

MR01

Particulars of a charge



Companies House

703511/23



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www.gov.uk/companieshouse

A fee is 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
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where the
instrument Use form MR01

For further information, please
refer to our guidance at

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

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



A22

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15/02/2017

#68

COMPANIES HOUSE

1 Company details

Company number 00015454

Company name in full THE PRUDENTIAL ASSURANCE COMPANY LIMITED

GD For official use
→ Filing 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 08/02/2017

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

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

Name PRUDENTIAL RETIREMENT INSURANCE AND
ANNUITY COMPANY

Name

Name

Name

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

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

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Particulars of a charge

4	Brief description Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument Brief description	Not applicable	Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument" Please limit the description to the available space
5	Other charge or fixed security Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
6	Floating charge Is the instrument expressed to contain a floating charge? Please tick the appropriate box <input type="checkbox"/> Yes Continue <input checked="" type="checkbox"/> No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? <input type="checkbox"/> Yes		
7	Negative Pledge Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
8	Trustee statement ^⓪ 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 <input type="checkbox"/>		⓪ This statement may be filed after the registration of the charge (use form MR06)
9	Signature Please sign the form here Signature	 X William Farr & Gallagher (UK) LLP X This form must be signed by a person with an interest in the charge	

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Particulars of a charge



Presenter information

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

Contact name	ALEXANDER ROY
Company name	WILLKIE FARR & GALLAGHER (UK)
LLP	
Address	CITYPOINT
1 ROPEMAKER STREET	
Post town	LONDON
County/Region	
Postcode	E C 2 Y 9 A W
Country	UK
DX	
Telephone	



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



How to pay

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

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



Where to send

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

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

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

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



Further information

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

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



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 15454

Charge code: 0001 5454 0062

The Registrar of Companies for England and Wales hereby certifies that a charge dated 8th February 2017 and created by THE PRUDENTIAL ASSURANCE COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th February 2017.

9

Given at Companies House, Cardiff on 22nd February 2017



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

THE PRUDENTIAL ASSURANCE COMPANY LIMITED
as Chargor

AND

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY
as Chargee

FIXED CHARGE SECURITY DEED

We hereby certify that, save for material redacted pursuant to Section 859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Willkie Farr & Gallagher (UK) LLP
CityPoint, 1 Ropemaker Street, London, EC2Y 9AW
14th February, 2017

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THIS DEED is dated 8 February 2017

BETWEEN:

- (1) **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**, a company incorporated under the laws of England and Wales (registered number 00015454) whose registered office is at Laurence Pountney Hill, London EC4R 0HH, United Kingdom (the "**Chargor**"), and
- (2) **PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY**, an insurance company registered in the State of Connecticut under business ID number 0279236, whose registered address is at 280 Trumbull Street, Hartford, CT 06103, United States of America (the "**Chargee**"),

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

BACKGROUND:

- (A) Pursuant to the Longevity Reinsurance Confirmation Agreement dated the date hereof (the "**Confirmation**"), which is supplemented by and incorporates those certain Master Longevity Reinsurance Terms dated as of the date hereof (the "**Master Terms**") (together, the "**Reinsurance Agreement**") made between the Chargor (in such capacity, the "**Cedant**") and the Chargee (in such capacity, the "**Reinsurer**") the Chargee has agreed to reinsure the Chargor in respect of certain elements of the Cedant's longevity risk relating to certain pension beneficiaries as further described pursuant to the Reinsurance Agreement
- (B) Pursuant to the Reinsurance Agreement, the Chargor has agreed to pay certain Reinsurance Fees (defined pursuant to the Master Terms) to the Chargee
- (C) The Chargor has agreed to provide financial collateral for the benefit of the Chargee to secure the present and future obligations of the Chargor to the Chargee arising from or in respect of, and as set out in detail in, the Reinsurance Agreement, on and subject to the terms set out in this Deed
- (D) It is intended that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand

IT IS AGREED as follows

1 INTERPRETATION

1.1. Definitions

In this Deed

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

"**Asset Manager**" has the meaning set forth in the Cedant Fee Investment Guidelines and Coordination Agreement

“Business Day” has the meaning set forth in the Cedant Fee Custody and Control Agreement

“Cash” has the meaning set forth in the Cedant Fee Investment Guidelines and Coordination Agreement

“Cash Account” means the bank account maintained by or on behalf of the Custodian for the account of the Chargor under the Cedant Fee Custody and Control Agreement, details of which are set out in Schedule 1, including any sub-accounts thereof from time to time, and together with all Cash Collateral

“Cash Collateral” means all Cash and other funds Credited to the Cash Account or that the Custodian is obligated to Credit to the Cash Account, all general intangibles relating to any or all of the foregoing, all supporting obligations relating to any or all of the foregoing and all proceeds (including proceeds of proceeds) of any or all of the foregoing that are held in or Credited to the Cash Account or that the Custodian is obligated to Credit to the Cash Account, including, interest, other income or distributions with respect to the foregoing

“Cedant Experience Collateral Account” has the meaning set forth in the Cedant Experience Security Agreements

“Cedant Experience Security Agreements” has the meaning as set forth in the Master Terms

“Cedant Fee Collateral” means (i) the Cedant Fee Collateral Account, all general intangibles relating thereto, all supporting obligations relating to any or all of the foregoing and all proceeds (including proceeds of proceeds) of any or all of the foregoing, (ii) all Collateral Assets, including the Cash Collateral and the Securities Collateral and (iii) all proceeds of any or all of the foregoing (including proceeds of proceeds), regardless of form (whether or not in the possession or control of the Custodian, or any third party acting on behalf of the Custodian), including all accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter of credit rights, money, financial assets and insurance

“Cedant Fee Collateral Account” means the Securities Account and Cash Account established and maintained by the Custodian in the name of the Chargor pursuant to the Cedant Fee Custody and Control Agreement and all successor or replacement securities accounts and cash accounts thereof and all securities accounts and cash accounts established and maintained by or for the benefit of the Chargor and the Chargee or the Custodian on behalf of the Chargor and the Chargee in connection therewith and all subaccounts and successor and replacement subaccounts of all of the foregoing, in each case wherever located, *provided however*, that the term “Cedant Fee Collateral Account” shall not include the Cedant Experience Collateral Account

“Cedant Fee Collateral Requirement” has the meaning set forth in the Master Terms

“Cedant Fee Custody and Control Agreement” or **“Custody Agreement”** means the custody agreement entered into on or about the date hereof between the Custodian,

the Chargor and the Chargee in relation to the Cedant Fee Collateral Account (or any other agreement or instrument as it may be amended, supplemented, replaced or novated from time to time)

“Cedant Fee Investment Guidelines and Coordination Agreement” means that certain agreement entered into on or about the date hereof among the Chargee (including in the Chargee’s capacity as the Valuation Agent) and the Chargor

“Collateral Asset” means an asset (including Cash) that is Credited from time to time to the Cedant Fee Collateral Account

“Companies House” means the public register in the United Kingdom where, among other things, particulars of a charge granted by a United Kingdom incorporated company must be registered in order for the charge to be valid and enforceable against a liquidator, administrator or creditor of that company with respect to the chargee’s security interest in the property of that company

“Credit”, “Credited” or “Crediting” means the making by the Custodian of a record in its books and records that the Securities Collateral and/or Cash Collateral delivered to it for credit to the Cedant Fee Collateral Account is deposited in or credited to the Cedant Fee Collateral Account

“CREST” shall mean the central securities depository for the United Kingdom, Ireland, Isle of Man, Jersey and Guernsey in respect of which Euroclear U K & Ireland Limited is the operator

“Custodian” means The Bank of New York Mellon, a banking corporation organised under the laws of the State of New York, acting through its London branch at One Canada Square, London E14 5AL, United Kingdom

