with respect to the Charged Property.

- 19.7 The Chargor shall not, and shall procure that the Investment Manager does not remove or permit the withdrawal of the Charged Property from the Charged Accounts or the sale or other disposition of the Charged Property except as permitted pursuant to the New Policy and this Deed.
- 19.8 The Chargor undertakes that it will perform, and that it will procure the performance by the Investment Manager of all their material obligations in respect of the Charged Property or the Charged Accounts under the Custody Agreement.
- 19.9 Where the Chargor appoints a Replacement Custodian in accordance with Clause 19.2 it shall
- (A) ensure that the Charged Property is, on transfer to the Replacement Custodian, deposited in accounts established by the Replacement Custodian in the name of the Chargor, and such accounts shall thereafter be the Charged Accounts;
 - (B) use reasonable endeavours to obtain the agreement of the Replacement Custodian, being a Permitted Custodian, to act in accordance with all terms applicable to the Custodian under the Account Control Agreement,
 - (C) to the extent consistent with Clause 19.9(B), take all such steps as may be necessary to ensure the continuation of the Chargee's Security Interest in respect of the Charged Property.
- 19.10 In the event that the Chargor fails to appoint a Replacement Custodian pursuant to Clause 19.2 within 30 days of the following:
- (A) a petition for the winding up of the Custodian, other than a petition or application which the Chargor is reasonably satisfied is vexatious or frivolous and which is discharged within 14 days, being presented before any competent court or any order is made or notice published or issued by any competent court or other competent person or a resolution is passed by the Custodian or any action taken (whether out of court or otherwise) by its officers or any petition presented by any person, for the winding up, dissolution, striking off, administration or reorganisation (whether by voluntary arrangement, scheme of arrangement or otherwise), or for the appointment of a liquidator, receiver, administrator, administrative receiver or trustee or any similar officer of the Custodian or of all or a substantial part of its assets or revenues (as the case may be), or
 - (B) the Custodian becoming unable to, or admits its inability to, or is deemed unable to, pay its debts as they fall due (within the meaning of section 123 of the Insolvency Act or otherwise), or declares any moratorium or similar arrangement in respect of its payments to creditors, or shall be adjudicated or

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found bankrupt or insolvent or shall enter into any composition or other arrangement with its creditors generally; or

- (C) the Chargor ceases to be (or receives notice that it will cease to be) an Underlying Client (as such term is defined in the Custody Agreement) for the purposes of the Custody Agreement,

the Chargee shall be entitled to appoint, at its own expense, a Replacement Custodian, being a Permitted Custodian, pursuant to a new custody agreement between the Chargor and the Replacement Custodian, and require the Chargor to enter into the relevant agreement (provided that it is not materially less favourable to the Chargor than the Custody Agreement which it replaces) and to procure that the assets comprising the Charged Property are transferred to the Replacement Custodian and deposited in accounts established by the Replacement Custodian in the name of the Chargor, and such accounts shall thereafter be the Charged Accounts, and such custodian shall thereafter be the Custodian and the custody agreement between the Chargor and the Replacement Custodian shall thereafter be the Custody Agreement.

- 19 11 The Chargor shall perform and observe in all respects the terms and conditions to be performed or observed by it under the Custody Agreement and shall not (and shall procure that the Investment Manager shall not) terminate, repudiate or rescind it or claim that it is frustrated, or postpone or subordinate or (in any material adverse respect) vary or waive any of its rights and remedies thereunder, or agree to do so, with respect to the Charged Property without the prior written consent of the Chargee, such consent not to be unreasonably withheld or delayed.
- 19 12 The Chargor undertakes that it will, on request by the Chargee, use all reasonable endeavours to ensure that the Custodian promptly takes all such steps as may be necessary for it to take for full effect to be given to the provisions of this Deed

20. 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 Chargee 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 Liabilities, whether by virtue of contract, statute or otherwise.

21. 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

22. Forbearance and Illegality

- 22 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.

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- 22.2 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.

