



**Registration of a Charge**

Company name: **BBC PENSION TRUST LIMITED**

Company number: **02218202**



X9K6R35Z

Received for Electronic Filing: **18/12/2020**

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**Details of Charge**

Date of creation: **11/12/2020**

Charge code: **0221 8202 0002**

Persons entitled: **ZURICH ASSURANCE LTD (AND ITS SUCCESSORS IN TITLE AND PERMITTED ASSIGNEES AND TRANSFEREES)**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

**Chargor acting as a bare trustee for the property.**

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**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ELECTRONIC  
ORIGINAL INSTRUMENT.**

Certified by:

**CMS CAMERON MCKENNA NABARRO OLSWANG LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 2218202

Charge code: 0221 8202 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th December 2020 and created by BBC PENSION TRUST LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th December 2020 .

Given at Companies House, Cardiff on 20th December 2020

The above information was communicated by electronic means and authenticated  
by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

**EXECUTION VERSION**

## **SECURITY DEED**

11 December **2020**

**BBC Pension Trust Limited (acting in its capacity as trustee for  
and on behalf of the BBC Pension Scheme)**

**and**

**Zurich Assurance Ltd**

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THIS DEED is made on 11 December 2020

**BETWEEN**

- (1) **BBC Pension Trust Limited**, a company incorporated and registered in England and Wales with registered number 02218202, whose registered address is at Broadcasting House, London, United Kingdom, W1A 1AA, acting in its capacity as trustee for and on behalf of the BBC Pension Scheme (the **Chargor**); and
- (2) **Zurich Assurance Ltd**, a company incorporated and registered in England and Wales with registered number 02456671, whose registered address is at The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX (the **Secured Party**).

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1 In this Deed:**

**Account Control Agreement** means the account control agreement entered into between the Chargor, the Secured Party, the Reinsurer and the Custodian on or about the date of this Deed, or, if a Replacement Custodian is appointed in accordance with the Framework Agreement from time to time, the account control agreement entered into between the Chargor, the Secured Party, the Reinsurer and such Replacement Custodian.

**Additional Trustee** has the meaning given in the Framework Agreement.

**Adjusted Collateral Report** has the meaning given in the Framework Agreement.

**Adjusted Fee Collateral Required Value** means:

- (a) where a Partial Release ETD has occurred, an amount equal to the Fee Collateral Required Value (as determined in accordance with Clause 3.3 (*Partial Release ETD*)) multiplied by the FCRV Percentage in respect of the Partial Release Early Termination Event to which such Partial Release ETD relates;
- (b) where a Full Release ETD has occurred, zero; and
- (c) at all other times, an amount equal to the Fee Collateral Required Value.

**Applicable Law** has the meaning given in the Framework Agreement.

**Assignment Agreement** means the deed of assignment in respect of, amongst other things, this Deed between the Secured Party and the Reinsurer dated on or around the date of this Deed.

**Business Day** means a day (other than Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign-currency deposits) in England (London), the Republic of Ireland (Dublin) and Barbados (Bridgetown).

**Calculation Agent** has the meaning given in the Framework Agreement.

**Charged Account** means:

- (a) the securities account opened in the books of the Custodian in the name of the Chargor with the title “[REDACTED]”

\_\_\_\_\_” and account number \_\_\_\_\_ (as that account may be renumbered or re-designated from time to time); and

(b) any Replacement Account.

**Collateral Manager** has the meaning given in the Framework Agreement.

**Costs** has the meaning given in Clause 16.4 (*Liabilities*).

**Custodian** has the meaning given in the Framework Agreement.

**Custody Agreement** means the custody agreement entered into between the Chargor and the Custodian dated 26 January 2004 (as amended on or about 17 October 2007, 24 August 2010 and 1 September 2010), or, if a Replacement Custodian is appointed in accordance with the Framework Agreement, the custody agreement between the Chargor and such Replacement Custodian.

**Cut-Off Date** has the meaning given in Clause 8.3 (*Enforcement Triggers*).

**Delegate** means a delegate, sub-delegate, agent, attorney or other person appointed by the Secured Party or any Receiver.