“Deed” means this fixed charge security deed or any other agreement or instrument as it may be amended, supplemented, replaced or novated from time to time and includes a reference to any document which amends, supplements, replaces, novates or is entered into, made or given pursuant to or in accordance with any of the terms of this Deed or, as the case may be, the relevant deed, agreement or instrument

“Default Termination Event” has the meaning set forth in the Master Terms

“Delegate” means, in relation to the Custodian, any sub-custodian, nominee, agent or other delegate appointed for the purposes of the Cedant Fee Custody and Control Agreement

“Depository” means the Canadian Depository System, Clearstream Banking S A , CLS Bank International, CREST, the Depository Trust Company, Euroclear Bank SA/NV as operator of the Euroclear system, the Federal Reserve Book Entry System and any other securities depository, securities settlement system, book-entry system or clearing agency (and their respective successors and nominees) authorised to act as a central securities depository, securities settlement system, book-entry system or clearing agency pursuant to applicable law

“Early Termination Event” has the meaning set forth in the Master Terms

“Encumbrance” means

- (a) a mortgage, charge, pledge, lien, assignment or other encumbrance securing any obligation of any person,
- (b) any arrangement under which money or claims to, or for the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person, or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect

“Enforcement Event” means upon the occurrence of a Default Termination Event or a Non-Fault Termination Event, the failure by the Chargor to pay any Specified Termination Payment in full when and as the same shall become due and payable pursuant to Clause 3.1 of the Cedant Fee Investment Guidelines and Coordination Agreement

“Exclusive Control Event” means a Termination Exclusive Control Event or an Insolvency Exclusive Control Event, as applicable

“Exclusive Control Event Notice” means a written notice that is either (a) on the occurrence of a Termination Exclusive Control Event, a “Termination Event Notice” or (b) on the occurrence of an Insolvency Exclusive Control Event, a “Security Provider Insolvency Notice”, substantially in the form set forth in Schedule 2 hereto executed by the Chargee

“Exclusive Control Period” means

- (a) with respect to a Termination Exclusive Control Event, the Termination Exclusive Control Period, or
- (b) with respect to an Insolvency Exclusive Control Event, the Insolvency Exclusive Control Period

“Experience Secured Obligations” means the Secured Obligations (as defined in the Cedant Experience Security Agreements)

“Experience Termination Payments” means the Provisional Experience Termination Payment, the Experience Termination Payment Adjusting Amount, the Experience Termination Payment and the Final Experience Termination Payment (as those terms are defined in the Master Terms) and any and all fees and expenses that are due in connection with such Experience Termination Payments pursuant to the Transaction Documents and each is an **“Experience Termination Payment”**

“Insolvency Event” has the meaning set forth in the Master Terms

“Insolvency Exclusive Control Event” means an Insolvency Event occurs with respect to the Chargor

“Insolvency Exclusive Control Period” means the period that (a) begins on, and includes, the date of an Exclusive Control Event Notice constituting a “Security Provider Insolvency Notice” delivered to the Custodian by the Chargee and (b) ends on, and excludes, the earlier of (x) the Reinstatement Date, and (y) Termination

“Investment Power” means, with respect to any Collateral Asset, the power to dispose or direct the disposition of such Collateral Asset, including (i) the investment, reinvestment, redemption, purchase, sale or other action concerning the investment of such Collateral Asset, and (ii) the power to exercise any (a) warrants, puts, calls or other options, (b) conversion rights, (c) subscription rights, (d) rights with respect to business combination transactions, tender offers or capital reorganisations, and (e) redemption rights, *provided, however*, that Investment Power shall not include Voting Power

“Joint Instructions” means, with respect to the Cedant Fee Collateral, Written Instructions duly executed by the Chargor and the Chargee either in counterpart or pursuant to a separate notice to the Custodian executed, as applicable by (i) the Chargee whereby the Chargee acknowledges and consents to the Chargor’s Written Instructions to the Custodian and (ii) the Chargor whereby the Chargor acknowledges and consents to the Chargee’s Written Instructions to the Custodian

“Non-Fault Termination Event” has the meaning set forth in the Master Terms

“Party B” has the meaning set forth in the Master Terms

“Payment in Kind Collateral Assets” has the meaning set forth in the Cedant Fee Investment Guidelines and Coordination Agreement

“Permitted Encumbrance” means any Encumbrance existing at any time (a) in favour of the Chargee, (b) in favour of the Custodian under the Cedant Fee Custody and Control Agreement or any other Transaction Document (c) in favour of any Sub-custodian arising by operation of law or by reason of its agreement with the Custodian, (d) any Encumbrance existing at any time in the form of a floating charge granted to a cedant or reinsurer for the purposes of enabling such cedant or reinsurer to recover from the Chargor pursuant to a reinsurance agreement upon the Chargor going into liquidation as defined in section 247(2) of the Insolvency Act 1986 the amount that it would have received if it had been a direct policyholder of the Chargor (and not been subordinated pursuant to the Insurers (Reorganisation and Winding-up) Regulations 2004), which is subordinated to the security interest created by this Deed, (e) arising under the operating terms of (or which is otherwise routinely imposed on all securities in) any clearing system or central securities depository in which any Cedant Fee Collateral may be held from time to time, (f) arising by operation of law and (g) any other encumbrance or security interest to which the Chargee gives its consent from time to time

“Person” or **“person”** means any individual, company, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof

“Provisional Early Termination Payment” has the meaning set forth in the Master Terms

“Provisional Reinsurance Fee Termination Payment” has the meaning set forth in the Master Terms

“Receiver” means a receiver and manager or a receiver, in each case, appointed under this Deed

“Regulations” has the meaning set forth in Clause 2.1

“Reinstatement Date” means

- (a) with respect to a Termination Exclusive Control Period, the date on or after a Termination Event Date and prior to the payment of any portion of the Provisional Early Termination Payment, that a Early Termination Event or Termination Event Notice (each such term as defined pursuant to the Cedant Fee Investment Guidelines and Coordination Agreement) is rescinded pursuant to clause 3.1(c) (*Rescission of Termination Event*) of the Cedant Fee Investment Guidelines and Coordination Agreement, or
- (b) with respect to an Insolvency Exclusive Control Period, the date upon which an Insolvency Event with respect to the Chargor has ceased to occur

“Reinsurance Fee Termination Payment Adjusting Amount” has the meaning set forth in the Master Terms

“Secured Obligations” means all of the indebtedness, obligations, liabilities and undertakings of the Chargor to the Chargee in respect of the Cedant Fee Collateral Requirement, the Provisional Reinsurance Fee Termination Payment, the Reinsurance Fee Termination Payment Adjusting Amount under or in connection with this Deed, the Reinsurance Agreement, the other Transaction Documents and any promissory notes or other instruments or agreements executed and delivered pursuant thereto or in connection therewith, of any kind or description, individually or collectively, direct or indirect, joint or several, absolute or contingent, due or to become due, voluntary or involuntary, now existing or hereafter arising including all future advances and interest (whether arising before or after the occurrence of an Insolvency Event with respect to the Chargor (or any analogous event in any jurisdiction) and including all interest accrued after the petition date or other such date), irrespective of whether for the payment of money, under or in respect of the Transaction Documents, and all costs, fees (including legal fees and costs incurred (among other things) in collecting and enforcing rights against the Chargor) and other expenses, that the Chargor is hereby or otherwise required to pay in connection with the foregoing pursuant to the Transaction Documents, by law or otherwise, *provided that* the foregoing shall not include any obligations of the Chargor (i) under the Cedant Experience Security Agreements, (ii) to pay the Experience Termination Payments or (iii) arising from or relating to the Cedant Experience Security Agreements or the Experience Termination Payments, including any obligation arising from or relating to obligations under Section 13.7 of the Master Terms