23. Variations and Assignment

- 23.1 Subject to the terms of the New Policy, unless required by law, no variation, amendment or modification of this Deed shall be valid and constitute part of this Deed, unless such variation, amendment or modification shall have been made in writing and signed by the Chargor and the Chargee.
- 23.2 Save for the 2010 Assignment and the 2014 Assignment (to which for the purposes of this clause 23.2 the Chargor shall hereby be deemed to have unconditionally consented) this Deed is not assignable or transferable by the Chargee (or any permitted assignee or transferee thereof) without the Chargor's prior written consent (such consent not to be unreasonably withheld or delayed). Following any assignment or transfer (including, for the avoidance of doubt, the 2010 Assignment and the 2014 Assignment) references in this Deed to the "Chargee" shall be read as being to such assignee or transferee.
- 23.3 Except in the case of a Permitted PRIL Assignment in respect of the New Policy, whereupon this Deed shall be transferable in accordance therewith, this Deed is not assignable or transferable by the Chargor without the prior written consent of the Chargee.
- 23.4 Each party shall continue to be bound by the terms of this Deed unless and until its obligations under this Deed have been assumed by a successor or assignee under an assignment satisfying clause 23.2 or clause 23.3 as the case may be.


24. Demands, Notices etc

- 24.1 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 Chargee in accordance with Clause 24.2.
- 24.2 Each party shall notify to the other party an authorised address and facsimile number in the United Kingdom for the purpose of this Clause 24.2 and the first such authorised address and facsimile number for each party shall be the address and facsimile number stated in Clause 24.4. 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 as well as by facsimile transmission to the relevant party's address or facsimile number stated in Clause 24.4 (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 24.3, any such notice shall be effective upon receipt and shall be deemed to have been received:-

- (A) if delivered personally, at the time of delivery; and
- (B) if sent by pre-paid first class post, at 12.00pm (noon) on the second day following the day of posting.

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24.3 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

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

(A) **Chargor:** Prudential Retirement Income Limited
Address: 3 Sheldon Square, London W2 6PR
Fax No: 0207 004 9955
Attention: Company Secretary

Copy: Richard Newman
 C/o Defined Benefit Risk Management Solutions
 Prudential
 121 Kings Road, Reading, Berkshire RG1 3ES

(B) **Chargee:** Vodafone Group Pension Trustee Limited, acting solely in its capacity as trustee of the CWW Section of the Vodafone Group Pension Scheme
Address: Vodafone House, The Connection, Newbury, Berkshire RG14 2FN
Attention: Geoff McKenzie, Head of Pensions

25. Governing Law and Jurisdiction

25.1 This Deed is governed by and shall be construed in accordance with English law, save that any terms particular to Scots law shall be construed in accordance with Scots law.

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

25.3 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.

25.4 Nothing in this Clause 25 limits the rights of the Chargee 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.

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Date

28th September 2016

THIS DEED has been executed by the Parties as a deed and it shall take effect on date first above written.

EXECUTED AND DELIVERED as a **DEED**)
 by **PRUDENTIAL RETIREMENT INCOME**)
LIMITED acting by.)

.....
 Director

.....
 Signature of witness

.....
 Name of witness

.....
 Occupation of witness

.....
 Address of witness

EXECUTED AND DELIVERED as a **DEED**)
 by **VODAFONE GROUP PENSION**)
TRUSTEE LIMITED acting by)

.....
 Director **PAUL STEPHENSON**

.....
 Director/Secretary
JAMES LUOLOW

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Date

28th September 2016

THIS DEED has been executed by the Parties as a deed and it shall take effect on date first above written.

EXECUTED AND DELIVERED as a DEED)
by **PRUDENTIAL RETIREMENT INCOME**)
LIMITED acting by.)

.. [REDACTED]
Director

... [REDACTED]
Signature of witness

..... **STUART CLIPPER**
Name of witness

..... **SOLICITOR**
Occupation of witness

..... [REDACTED]
[REDACTED]
.....
Address of witness

EXECUTED AND DELIVERED as a DEED)
by **VODAFONE GROUP PENSION**)
TRUSTEE LIMITED acting by.)

.....
Director

.....
Director/Secretary

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Date

28th September 2016

SCHEDULE 1

PART 1

FORM OF NOTICE TO CUSTODIAN

To HSBC Bank plc (the "Custodian")¹

Att: Relationship Management Team, Level 28, HSBC Securities Services, Global Custody Europe, Level 29, 8 Canada Square, London E14 5HQ, UK, and

Att: Deborah Wellington, Level 29, HSBC Securities Services, Global Custody Europe, Level 29, 8 Canada Square, London E14 5HQ, UK

From: Prudential Retirement Income Limited (the "Chargor"); and

Vodafone Group Pension Trustee Limited (in its capacity as trustee of the segregated CWW Section of the Vodafone Group Pension Scheme) (the "Chargee")

Date: _____ 2016

Dear Sirs,

NOTICE OF ASSIGNMENT OF CUSTODY AGREEMENT


1. We refer to:

- (a) the custody agreement dated 4 July 2001 as amended and supplemented, entered into between the Investment Manager and the Custodian (the "Custody Agreement") under which the Charged Accounts have been opened in the name of the Chargor,
- (b) the Security Deed dated 30 November 2010 (as amended and restated from time to time, including pursuant to the 2010 Deed of Assignment, the 2014 Deed of Assignment (Security Deed), the 2015 Deed of Amendment (Security Deed) and the 2016 Deed of Amendment (Security Deed) (the "First Security Deed") entered into by the Chargor in favour of the Chargee (a copy of which is annexed hereto for information purposes only) pursuant to which the Chargor

¹ Any notice that needs to be sent to the Custodian should be sent to the following two addressees. Att: Relationship Management Team, Level 28, HSBC Securities Services, Global Custody Europe, Level 29, 8 Canada Square, London E14 5HQ, UK, and Att: Deborah Wellington, Level 29, HSBC Securities Services, Global Custody Europe, Level 29, 8 Canada Square, London E14 5HQ, UK

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- (i) charged to the Chargee, by way of first floating charge, all of the Chargor's present and future right, title, interest and benefit in, to, under and in respect of the Charged Property, and
 - (ii) assigned to the Chargee, by way of security assignment all of the Chargor's present and future right, title, interest and benefit in the Assigned Assets,
- (c) the written consent given by the Chargee to the Chargor dated 9 December 2015, in which the Chargee consented to certain additional accounts being Cash Accounts, and certain additional accounts being Securities Accounts, in each case for the purpose of, and subject to the security created by, the Security Deed (such accounts respectively the "New Cash Accounts" and the "New Securities Accounts" as defined in the 2015 Deed of Amendment (Security Deed));
- (d) the 2015 Deed of Amendment (Security Deed) pursuant to which the Chargor:
- (i) charged to the Chargee, by way of first floating charge, all of the Chargor's present and future right, title, interest and benefit in, to, under and in respect of the Charged Property, and
 - (ii) assigned to the Chargee, by way of security assignment all of the Chargor's present and future right, title, interest and benefit in the Assigned Assets,


to the extent that such Charged Property and Assigned Assets had not already been (respectively) charged by way of floating charge and assigned by way of security pursuant to the Security Deed prior to the entering into of the 2015 Deed of Amendment (Security Deed);

- (e) the acknowledgement given by us to the Chargee dated 9 December 2015 in relation to the notices given by the Chargor and the Chargee of the assignment by way of security effected by the First Security Deed and/or by the 2015 Deed of Amendment (Security Deed) (the "Existing HSBC Acknowledgement"),
- (c) the Security Deed dated _____ 2016 (the "Second Security Deed") entered into by the Chargor in favour of the Chargee (a copy of which is annexed hereto for information purposes only) pursuant to which the Chargor:
- (i) charged to the Chargee, by way of floating charge, all of the Chargor's present and future right, title, interest and benefit in, to, under and in respect of the Charged Property; and
 - (ii) assigned to the Chargee, by way of security assignment all of the Chargor's present and future right, title interest and benefit in the Assigned Assets

(such security under the Second Security Deed being on substantially the same terms as the security created under the First Security Deed and subject to the

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security created under the First Security Deed and/or the 2015 Deed of Amendment (Security Deed).