"Securities Account" means the securities account maintained by or on behalf of the Custodian for the account of the Chargor under the Cedant Fee Custody and Control Agreement as specified in Schedule 1 including any sub-accounts thereof from time to time

"Securities Collateral" means all investment property (including security entitlements, and securities) and other financial assets that are held in or Credited to the Securities Account or that the Custodian is obligated to Credit to the Securities Account, all certificates and instruments from time to time created representing or evidencing any and all of the foregoing, all general intangibles relating to any or all of the foregoing (including Investment Powers, Voting Powers and other powers and rights of the Chargor now or hereafter acquired by the Chargor with respect to any or all of the foregoing, including rights of enforcement under or with respect to any or all of the foregoing), all supporting obligations relating to any or all of the foregoing and all proceeds (including proceeds of proceeds) of any or all of the foregoing that are held in or Credited to the Securities Account or that the Custodian is obligated to Credit to the Securities Account, including, dividends, interest, amounts paid upon maturity or redemption, other income or distributions with respect to the foregoing

"Security" means any Encumbrance created, evidenced or conferred by or under this Deed

"Security Assets" means those assets of the Chargor which are subject to the Security

"Security Period" means the period beginning on the date of this Deed and ending on the earlier of (a) the date on which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and (b) the date on which, the Reinsurance Agreement having been validly terminated in accordance with its terms, the Chargee receives the payment due to it under the Reinsurance Agreement in relation to such termination

"Specified Termination Payment" has the meaning set forth in the Cedant Fee Investment Guidelines and Coordination Agreement

"Termination" has the meaning set forth in the Cedant Fee Investment Guidelines and Coordination Agreement

"Termination Event Date" means the date an Early Termination Event occurs

"Termination Exclusive Control Event" means the occurrence of a Default Termination Event in respect of which the Chargor is Party B

"Termination Exclusive Control Period" means the period that (a) begins on, and includes the date identified as the "Termination Event Date" in an Exclusive Control Event Notice constituting a "Termination Event Notice" delivered to the Custodian by the Chargee and (b) ends on, and excludes, the earlier of (x) the Reinstatement Date, and (y) Termination

"Termination of Exclusive Control Event Notice" means a written notice substantially in the form set forth in Schedule 3 hereto executed by the Chargee

“Transaction Documents” has the meaning set forth in the Master Terms

“Valuation Agent” has the meaning set forth in the Cedant Fee Investment Guidelines and Coordination Agreement

“Voting Power” means, with respect to any Collateral Asset, the power to vote or to direct the voting of such Collateral Asset

“Written Instructions” has the meaning set forth in the Cedant Fee Investment Guidelines and Coordination Agreement

12 Construction

- (a) Words and expressions not otherwise defined in this Deed but which are defined in the Cedant Fee Investment Guidelines and Coordination Agreement or the Reinsurance Agreement shall have the meaning given to them in the Cedant Fee Investment Guidelines and Coordination Agreement or the Reinsurance Agreement, as the case may be, provided that to the extent there is any conflict between the definitions in the Cedant Fee Investment Guidelines and Coordination Agreement and the Reinsurance Agreement (but not in this Deed) then the Reinsurance Agreement shall prevail
- (b) References to the Chargee and the Chargor include their respective successors and permitted assigns (as the case may be)
- (c) In this Deed, unless the context otherwise requires
 - (i) references to a person shall include any body corporate or unincorporated body,
 - (ii) words denoting the singular shall include the plural and vice versa,
 - (iii) words denoting a gender shall include the other gender and the neuter and neuter references shall include all genders,
 - (iv) references to Clauses, Paragraphs and Schedules are references to clauses and paragraphs of, and schedules to, this Deed,
 - (v) any reference to a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated,
 - (vi) any reference to enactment or provision of any enactment shall include a reference to any order, ordinance or regulation made under it and any such reference shall be construed as a reference to such enactment or provision of any enactment, order, ordinance or regulation as amended, modified, extended, consolidated, re-enacted or replaced from time to time, and
 - (vii) a reference to time is to London time except where expressly stated otherwise

- (d) Any covenant of the Chargor under this Deed remains in force during the Security Period and is given for the benefit of the Chargee
- (e) Clause headings and the index are inserted for convenience only and shall not affect the construction of this Deed
- (f) An Exclusive Control Event "continues" or is "continuing" if it has not been waived
- (g) A person who is not a party to this Deed may not enforce its terms under the Contracts (Rights of Third Parties) Act 1999 or otherwise
- (h) Unless the context otherwise requires, a reference to a Security Asset includes
 - (i) any part of that Security Asset, and
 - (ii) the proceeds of that Security Asset

2 CREATION OF SECURITY

2.1. General

The Security created under this Deed, created in favour of the Chargee

- (a) is a first ranking fixed charge security interest,
- (b) is a "Security Financial Collateral Arrangement" pursuant to the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226) (the "**Regulations**"),
- (c) is created over the present and future Collateral Assets of the Chargor,
- (d) is continuing security for the payment, discharge and performance of all the Secured Obligations, and
- (e) is made by the Chargor in respect of the Security Assets with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994

2.2. Covenant to pay

The Chargor shall, pay and discharge the Secured Obligations when they fall due in accordance with the terms of the Transaction Documents

2.3. Charge

- (a) As security for the prompt and complete payment and performance when due of the Secured Obligations, the Chargor hereby, with full title guarantee (save as provided for in Clause 12.2(d) (*Covenants and Undertakings*)) and as continuing security for the performance of the Secured Obligations, charges by way of a first ranking fixed charge all of its right, title and interest in, to and under and power to transfer all right, title and interest in, to and under,

whether now owned or hereafter acquired or arising, whether governed by the laws of England & Wales or any other laws and wherever located, the Cedant Fee Collateral. If, for any reason, the charge created by this Clause 2.3(a) does not take effect as a fixed charge it shall, nevertheless, take effect as a floating charge.

- (b) The Chargor, with full title guarantee (save as provided for in Clause 12.2(d) (*Covenants and Undertakings*)), hereby assigns by way of security and/or charges by way of first ranking fixed charge in favour of the Chargee all rights which it may have against the Custodian now or in the future under and in connection with the Cedant Fee Custody and Control Agreement in so far as such rights relate specifically to the Cedant Fee Collateral Account and the Collateral Assets, including without limitation
 - (i) any rights which the Chargor may have or acquire as against the Custodian or any of its Delegates or any Depository in respect of any of the Collateral Assets, and
 - (ii) any rights which the Chargor may have under any agreement with any such person (or the owner, licensee or operator of the same) in so far as they relate specifically to the Collateral Assets and any right to require delivery by such person of any Collateral Assets in any currency to or to the order of the Chargor
- (c) The Chargor hereby waives any right it may have of first requiring the Chargee to proceed against or claim payment from any other person or enforce any guarantee or security before enforcing its security under this Deed
- (d) Where any discharge of the security constituted by this Deed is made on the faith of any payment, security or other disposition which is avoided or where any amount paid pursuant to any such discharge must be repaid on bankruptcy, insolvency, administration or liquidation (or otherwise) of any of the Chargor, the Custodian, a Delegate, the Asset Manager or any other entity who may from time to time come into possession or control of the Collateral Assets, the Security constituted by this Deed and the liability of the Chargor under this Deed shall continue as if there had been no such discharge
- (e) If, at any time, title to any other intangible moveable property belonging to or for the account of the Chargor is transferred to, or any other security is deposited with, the Custodian by or for the account of the Chargor under the Cedant Fee Custody and Control Agreement, any such property or other certificate shall, without further notice or agreement, become subject to the provisions of this Deed
- (f) The fact that no details of any Collateral Assets are included in any relevant Schedule to this Deed does not affect the validity or enforceability of any Security created by or pursuant to this Deed

2.4. Crystallisation of floating charge

- (a) If, for any reason, the fixed charge created by Clause 2.3(a) of this Deed does not take effect as a fixed charge and, nevertheless, takes effect as a floating charge, then the Chargee may at any time by notice in writing to the Chargor convert such floating charge with immediate effect into a fixed charge as regards any of the Chargor's assets specified in the notice if
 - (i) an Exclusive Control Event has occurred and is continuing, or
 - (ii) the Chargee reasonably considers that any of the Security Assets may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process
- (b) If, for any reason, the fixed charge created by Clause 2.3(a) of this Deed does not take effect as a fixed charge and, nevertheless, takes effect as a floating charge, then any floating charge thereby created will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets of the Chargor subject to the floating charge pursuant to this Deed if
 - (i) the Chargor creates or attempts to create any Encumbrance (other than any Permitted Encumbrance) over the Security Assets, other than as permitted under this Deed, or
 - (ii) any person levies or attempts to levy any distress, execution or other process against any of the Security Assets, or
 - (iii) there is an Insolvency Event with respect to the Chargor, or
 - (iv) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to the Chargor or files such a notice with the relevant court, or
 - (v) the Chargor disposes or attempts to dispose of, all or any part of the Security Assets other than as permitted under the Transaction Documents

2.5. Negative Pledge and Disposals

- (a) The Chargor shall not at any time during the Security Period, create or permit to subsist any Encumbrance (save for a Permitted Encumbrance) over all or any part of the Security Assets other than with the prior written consent of the Chargee
- (b) The Chargor and the Chargee each acknowledge and agree that until the occurrence of an Exclusive Control Event, any disposal of the Collateral Assets shall only be permissible with the prior consent of both Parties in accordance with the terms of the Cedant Fee Investment Guidelines and Coordination Agreement and the Cedant Fee Custody and Control Agreement

3. FURTHER ASSURANCES

As soon as reasonably practicable following a demand in writing made by the Chargee, the Chargor shall (at its own cost) execute, deliver, file and record any financing statement, specific assignment or other document that the Chargee may reasonably specify and take any other action that may be reasonably requested by the Chargee in relation to any Security Assets, to give effect to the requirements of this Deed, create, protect, preserve, perfect or validate any Security granted or intended to be granted under Clause 2 (*Creation of Security*) or any other provision of this Deed, to enable the Chargee or any Receiver to exercise or enforce its rights under this Deed with respect to the Security Assets (or to facilitate such exercise or enforcement including to facilitate the realisation of all or any of the Security Assets at any time during an Exclusive Control Period), to protect or preserve the ranking of the Security created or intended to be created by or pursuant to this Deed with any other Security over all or any of the Security Assets or to effect or document a release of a Security created by this Deed in respect of any Security Assets

4. CONTINUING SECURITY

The Security constituted by this Deed shall be a continuing security and shall not be satisfied by any intermediate payment or satisfaction of the whole or any part of the Secured Obligations but shall secure the ultimate balance of the Secured Obligations. If for any reason this security ceased to be a continuing security, the Chargee may open a new account with or continue any account of the Chargor maintained with the Chargee and the liability of the Chargor in respect of the Secured Obligations at the date of such cessation shall remain, regardless of any payments into such account. The Security constituted by this Deed shall be in addition to and shall not be affected by any other security now or subsequently held by the Chargee for all or any of the Secured Obligations.

5. COLLATERAL MAINTENANCE

5.1. Substitution

Any substitution of Cedant Fee Collateral prior to an Exclusive Control Event is subject to the consent of the Chargee.

5.2. Withdrawal

Any withdrawal of Cedant Fee Collateral prior to an Exclusive Control Event is subject to the consent of the Chargee.

6. ENFORCEMENT OF SECURITY

6.1. Exclusive Control

- (a) Upon the occurrence of an Exclusive Control Event and so long as such Exclusive Control Event is continuing
 - (i) the Chargee may exercise further controls over the Cedant Fee Collateral Account, as specified in this Clause 6.1, by delivering to the Custodian an Exclusive Control Event Notice (with a copy to the

Chargor and the Asset Manager, provided that failure to deliver such copies shall not invalidate that notice) Each occurrence and termination of an Exclusive Control Period shall be notified to the Custodian in an Exclusive Control Event Notice and a Termination of Exclusive Control Event Notice, respectively During an Exclusive Control Period, the Chargor (or, if applicable the Asset Manager) shall have no right to deliver Written Instructions to the Custodian with respect to the Cedant Fee Collateral Account and the Chargee shall have no obligation to execute Joint Instructions So long as an Exclusive Control Event continues to exist, and so long as no Termination of Exclusive Control Event Notice has been delivered to the Custodian, the Custodian shall follow Written Instructions (including Written Instructions that other than during an Exclusive Control Period are required to be Joint Instructions and all Written Instructions regarding management of the Collateral Assets), in each case originated only by the Chargee without further consent of the Chargor, the Asset Manager or any other Person

(ii) the Chargee may, subject to Clause 6 1(b), exercise Voting Power and Investment Power in accordance with the terms of the Cedant Fee Investment Guidelines and Coordination Agreement

(iii) the Chargee shall not exercise any of the rights, remedies or powers pursuant to Clause 6 2 other than

(A) to the extent amounts are due to it under any Transaction Document, and

(B) following an Enforcement Event, where it elects to transfer Cash or Payment in Kind Collateral Assets pursuant to Clause 3 1(d)(ii) of the Cedant Fee Investment Guidelines and Coordination Agreement

(b) Upon the occurrence of a Reinstatement Date with respect to an Exclusive Control Event for which an Exclusive Control Event Notice has been delivered to the Custodian, the Chargee shall promptly deliver to the Custodian a Termination of Exclusive Control Event Notice

6.2. Enforcement of Security

(a) This Security will become immediately enforceable in relation to the Security Assets if an Enforcement Event occurs

(b) Subject to Clause 6 1(b), if and for so long as the Security has become enforceable

(i) the Chargee shall continue to have all of the rights, remedies and powers conferred on it pursuant to Clause 6 1(a)(ii),

(ii) the Chargee may act under the power of attorney conferred by Clause 15,

- (iii) the Chargee may in its absolute discretion enforce all or any part of it in relation to the Security Assets in any manner it sees fit,
 - (iv) the Chargee may sell or otherwise dispose of all or any part of the Security Assets,
 - (v) the Chargee shall be entitled to apply the proceeds of such sale or other disposal in paying the costs of that sale or disposal and in or towards the discharge of the Secured Obligations,
 - (vi) the power of sale and any other powers conferred on a mortgagee by law (including under Section 101 of the Act), as amended by this Deed, will be immediately exercisable at any time,
 - (vii) the Chargee may appoint a receiver under Clause 10 1, and
 - (viii) the Chargee shall have the ability to exercise all rights available to it under Clause 6 8 of this Deed
- (c) Notwithstanding any other provisions of this Deed, for the purposes of all powers, authorities and discretions conferred or implied by statute, the Secured Obligations shall be deemed to have become due and payable and the power of sale and other powers conferred or implied by statute (as varied or extended by this Deed), including the power to appoint a Receiver, shall arise, immediately on execution of this Deed
- (d) The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed or to the exercise by the Chargee or any Receiver of its right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time or to its power of sale, which powers shall be immediately exercisable by the Chargee or any Receiver without notice to the Chargor at any time after the Security created by or pursuant to this Deed has become enforceable