- 2 Terms defined in the Second Security Deed shall have the same meanings herein.
3. Upon receipt by the Custodian of a written notice from the Chargee (upon which the Custodian may rely without further enquiry) advising that the floating charge created by the Chargor in Clause 3 of the Second Security Deed has crystallised into a fixed charge, the Custodian shall
 - (a) not (and the Chargor irrevocably authorises and instructs the Custodian not to) act on any instruction from or on behalf of the Chargor, notwithstanding any provision to the contrary in the Custody Agreement,
 - (b) accept, rely and act solely in accordance with instructions from the Chargee or any Receiver of the Chargor; and
 - (c) comply with the Chargee's instructions at all times until otherwise instructed by it
- 4 Prior to receipt of a notice under paragraph 3 above, the Custodian should only take instructions in respect of the Charged Accounts from or on behalf of the Chargor and may at all such times assume without investigation, unless expressly notified to the contrary by the Chargor or the Chargee, that the floating charge created by the Security Deed has not crystallised
- 5 The Chargee shall provide the Custodian in a format acceptable to the Custodian with a list (as may be amended from time to time) of the names, specimen signatures and authority levels of each of the persons who are authorised to act on behalf of the Chargee in the giving of instructions and the performance of any other acts, discretions or duties under this letter. Any equivalent list provided by the Chargee to the Custodian in respect of the First Security Deed (including any provided prior to the date of this Notice) will also apply in respect of this paragraph 5.
6. In the event of any conflict between communications received from or on behalf of the Chargor and from the Chargee the Custodian shall treat the communication from the Chargee as prevailing, save as may be required by law
7. None of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Chargee's specific prior written consent
- 8 The Chargor and the Investment Manager shall at all times remain solely liable to the Custodian for the performance of all of the obligations assumed by them under or in respect of the Custody Agreement. The Chargee shall not be under any liability or obligation of any kind in the event of any breach or failure by the Chargor or the Investment Manager to perform any obligation under the Custody Agreement
9. The Custodian may appoint sub-custodians for the management of the assets held by it under the Custody Agreement and all directions given to such sub-custodians will be given by the Custodian in accordance with the terms of this letter

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10. Please will you acknowledge receipt of this notice and confirm your acceptance of the instructions and authorisations contained in it by sending a letter addressed to us and the Chargee in the form attached to this notice
11. For the avoidance of doubt, the parties agree and acknowledge that the terms of this letter do not apply to any account or any property other than the Charged Accounts and the Charged Property
12. This letter does not affect any notice given to you in respect of the First Security Deed (including in respect of the 2015 Deed of Amendment (Security Deed)).
13. This letter is to be governed by, and construed in accordance with, English Law.

Signed:

.....

For and on behalf of the Chargor

.....

For and on behalf of the Chargee

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28th September 2016

SCHEDULE 1**Part 2****Form of Acknowledgement**

To: Vodafone Group Pension Trustee Limited, acting solely in its capacity as trustee of the segregated CWW Section of the Vodafone Group Pension Scheme (the "Chargee")
Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN
For the attention of: Geoff McKenzie, Head of Pensions

Dated. [●] 2016

Dear Sirs

Charged Accounts

1. We hereby acknowledge receipt of a notice (a copy of which is attached) dated [●] 2016 (the "Notice") addressed to us by Prudential Retirement Income Limited (the "Chargor") and Vodafone Group Pension Trustee Limited (in its capacity as trustee of the segregated CWW Section of the Vodafone Group Pension Scheme) (the "Chargee")

2. We hereby confirm and agree with you that we:

(a) undertake to act in accordance with the Notice. In this regard, we advise that:

(i) if a valid notice to terminate the Custody Agreement is served by or on behalf of us, or by or on behalf of the Chargor (in each case, a "Termination Notice"), we shall act in accordance with the Notice for:

(A) a period of twelve months, plus a further two weeks, following (and excluding) the date of service of that Termination Notice (the "Continuation Period"), or

(B) (if shorter) the period until a successor custodian has been appointed and the cash and assets held in the Charged Accounts have been transferred to it.

(ii) we shall not be obliged to enquire as to the validity of any Notice of Exclusive Control.

(iii) we have no responsibility under the Second Security Deed.

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Signature

... .. 

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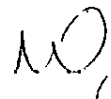
Date

28th September 2016

- (iv) any instruction received from the Chargee to transfer any or all of the property held in the Charged Accounts shall constitute a complete discharge of our responsibilities under this acknowledgement.
 - (b) agree that we shall notify you in writing as soon as reasonably practicable following service of any Termination Notice (whether by or on behalf of us, or by or on behalf of the Chargor) and shall identify in that notification the date when the relevant Continuation Period (as envisaged by paragraph 2(a)(1)(A) above) will expire
 - (c) agree that if any Termination Notice is validly withdrawn by us in writing before the expiry of the relevant notice period therein, then we will continue to act in accordance with the Notice as if such Termination Notice had not been served.
 - (d) agree that we will (without prejudice to our obligation under paragraph 2(b) above), promptly following request by the Trustee in writing, confirm whether
 - (i) any Termination Notice has been served by or on behalf of us, and
 - (ii) we have received any Termination Notice.
 - (e) acknowledge the appointment of M&G Investment Management Limited (the "Investment Manager") as investment manager in respect of the Charged Accounts and we will act on all instructions and directions given by the Investment Manager in respect of the Charged Accounts in accordance with the Custody Agreement
3. We hereby confirm and agree with you that we
- (a) shall not at any time:
 - (i) permit any cash or asset held in or standing to the credit of any Charged Account to be transferred otherwise than as provided in this Acknowledgement and the Custody Agreement; or
 - (ii) permit the description or designation of any Charged Account to be altered save in accordance with the terms of this Acknowledgement and the Custody Agreement
 - (b) confirm that we shall at all times in accordance with this Acknowledgement and the Custody Agreement ensure that:
 - (i) all cash and assets held in or standing to the credit of the Charged Accounts shall be held by us on behalf of the Chargor until such time as we receive a Notice of Exclusive Control from or on behalf of the Chargee,

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- (ii) all money or property of a capital nature accruing or offered at any time in respect of any cash or assets held in or standing to the credit of a Charged Account, including any right or benefit arising by way of bonus, consolidation, conversion, exchange, option, preference, redemption, return, capital, dividend, distribution, interest or in any other way, are credited to that Charged Account; and
 - (iii) all money or property representing the proceeds of sale or other disposition for value of any cash or assets held in or standing to the credit of a Charged Account are credited to that Charged Account.
5. We hereby confirm and agree with you that notwithstanding any breach by the Chargor or the Investment Manager of any of their respective obligations under the Custody Agreement or hereunder, we shall continue to hold the Charged Property in the Charged Accounts in accordance with the Custody Agreement. This obligation is (without prejudice to our obligations under paragraph 2 of this letter) subject always to the prevailing rights or remedies that are available to us under the Custody Agreement in the event of such breach by the Chargor or the Investment Manager, including without limitation, rights of indemnification or termination.
6. This acknowledgement does not affect the acknowledgement given by us to you in respect of the First Security Deed and dated 9 December 2015.

The expressions defined or incorporated by reference in the Notice shall, unless the context otherwise requires, have the same meanings in this letter

This letter shall be governed by and construed in accordance with English law.


For and on behalf of

HSBC BANK PLC

.....
 Authorised Signatory

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Signature

... ..  ...