6.3. No liability as mortgagee in possession

Neither the Chargee nor any Receiver will be liable by reason of entering into possession of a Security Asset to account as mortgagee in possession or for any loss on realisation or for any default or omission (other than gross negligence or wilful misconduct) for which a mortgagee in possession might be liable

6 4 Privileges

Each Receiver and the Chargee is entitled to all the rights, powers, privileges and immunities conferred by law (including the Act) on mortgagees and receivers duly appointed under any law (including the Act), except that Section 103 of the Act does not apply

6 5. Protection of third parties

No Person (including a purchaser) dealing with the Chargee or a Receiver or its agents will be concerned to enquire

- (a) whether the Secured Obligations have become payable,
- (b) whether any power which the Chargee or a Receiver is purporting to exercise has become exercisable or is being properly exercised,
- (c) whether any money remains due under any of the Transaction Documents, or
- (d) how any money paid to the Chargee or to that Receiver is to be applied

6.6 Contingencies

If the Security is enforced at a time when no amount is due by or on account of the Chargor in respect of the Secured Obligations but at a time when amounts may or will become due, the Chargee (or the Receiver) may pay the proceeds of any recoveries effected by it into such number of interest bearing suspense accounts as it considers appropriate

6.7. Further protection

- (a) The Parties expressly agree that the Security granted by the Chargor to the Chargee pursuant to this Deed constitutes and is fully intended to constitute
 - (i) a first ranking fixed charge security interest, and
 - (ii) a "Security Financial Collateral Arrangement" pursuant to the Regulations
- (b) The Chargor will promptly give notice to the Chargee of, and defend against any suit, action, proceeding or lien that involves the Security Assets transferred by the Chargor or that could materially adversely affect the Security granted by the Chargor under Clause 2 of this Deed (*Creation of Security*)
- (c) The Chargor undertakes that it shall protect and preserve the first fixed charge ranking of the Security interest created pursuant to this Deed and undertakes not to challenge, dispute, litigate or bring any suit, action or proceeding against the Chargor which is reasonably likely to materially adversely affect the first fixed charge ranking of the Security interest created pursuant to this Deed

6.8. Right of appropriation

- (a) In this Deed, "financial collateral" shall mean any part of the Security Assets which falls within the definition of financial collateral in the Regulations. The Chargee shall have the benefit of all of the rights of a collateral taker conferred upon it by the Regulations with effect from such time as this Deed has become enforceable in accordance with Clause 6.2 or otherwise in accordance with its terms, including
 - (i) the right to appropriate any or all Security Assets which constitutes "financial collateral" (as defined in the Regulations) in such manner as it sees fit in or towards discharge of the Secured Obligations in such

order as the Chargee shall (in its absolute discretion) determine, and thereafter in payment of any surplus to the Chargor or other person entitled to it,

- (ii) to use and dispose of any financial collateral in such manner as it sees fit, in which case the Chargee shall comply with any requirements of the Regulations in relation to obtaining "equivalent financial collateral" (as defined in the Regulations), and/or
 - (iii) to set-off the value of any equivalent financial collateral against, or apply it in discharge of, any Secured Obligations in accordance with the Regulations
- (b) The Chargee must promptly attribute a value to the appropriated financial collateral as confirmed by reference to (i) in the case of cash, its face value at the time of the appropriation or set-off or (ii) in the case of collateral other than cash, either the relevant public quoted index reflecting the right to effect an immediate sale thereof on a recognised stock exchange at such price on such date of valuation (if applicable) or a fair valuation opinion provided by an independent reputable internationally recognised third party professional firm of advisors and, in any event, attributed in a commercially reasonable manner. The Chargor and the Chargee agree that the method of valuation provided for in this Deed is a commercially reasonable method of valuation for the purposes of the Regulations
- (c) Where the Chargee exercises its rights of appropriation and the value of the financial collateral appropriated in accordance with this Clause 6.8 differs from the amount of the Secured Obligations, either
 - (i) the Chargee must account to the Chargor promptly upon the determination of such value for the amount by which the value of the appropriated financial collateral exceeds the Secured Obligations, or
 - (ii) the relevant Chargor will remain liable to the Chargee for any amount whereby the value of the appropriated financial collateral is less than the Secured Obligations
- (d) Each Party acknowledges to the other Party that, notwithstanding any steps taken to register the security at Companies House, it intends for this Deed to take effect as a "security financial collateral arrangement" (as defined in the Regulations)

6.9. Currency Conversion

For the purpose of discharging, or pending the discharge of any of the Secured Obligations, the Chargee may convert any money received, recovered or realised or subject to application by them under this Deed from one currency to another, as the Chargee may think fit and any such conversion shall be effected at the spot rate of exchange of the Custodian (or in the event that a spot rate of exchange is for whatever reason not available from the Custodian, the spot rate of exchange of any UK clearing bank) for the time being for obtaining such other currency with the first currency

7. DELEGATION

The Chargee may delegate all or any of the powers, authorities and discretions granted to it pursuant to this Deed by power of attorney or in any other manner to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may reasonably think fit. The Chargee shall be liable or responsible to the Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate.

8. RULING OFF

If the Chargee receives notice of any subsequent Encumbrance or other interest affecting any of the Security Assets (except as permitted under this Deed) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

9. SET-OFF

All payments made by the Chargor to the Chargee under this Deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

10. RECEIVER

10.1. Appointment of Receiver

- (a) The Chargee may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if and for so long as this Security has become enforceable.
- (b) Any appointment under Clause 10.1(a) above may be by deed, under seal or in writing under hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under Section 109(1) of the Act) does not apply to this Deed.

10.2. Removal

The Chargee may by writing under its hand remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

10.3. Remuneration

The Chargee may fix the remuneration of any Receiver appointed by it and any maximum rate imposed by law (including under Section 109(6) of the Act) will not apply.

10.4. Agent of the Chargor

- (a) A Receiver appointed in accordance with this Clause 10 will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor is solely responsible for the contracts, engagements, acts, omissions, defaults and losses of such Receiver and for liabilities incurred by such Receiver.
- (b) The Chargee will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

10.5 Relationship with Chargee

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may, after this Security becomes enforceable, be exercised by the Chargee in relation to any Security Asset irrespective of whether or not it has taken possession of any Security Asset, without prior notice to the Chargor and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

11. POWERS OF RECEIVER

11.1. General

- (a) A Receiver has all the rights, powers and discretions set out below in this Clause 11.1 in addition to those conferred on it by any law. This includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986 as extended by this Deed) and such powers shall remain exercisable from time to time by the Chargee in respect of any Security Asset.
- (b) Any Receiver may be appointed in respect of the whole or any part of a Security Asset specified in the instrument appointing him and different Receivers may be appointed in respect of different parts of the any Security Assets.
- (c) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

11.2 Possession

A Receiver may take immediate possession of, get in and collect all or any Security Asset and/or require payment to be made to it or the Chargee in respect of any Security Asset.