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Date

28th September 2016

SCHEDULE 2

Part 1

Form of Notice of Exclusive Control

To. [Custodian]²
 [insert address]
 (in its capacity as Custodian)

For the attention of [insert name]

[insert date]

Dear Sir or Madam

Notice of Exclusive Control

1 We refer to the security deed dated _____ 2016 between Prudential Retirement Income Limited (the "Chargor") and Vodafone Group Pension Trustee Limited, solely in its capacity as trustee of the segregated CWW Section of the Vodafone Group Pension Scheme (the "Chargee") (as amended and restated from time to time, the "Second Security Deed") Unless otherwise defined in this document or the context requires otherwise, words and expressions used in this document have the meanings and constructions ascribed to them in the Second Security Deed

2 We hereby serve on you this document, which shall constitute a Notice of Exclusive Control as defined in the Second Security Deed We hereby notify you that [an Enforcement Event] [a Custodian Notice Event] has occurred. We hereby instruct you immediately -

- (a) to cease to accept or to comply with any instructions in respect of any Charged Account or any cash or assets held in or standing to the credit of any Charged Account given by the Chargor or by the Investment Manager or by any other person other than ourselves or any person who we notify you in writing has been duly appointed by us; and
- (b) to accept and comply with any instructions which may be given in respect of the Charged Accounts and any cash or assets held therein or standing to the credit thereof given by us or any person who we notify you in writing has been duly appointed by us to give instructions on our behalf to you

3. This notice shall be governed by and construed in accordance with English law.

² See footnote 2 above in relation to the address details for the service of notices upon the Custodian

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Signature

... ..  ..

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Date

28th September 2016

5. Please will you acknowledge receipt of this notice and confirm your acceptance of the instructions contained in it by sending a letter addressed to us and to the Chargor in the form attached to this notice.

Yours faithfully

for and on behalf of
Vodafone Group Pension Trustee Limited,
solely in its capacity as trustee of the segregated
CWW Section of the Vodafone Group Pension Scheme

.....
Authorised Officer

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Signature

. . .

A handwritten signature in black ink, appearing to be 'NQ' with a small flourish at the end.

Authorised by the Registrar of Companies

Date

28th September 2016

SCHEDULE 2

Part 2

Form of Acknowledgement

To: [Vodafone Group Pension Trustee Limited]
[insert address]

To: Prudential Retirement Income Limited
[insert address]

Copy: M & G Investment Management Limited
[insert address]

[insert date]

Dear Sir or Madam

Notice of Exclusive Control

We hereby acknowledge receipt of a notice (a copy of which is attached) dated [●] (the "Notice of Exclusive Control") addressed to us by [Vodafone Group Pension Trustee Limited], acting solely in its capacity as trustee of the segregated CWW Section of the Vodafone Group Pension Scheme (the "Chargee")

We hereby confirm and agree with you that -


- (a) we have ceased to accept or to comply with any instructions in respect of any Charged Account or any cash or assets held in or standing to the credit of any Charged Account given by the Chargor or by the Investment Manager or by any other person other than the Chargee or any person who the Chargee may notify us in writing has been duly appointed by it; and
- (b) we will accept and comply with any instructions which may be given in respect of the Charged Accounts and any cash or assets held therein or standing to the credit thereof given by the Chargee or any person who the Chargee may notify us in writing has been duly appointed by it to give instructions to us on its behalf.

Yours faithfully
For and on behalf of
HSBC Bank plc

.....
Authorised Officer

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Signature

.. ..  ..

Authorised by the Registrar of Companies

Date

28th September 2016

SCHEDULE 3

Part 1

PRUDENTIAL GROUP REINSURANCE FLOATING CHARGES


The following are the Prudential Group Reinsurance Floating Charges

1. Deed of charge between Prudential Retirement Income Limited (as Chargor) and Prudential Pensions Limited (the Reinsured) dated 30 June 2005
2. Deed of charge between Prudential Retirement Income Limited (as Chargor) and The Prudential Assurance Company Limited (the Reinsured) dated 30 June 2005
3. Deed of charge between Prudential Retirement Income Limited (as Chargor) and Prudential (AN) Limited (the Reinsured) dated 30 June 2005
4. Deed of charge between Prudential Retirement Income Limited (as Chargor) and The Prudential Assurance Company Limited (the Reinsured) dated 30 June 2006
5. Deed of charge between Prudential Retirement Income Limited (as Chargor) and The Prudential Assurance Company Limited (the Reinsured) dated 21 December 2006
6. Deed of charge between Prudential Retirement Income Limited (as Chargor) and The Prudential Assurance Company Limited (the Reinsured) dated 30 December 2008

In the case of each document, for the purposes of this schedule, the Reinsured under each document shall be the "Prudential Group Reinsurance Floating Chargee"

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.. . 