11.3. Deal with Security Assets

- (a) A Receiver may sell, transfer, assign, exchange, hire out, lend, licence or otherwise dispose of or realise all or any part of the Security Assets to any

person either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments or deferred)

- (b) Any liberty or power which may be exercised, or any determination which may be made, under this Deed by the Chargee or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons

11.4. Borrow money

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

11.5. Rights of ownership

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

11.6 Protection of Security Assets

A Receiver may do anything in connection with the protection of all or any part of the Security Assets

11.7. Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon actions, suits and proceedings relating to all or any part of the Security Assets

11.8. Claims

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or relating to all or any part of the Security Assets

11.9 Redemption of Security

A Receiver may redeem any Security over all or any part of the Security Assets and settle the accounts of any person with an interest in all or any part of the Security Assets

11.10. Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper for realising any Security Asset

11.11. Delegation

The Receiver shall have full power to delegate all or any of the powers, authorities and discretions granted to it pursuant to this Deed by power of attorney or in any other manner to any person or persons upon such terms and conditions (including the power

to sub-delegate) as it may reasonably think fit, which delegation shall not preclude the subsequent exercise of those powers, authorities or discretions by the Receiver, any revocation of the delegation or any subsequent delegation of any such powers, authorities and discretions. Neither the Receiver nor the Chargee shall be liable, bound to supervise or responsible to the Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate

11.12. Other powers

A Receiver may

- (a) do all other acts and things which he may consider necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law, and
- (b) use the name of the Chargor for any of the above purposes

12. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS - GENERAL

12.1. Representations and warranties of the Chargor

- (a) The Chargor represents and warrants to the Chargee on the terms set out in paragraphs (a), (d), (e), (g) and (j) in Section 14.2 (*Certain Representations and Warranties of the Cedant*) of the Reinsurance Agreement on the date of this Deed
- (b) The Chargor also represents to the Chargee on the date of this Deed that
 - (i) the Chargee has a first ranking priority security interest in all Collateral Assets held in the Cedant Fee Collateral Account on the date hereof and that such Collateral Assets are not subject to any Encumbrance other than a Permitted Encumbrance, and
 - (ii) the Chargor is the sole beneficial owner (and where appropriate, sole legal owner) of the Security Assets and all rights in relation to them and all underlying Security Assets are registered in its name and/or the Custodian's name (or the name of a sub-custodian or other nominee of the Custodian)

12.2. Covenants and Undertakings

- (a) The Chargor covenants that it will not (nor will it permit the Asset Manager), during the Security Period, except with the prior written consent of the Chargee
 - (i) except as permitted by this Deed or the other Transaction Documents, whether by a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) (a) transfer, assign, or dispose of any part of the Security Assets (and no right, title or interest in relation to the Cedant Fee Collateral Account shall be capable of assignment or other disposal), (b) execute any transfer, assignment or other disposition of all or any part of any Security

Assets or create any legal or equitable estate or other interest in, or over, or otherwise relating to, any Security Assets (other than a Permitted Encumbrance), or (c) agree or purport to do any of the foregoing,

- (ii) other than any variation effected in accordance with the terms of the Cedant Fee Custody and Control Agreement, permit or agree to any variation of its rights under the Cedant Fee Custody and Control Agreement, where such variation would
 - (A) have a material adverse effect on the Cedant Fee Collateral Account or its or the Chargee's rights in respect thereof, or
 - (B) amount to a material amendment to its or the Custodian's obligations thereunder,
 - (iii) create, grant or permit to exist any Encumbrance, other than a Permitted Encumbrance, over all or any part of the Security Assets except in accordance with the provisions of this Deed, or
 - (iv) give any instruction that contravenes any of the Chargor's obligations hereunder
- (b) The Chargor undertakes that
- (i) any Collateral Assets delivered to the Cedant Fee Collateral Account and not subsequently removed from the Cedant Fee Collateral Account in accordance with this Deed shall be free of any Encumbrance other than a Permitted Encumbrance,
 - (ii) the Chargee at all times shall have a first ranking priority security interest in all Collateral Assets delivered to the Cedant Fee Collateral Account and not subsequently removed from the Cedant Fee Collateral Account in accordance with this Deed, and that such Collateral Assets shall not be subject to any prior ranking or pari passu security, in each case, other than a Permitted Encumbrance,
 - (iii) each Encumbrance that is a Permitted Encumbrance by virtue of paragraph (d) of the definition thereof shall be subordinated to the security interest created by this Deed,
 - (iv) it shall make a filing (and the Chargee may make such a filing on the Chargor's behalf) in respect of this Deed with Companies House in accordance with Section 859A of the Companies Act 2006 in so far as the security created by this Deed is registrable under that Act, provided however that the Chargor shall not be liable for any loss caused to the Chargee resulting from any administrative error on the part of Companies House,

- (v) it shall notify the Chargee as soon as reasonably practicable after becoming aware of a payment default in respect of any Securities Collateral,
 - (vi) it will perform its obligations pursuant to, under or in connection with, this Deed, in good faith, and
 - (vii) it shall promptly inform the Chargor if any legal proceeding, step or procedure that constitutes an Insolvency Event has been taken or, to the knowledge of the Chargor, threatened, with respect to the Chargor
- (c) The Chargee undertakes that it will perform its obligations pursuant to, under or in connection with, this Deed, in good faith
- (d) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 2 (*Creation of Security*) It shall be implied in respect of Clause 2 (*Creation of Security*) that the Security Assets are free, save for any Permitted Encumbrance, from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment)

13. SECURITIES COLLATERAL

- (a) The Chargor must pay all calls and other payments due and payable in respect of any of the Securities Collateral
- (b) The Chargor must comply with all other conditions and obligations assumed by it in respect of any of the Securities Collateral
- (c) The Chargee is not obliged to
- (i) perform any obligation of the Chargor, or
 - (ii) make any payment, or
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor, or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed, in respect of any Securities Collateral

14. APPLICATION OF PROCEEDS

Any moneys received by the Chargee or any Receiver or any Delegate after this Security has become enforceable must be applied in the following order of priority

- (a) in or towards payment of or provision for all costs and expenses reasonably and properly incurred and documented by the Chargee or any Receiver under or in connection with this Deed and of all remuneration due to the Receiver under or in connection with this Deed,

- (b) in or towards payment of or provision for the Secured Obligations, and
- (c) in payment of the surplus (if any) to the Chargor or any other person entitled to them

This Clause 14 does not prejudice the right of the Chargee or the Custodian to recover any shortfall from the Chargor or the rights of lien, consolidation or set-off of the Custodian arising under the Cedant Fee Custody and Control Agreement

15. POWER OF ATTORNEY

The Chargor hereby appoints the Chargee and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full power and authority in the place of the Chargor or in the Chargee's own name, and unless otherwise required pursuant to any Transaction Document, without notice to or assent by the Chargor, to, after the Security has become enforceable, do any of the following on behalf of the Chargor generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Cedant Fee Collateral as fully and completely as though the Chargee were the absolute owner thereof for all purposes, and to do at the Chargor's expense, at any time, or from time to time, all acts and things which the Chargee deems necessary or advisable to protect, preserve or realise upon the Cedant Fee Collateral and the Chargee's Security therein, in order to effect the intent of this Deed, all as fully and effectively as the Chargor might do, including (i) the exercise of all Investment Powers and Voting Powers, which rights may be exercised, if the Chargee so elects, with a view to causing the liquidation in a commercially reasonable manner of assets of the issuer of any such Securities Collateral, and (ii) the execution, delivery and recording, in connection with any sale or other disposition of any Cedant Fee Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Cedant Fee Collateral. To the extent permitted by law, the Chargor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof to the extent that the same is within the scope of the power of attorney granted and undertaken in good faith (provided that the Chargor, by virtue of such ratification, does not release any claim that the Chargor may otherwise have against the Chargee or any officer or agent thereof, for any such acts made or taken by the Chargee or any officer or agent thereof, through negligence or wilful misconduct). This power of attorney is irrevocable so long as this Deed shall remain in force and such power will immediately cease, without the need for any further act or document, at the end of the Security Period.

16. MISCELLANEOUS

16.1. Liability

- (a) Neither the Chargee nor any Receiver will be liable to the Chargor for any loss or damage of any kind resulting from the exercise of its rights under this Deed except to the extent due to the Chargee's wilful misconduct or negligence
- (b) Notwithstanding anything herein to the contrary, (i) the Chargor shall remain liable under all contracts and agreements relating to the Cedant Fee Collateral to the extent set forth therein to perform all of its duties and obligations

thereunder to the same extent as if this Deed had not been executed, (ii) the exercise, by the Chargee, of any of the rights hereunder shall not release the Chargor from any of its duties or obligations under any such contracts or agreements, (iii) the Chargee shall not have any obligation or liability under any such contracts or agreements by reason of this Deed, and (iv) the Chargee shall not be obligated, by reason of this Deed, to perform any of the obligations or duties of the Chargor under any such contracts or agreements or to take any action to collect or enforce any claim for payment assigned hereunder. The Chargee's sole duty with respect to the custody, safe keeping and physical preservation of the Cedant Fee Collateral in its possession, shall be to deal with such Cedant Fee Collateral in the same manner as the Chargee deals with similar property for its own account

- (c) All rights and remedies of the Chargee with respect to the Secured Obligations and the Cedant Fee Collateral, whether evidenced hereby, pursuant to the Cedant Fee Investment Guidelines and Coordination Agreement or by any other instrument, document or agreement, are cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Chargee deems expedient. The Chargor shall pay to the Chargee on demand amounts equal to any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Chargee in protecting, preserving or enforcing the Chargee's rights under or in respect of any of the Secured Obligations or any of the Cedant Fee Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale of the Cedant Fee Collateral shall, to the extent actually received in Cash, be applied to the payment of the Secured Obligations in such order or preference as the Chargee may determine.¹

16.2. Partial Invalidity

If at any time, any provision of this Deed is or becomes illegal in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the Security intended to be created by this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security

17. RELEASE

At the end of the Security Period, the Chargee must, at the request and cost of the Chargor, promptly take whatever action is reasonably necessary to release, re-assign or otherwise discharge this Security and to remove any registrations of the Security against the Chargor or the Security Assets

¹ **Note to PAC/Skadden** These provisions have been carried over from the Cedant Fee Investment Guidelines and Cooperation Agreement (in order to keep liability/remedy provisions together and in one agreement)

18. NOTICES

18.1. In writing

- (a) Any communication in connection with this Deed must be in writing and, unless otherwise stated, may be given in person, by post, by fax or by email
- (b) Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing

18.2. Contact details

- (a) The contact details of the Chargor and/or its agent for service for all notices in connection with this Deed are the same as those set out in the Reinsurance Agreement for the Cedant
- (b) The contact details of the Chargee for all notices in connection with this Deed are the same as those set out in the Reinsurance Agreement for the Reinsurer
- (c) Any Party may change its contact details by giving five (5) Business Days' notice to the other Party
- (d) Where the Chargee nominates a particular department or officer to receive a notice, a notice will not be effective if it fails to specify that department or officer

18.3 Effectiveness

- (a) Except as provided below, any communication in connection with this Deed will be deemed to be given as follows
 - (i) if delivered in person, at the time of delivery,
 - (ii) if posted, three (3) Business Days after being deposited in the post, postage prepaid, in a correctly addressed envelope,
 - (iii) if by fax, when received in legible form, and
 - (iv) if by email, one (1) Business Day after transmission or, if earlier, upon proof of delivery to the recipient
- (b) A communication given under (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place

19. LANGUAGE

Any notice given in connection with this Deed must be in English

20 AMENDMENTS

No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each Party (or its authorised representative)

21. WAIVERS AND REMEDIES CUMULATIVE

The rights of the Chargee under this Deed

- (a) may be exercised as often as necessary,
- (b) are cumulative and not exclusive of its rights under the general law, and
- (c) may be waived only in writing and specifically

Delay in exercising or non-exercise of any right is not a waiver of that right

22. ASSIGNMENT

This Deed and all obligations and rights arising hereunder shall inure to the benefit of and be binding upon the parties hereto and their permitted successors, assigns and beneficiaries. Notwithstanding the foregoing, this Deed, and the obligations and rights arising out of this Deed or any part hereof, shall not be further sold, pledged or assigned or otherwise transferred by the Chargee or the Chargor without the prior written consent of the other party, and any such attempted sale, pledge, assignment or transfer shall be void ab initio.

23. COUNTERPARTS

This Deed may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

24. GOVERNING LAW

This Deed and any non-contractual obligations relating thereto or arising in respect thereof are governed by and shall be construed in accordance with English law.

25. JURISDICTION

- (a) The Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity or any disputes arising out of or in connection with any non-contractual obligations).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute between them and, accordingly, that they will not argue to the contrary.

THIS DEED has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1

DETAILS OF CUSTODY ARRANGEMENTS

Cedant Fee Collateral Account

PART 1

DETAILS OF CUSTODIAN

Name of Custodian	The Bank of New York Mellon, London Branch
Address	One Canada Square London E14 5AL England

PART 2

DETAILS OF CEDANT FEE COLLATERAL ACCOUNT

Securities Accounts

Bank	GBP Securities Account
The Bank of New York Mellon, London Branch	Account name PAC EXPRIL NRWY5 Fee IFO PRIAC CUST Account Number

Cash Accounts

Bank	GBP Cash Account
The Bank of New York Mellon, London Branch	PAC EXPRIL NRWY5 Fee IFO PRIAC CUST Account Number

Schedule 2

EXCLUSIVE CONTROL EVENT NOTICE

[On Secured Party's headed paper]

To
The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
England
For the attention of Manager Corporate Trust – Insurance Trust and Escrow
Fax number +44 20 7964 2532
E-mail ite@bnymellon.com

Copy. The Prudential Assurance Company Limited
3 Sheldon Square
London W2 6PR
United Kingdom
Attention Executive, Legal and Company Secretariat
With copies to
Email UK_Secretariat@Prudential.co.uk,
Email Guy_Dunlop@Prudential.co.uk, and
Email InvestmentLinkedFunds_Reinsurance@Prudential.co.uk

Copy: M&G Investment Management Limited
Governors House
Laurence Pountney Hill
London
EC4R 0HH
Attention Jonathan McClelland / Derran Llewellyn – Investment Operations
With copies to
Email UK_Secretariat@Prudential.co.uk,
Email DLMOINTCLIENTS@mandg.co.uk, and
Email InvestmentLinkedFunds_Reinsurance@Prudential.co.uk

[Date]

[Time]

[A Termination Exclusive Control Event, an Insolvency Exclusive Control Event or the delivery of this Exclusive Control Event Notice, as applicable, constitutes an Exclusive Control Event]

Reference is hereby made to (i) that certain Custody Agreement dated as of 8 February 2017 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the “**Custody Agreement**”) by and among Prudential Retirement Insurance and Annuity Company (the “**Secured Party**”), The Prudential Assurance Company Limited (the “**Security Provider**”) and The Bank of New York Mellon, London Branch as custodian (the “**Fee Custodian**”), and (ii) that certain Cedant Fee Investment Guidelines and Coordination Agreement dated as of 8 February 2017 (as amended, restated,

supplemented, replaced or otherwise modified from time to time, the “**Cedant Fee Investment Guidelines and Coordination Agreement**”) by and among the Secured Party and the Security Provider

Capitalised terms used herein without definition shall have the respective meanings ascribed to them in the Cedant Fee Investment Guidelines and Coordination Agreement

[This certificate is a “Termination Event Notice” and is being delivered to the Fee Custodian pursuant to Clause 3 1(a)(i)(A) of the Cedant Fee Investment Guidelines and Coordination Agreement and Section 3.4 of the Custody Agreement]² / [This certificate is a “Security Provider Insolvency Notice” and is being delivered to the Fee Custodian pursuant to Clause 2 2(b)(i) of the Cedant Fee Investment Guidelines and Coordination Agreement and Section 3 4 of the Custody Agreement]³

The Fee Custodian is not a party to and has no obligations or liabilities under the Cedant Fee Investment Guidelines and Coordination Agreement