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Date

28th September 2016

SCHEDULE 3

Part 2

PRUDENTIAL GROUP REINSURANCE FLOATING CHARGES: ACKNOWLEDGMENT

To. Vodafone Group Pension Trustee Limited, acting solely in its capacity as trustee of the segregated CWW Section of the Vodafone Group Pension Scheme ("You")

From: [Prudential Group Reinsurance Floating Chargee] under [Date and parties to relevant Prudential Group Reinsurance Floating Charge (the "Floating Charge")]

Dated. [insert date]

Dear Sirs

FORM OF ACKNOWLEDGEMENT

We refer to the Security Deed dated _____ 2016, as amended and restated from time to time, (the "Second Security Deed") Terms defined in the Second Security Deed shall have the same meanings herein. We also refer to the Floating Charge

We acknowledge and accept that your rights to and interests in the Charged Property and the Assigned Assets rank in priority to the rights to and interests in the Charged Property and the Assigned Assets given to us by the Floating Charge.

Yours faithfully

For and on behalf of
[Prudential Group Reinsurance Floating Chargee]


.....
Authorised Signatory

For and on behalf of
Prudential Retirement Income Limited

.....
Authorised Signatory

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Signature

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Date

28th September 2016

SCHEDULE 4

Part 1

Notice of security to Investment Manager

To: M&G Investment Management Limited
 [insert address]
 (in its capacity as Investment Manager)
 For the attention of [insert name]

Dated: [insert date]

Dear Sirs

**SECURITY DEED DATED _____ 2016 BETWEEN PRUDENTIAL
 RETIREMENT INCOME LIMITED (THE "CHARGOR") AND VODAFONE GROUP
 PENSION TRUSTEE LIMITED (THE "CHARGE")**

1. We refer to the second-ranking Security Deed dated _____ 2016 between ourselves and the Chargee, (as amended and restated from time to time, the "Second Security Deed"), a copy of which is attached as the Schedule to this letter. Unless otherwise defined in this letter or the context requires otherwise, words and expressions used in this letter have the meanings and constructions ascribed to them in the Second Security Deed. We also refer to the notice given to you dated 9 December 2015 (the "First Notice") in connection with the security deed dated 30 November 2010 (as amended from time to time) (the "First Security Deed") and the acknowledgement from you to the Chargor and the Chargee dated 9 December 2015 (the "First Acknowledgement"). The First Security Deed and the Second Security Deed relate to the same Charged Property, in relation to which the Second Security Deed ranks behind ~~the First Security Deed.~~
2. This letter constitutes notice to you that, under the Second Security Deed, we have charged to the Chargee all our right, title, interest and benefit existing now or in the future, in, to, under or in respect of the Charged Property and assigned to the Chargee by way of security all our right, title, interest and benefit in, to, under and in respect of the Custody Agreement (including without limitation against the Custodian) to the extent that such rights relate to the Charged Property
3. We hereby irrevocably and unconditionally instruct and authorise you.
 - (a) to continue to manage all the Cash, Securities, assets and all sums of money held in or standing to the credit of the Charged Accounts from time to time and in doing so to act in accordance with any instructions we may give unless and until we or the Chargee notify you in writing in accordance with the Second Security Deed that a Crystallisation Event has occurred;
 - (b) upon being notified in accordance with the Security Deed that an Enforcement Event has occurred, to comply with such instructions as the Chargee may give

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to you in respect of the Charged Property for the purposes of directing the Custodian to give effect to the enforcement of the Chargee's security, and

- (c) at all times to act in accordance with the Custody Agreement in relation to the Charged Accounts

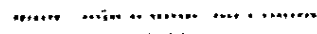
- 4. This letter does not affect any notice given to you in respect of the First Security Deed (including in respect of the 2015 Deed of Amendment (Security Deed)). To the extent that any instructions given in or in connection with this letter are inconsistent with instructions given in connection with the First Notice, as acknowledged by you in the First Acknowledgement, you shall be permitted to act in accordance with the instructions given under the First Notice. In the absence of any express indication to the contrary, you shall be entitled to assume that any instructions given to you in connection with the Charged Property is given under the First Notice

- 5 This notice shall be governed by and construed in accordance with English law

Please will you acknowledge receipt of this notice and confirm your acceptance of the instructions and authorisations contained in it by sending a letter addressed to us and to the Chargee in the form attached to this notice.

Yours faithfully

for and on behalf of
Prudential Retirement Income Limited


Authorised Officer

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Signature

. . . 

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Date

28th September 2016

SCHEDULE 4

Part 2

Form of Acknowledgement

To: Prudential Retirement Income Limited
[insert address]

Vodafone Group Pension Trustee Limited, acting solely in its capacity as trustee of the segregated CWW Section of the Vodafone Group Pension Scheme (the "Chargee")
[insert address]

[insert date]

Dear Sirs

SECURITY DEED DATED _____ 2016 BETWEEN PRUDENTIAL RETIREMENT INCOME LIMITED (THE "CHARGOR") AND VODAFONE GROUP PENSION TRUSTEE LIMITED (THE "CHARGE") (THE "SECOND SECURITY DEED")

We hereby acknowledge receipt of a notice dated [●] 2016 sent to us by the Chargor (the "Notice") and the Second Security Deed (copies of which are attached). Unless otherwise defined in this letter or the context requires otherwise, words and expressions used in this letter have the meanings and constructions ascribed to them in the Second Security Deed.

We accept the instructions contained in the Notice and undertake to you to act in accordance with the Notice (including, without limitation, paragraph 4 of the Notice) In particular, we note that:

-
1. the Chargor has charged to the Chargee all of its right, title, interest and benefit existing now or in the future, in, to, under or in respect of the Charged Property and assigned to the Chargee by way of security all of its right, title, interest and benefit in, to, under and in respect of the Custody Agreement (including without limitation against the Custodian) to the extent that such rights relate to the Charged Property; and
 2. the Chargor has agreed under the Second Security Deed not to, except with the prior written consent of the Chargee:
 - (a) sell, assign, transfer, grant any interest in or otherwise dispose of any of the Charged Property other than in accordance with the terms of the New Policy; or
 - (b) create, or agree or attempt to create, or permit to subsist, any Security Interest (except under the Second Security Deed) over any of the Charged Property other than a Permitted Security Interest

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... . 

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Date

28th September 2016

We hereby confirm and acknowledge that.

- 1 In our capacity as Investment Manager of the Charged Accounts, we act solely as agent of the Chargor and act in accordance with its instructions.
- 2 In our capacity as a party to the Custody Agreement in respect of the Charged Accounts, we act solely as agent of the Chargor and act in accordance with its instructions.
- 3 We have no legal and/or beneficial title to the Charged Property
4. The Chargor is an Underlying Client (as such term is defined in the Custody Agreement) for the purposes of the Custody Agreement
- 5 We have not received notice of the interest of any third party in the Charged Accounts.
- 6 We have neither claimed or exercised nor will claim or exercise any security interest, set-off, counterclaim or other rights in respect of the Charged Accounts (or funds in them).

We undertake that.

1. we shall comply with the instructions given by the Chargor pursuant to its procurement obligations under the Second Security Deed, including without limitation clauses 13.2, 13.3, 19.4, 19.6, 19.7 and 19.8 of the Second Security Deed (unless an Enforcement Event has occurred and we are acting in compliance with the instructions given by the Chargor in respect of the Charged Property); and
2. we shall act in accordance with the Notice even if any fees, charges or other amounts payable by the Chargor to us are then outstanding

This letter shall not affect any letter given by us in relation to the First Security Deed (including in respect of the 2015 Deed of Amendment (Security Deed))

This letter shall be governed by and construed in accordance with English law.


Yours faithfully

For and on behalf of
M&G Investment Management Limited

.....
Authorised Officer

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Signature

A handwritten signature in black ink, consisting of a series of loops and a final flourish.

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Date

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