The Secured Party hereby instructs the Fee Custodian, with effect from the [Termination Event Date listed in (2) below]⁴ / [date of this notice]⁵, to thereafter

[include one or more of the following as required]

- a save for Authorised Instructions of the Security Provider with respect to credits of Cash and/or Securities provided pursuant to Schedule C1, cease to act upon any Authorised Instructions of the Security Provider (or any agent of the Security Provider) in relation to the Securities, and act in respect of any action to be taken in connection with the Securities upon our Instructions (subject to the terms of the Custody Agreement),
- b procure payment or delivery, as the case may be, of all sums, documents and records held by you in respect of the Securities to us or *[insert such other direction as applicable]*, provided that this notice shall be deemed not to apply to any documents or records which you are obliged by any law, applicable policy or regulation not so to release,
- c as soon as reasonably practicable, take all necessary steps to hold the relevant Securities and all sums, documents and records in respect thereof on our behalf, and
- d act as our Fee Custodian in relation to any action to be taken in connection with the Securities, in which such circumstances all terms of the Custody Agreement shall apply, as if all references in the Custody Agreement to the Security Provider (other than in Section 3 4 of the Custody Agreement) were references to us (as the Secured Party), subject to and in accordance with the provisions of the Custody Agreement

[Other than with respect to the notification of the Termination Event Date to the Fee Custodian (which shall be the date certified pursuant to (2) below) the matters below are notified to the Fee Custodian for information purposes only

The undersigned, the *[Insert position]* and a duly authorised officer of the Secured Party, do hereby certify, pursuant to Clause 3 1(a)(i)(A) of the Cedant Fee Investment Guidelines and Coordination Agreement as follows

² Note Use this wording where the notice is being served following a Termination Exclusive Control Event

³ Note Use this wording where the notice is being served following an Insolvency Exclusive Control Event

⁴ Note Use this wording where the notice is being served following a Termination Exclusive Control Event

⁵ Note Use this wording where the notice is being served following an Insolvency Exclusive Control Event

- 1 There has occurred a Default Termination Event and such event constitutes a Termination Exclusive Control Event and a Termination Exclusive Control Period shall begin on the Termination Event Date identified in (2) below
- 2 The Termination Event Date is *[Insert date no more than ten (10) Business Days after the service of this Termination Event Notice]]*⁶

[or]

[The undersigned, the *[Insert position]* and a duly authorised officer of the Secured Party, do hereby certify, pursuant to Clause 2.2(b)(i) of the Cedant Fee Investment Guidelines and Coordination Agreement, that the Secured Party has become aware of an Insolvency Event having occurred with respect to the Security Provider and such event constitutes an Insolvency Exclusive Control Event and an Insolvency Exclusive Control Period shall begin on the date of this notice]⁷

Prudential Retirement Insurance and Annuity Company,
as Secured Party

By _____

Name

Title

⁶ Note Use this wording where the notice is being served following a Termination Exclusive Control Event

⁷ Note Use this wording where the notice is being served following an Insolvency Exclusive Control Event

Schedule 3

TERMINATION OF EXCLUSIVE CONTROL EVENT NOTICE

(Reinstatement Date Notice)

[On Secured Party's headed paper]

To
The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
England
For the attention of Manager Corporate Trust – Insurance Trust and Escrow
Fax number +44 20 7964 2532
E-mail ite@bnymellon.com

Copy The Prudential Assurance Company Limited
3 Sheldon Square
London W2 6PR
United Kingdom
Attention Executive, Legal and Company Secretariat
With copies to
Email UK_Secretariat@Prudential.co.uk,
Email Guy_Dunlop@Prudential.co.uk, and
Email InvestmentLinkedFunds_Reinsurance@Prudential.co.uk

Copy M&G Investment Management Limited
Governors House
Laurence Pountney Hill
London
EC4R 0HH
Attention Jonathan McClelland / Derran Llewellyn – Investment Operations
With copies to
Email UK_Secretariat@Prudential.co.uk,
Email DLMOINTCLIENTS@mandg.co.uk, and
Email InvestmentLinkedFunds_Reinsurance@Prudential.co.uk

[Date]

[Time]

Reference is hereby made to (i) that certain Custody Agreement dated 8 February 2017 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the “**Custody Agreement**”) by and among Prudential Retirement Insurance and Annuity Company (the “**Secured Party**”), The Prudential Assurance Company Limited (the “**Security Provider**”) and The Bank of New York Mellon, London Branch as custodian (the “**Fee Custodian**”), and (ii) that certain Cedant Fee Investment Guidelines and Coordination Agreement dated as of 8 February 2017 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the “**Cedant Fee Investment Guidelines and Coordination Agreement**”) by and among the Secured Party and the Security Provider

Capitalised terms used herein without definition shall have the respective meanings ascribed to them in the Cedant Fee Investment Guidelines and Coordination Agreement

This certificate is a “Reinstatement Date Notice” and is being delivered to the Fee Custodian pursuant to [Clause 3 1(a)(ii)]⁸ / [Clause 2 2(b)(iii)]⁹ of the Cedant Fee Investment Guidelines and Coordination Agreement and Section 3 4 of the Custody Agreement

The Fee Custodian is not a party to and has no obligations or liabilities under the Cedant Fee Investment Guidelines and Coordination Agreement

Reference is hereby made to the Exclusive Control Event Notice dated [Insert Date] to the Fee Custodian. The Secured Party hereby certifies to the Fee Custodian that the Exclusive Control Event Notice referred to above shall no longer apply and that the Reinstatement Date is the date of this notice and instructs the Fee Custodian with effect from the Reinstatement Date

- (a) to cease to only act on the sole Instructions of the Secured Party only,
- (b) subject to the terms of the Custody Agreement, to act upon any Authorised Instructions of the Security Provider (or any agent of the Security Provider), and
- (c) that Section 3 4 (a) – (d) of the Custody Agreement shall no longer apply

The Secured Party shall be permitted to issue another Exclusive Control Event Notice at any time following service of this notice as permitted pursuant to the Cedant Fee Investment Guidelines and Coordination Agreement and Section 3 4 of the Custody Agreement

Prudential Retirement Insurance and Annuity
Company, as Secured Party

By _____

Name

Title

⁸ **Note** Use this wording where the notice is being served in respect of a Termination Exclusive Control Event

⁹ **Note** Use this wording where the notice is being served in respect of an Insolvency Exclusive Control Event

Signature Blocks

EXECUTED AS A DEED BY

PRUDENTIAL RETIREMENT INSURANCE AND
ANNUITY COMPANY, as Chargee

Acting by _____
Name: Amy R. Kessler
Title: Vice President

In the presence of

Name of witness: Linda Consolmagno
Occupation of witness: Executive Assistant
Address of witness: 655 Broad St.
Newark, NJ 07102

EXECUTED AS A DEED BY

THE PRUDENTIAL ASSURANCE COMPANY
LIMITED, as Chargor

Acting by _____
Name
Title

In the presence of

Name of witness:

Occupation of witness.

Address of witness:

Signature Blocks
EXECUTED AS A DEED BY

PRUDENTIAL RETIREMENT INSURANCE AND
ANNUITY COMPANY, as Chargee

Acting by _____
Name Amy R Kessler
Title Vice President

In the presence of.

Name of witness

Occupation of witness

Address of witness

EXECUTED AS A DEED BY

THE PRUDENTIAL ASSURANCE COMPANY
LIMITED, as Chargor

Acting by _____
Name JEREMY DEEKS
Title DIRECTOR

In the presence of

Name of witness IAN BOTHAMPTON

Occupation of witness SOLICITOR

Address of witness 3 SHELDON SQUARE
LONDON
W2 6PR