**Delivery Amount** has the meaning given in Clause 3.1(c) (*Delivery Amounts*).

**Discharge Date** has the meaning given in Clause 13 (*Final Returns*).

**Dispute Resolution Provisions** means:

- (a) in the case of a dispute relating to an Adjusted Collateral Report or a Partial Release Return Instruction (other than any dispute in relation to whether: (A) an Early Termination Date has occurred or (B) an Early Termination Date has occurred as a result of the relevant Partial Release Early Termination Event), Clause 3.3 (*Partial Release ETD*) and paragraph 4(e) of Schedule 8 (*Fee Collateral*) to the Framework Agreement;
- (b) in the case of a dispute relating to a Full Release Return Instruction (other than any dispute in relation to whether: (A) an Early Termination Date has occurred or (B) an Early Termination Date has occurred as a result of the relevant Full Release Early Termination Event), Clause 3.4 (*Full Release ETD*); and
- (c) in the case of any other dispute relating to the determination of (i) the Value of any Eligible Collateral or Posted Collateral, (ii) the Value of any transfer of Eligible Collateral or Posted Collateral, or (iii) the Fee Collateral Required Value, the Adjusted Fee Collateral Required Value, a Delivery Amount or a Return Amount, paragraph 4(a), (b), (c) and (d) of Schedule 8 (*Fee Collateral*) to the Framework Agreement.

**Distributions** means, with respect to Posted Collateral a distribution of other property with respect to that Posted Collateral (but excluding all principal, interest and other payments with respect to the Posted Collateral). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral.

**Early Termination Date** has the meaning given in the Framework Agreement.

**Early Termination Event** has the meaning given in the Framework Agreement.

**Eligible Collateral** means, on any date, any asset described in the column headed “Assets” in the following table (excluding, at any time, any such asset with a residual time to maturity of less than two years from such time):

| Assets   | Valuation Percentage according to residual time to maturity of Eligible Collateral |  |  |                       |
|--|--|--|--|-----------------------|
|  | Residual Time To Maturity  |  |  |                       |
|  | Greater than or equal to 2 years, but less than or equal to 5 years                | Greater than 5 years, but less than or equal to 10 years | Greater than 10 years but less than or equal to 30 years | Greater than 30 years |
| Negotiable Debt Instruments issued by the Government of the United Kingdom | 97%  | 97%  | 96%  | 93%                   |

**Enforcement Event** means:

- (a) any failure by the Chargor (or the Additional Trustee or the New Trustee, as the case may be) to pay any of the Secured Obligations when due, in accordance with the terms of the Framework Agreement, the Insurance Agreement or this Deed (as applicable);
- (b) without prejudice to Clause 7.1 (*Negative Pledge and No Disposals*), the enforcement of any Security Interest or Quasi-Security Interest (excluding any Permitted Security Interest) granted by the Chargor on, over or affecting the Security Assets (or any of them); or
- (c) the occurrence of a Trustee Credit Support Default ETD.

**Event of Default** means:

- (a) in respect of the Chargor, the occurrence of an Early Termination Event specified in column A in Part 3 (*Trustee Events*) or in column A in Part 2 (*Insurer Events*) of Schedule 5 (*Early Termination Events*) to the Framework Agreement; and
- (b) in respect of the Secured Party, the occurrence of an Early Termination Event specified in column A in Part 4 (*Reinsurer Events*) of Schedule 5 (*Early Termination Events*) to the Framework Agreement.

**FCRV Percentage** means, in respect of a Partial Release Early Termination Event, the percentage specified in the column headed “FCRV Percentage” in the table in the definition of “Partial Release Early Termination Event” in the Framework Agreement relating to such Partial Release Early Termination Event.

**Fee Collateral Required Value** has the meaning given in the Framework Agreement.

**Fee Collateral Requirements Report** has the meaning given in the Framework Agreement.

**First Currency** has the meaning given in Clause 21.4 (*Miscellaneous*).

**Framework Agreement** means the framework agreement entered into between the Chargor, the Secured Party and the Reinsurer on or about the date of this Deed.

**Full Release Cut-Off Date** has the meaning given in Clause 3.4(a)(ii) (*Full Release ETD*).



**Full Release Dispute Notice** has the meaning given in Clause 3.4(b) (*Full Release ETD*).

**Full Release Early Termination Event** means an Early Termination Event specified in column A (other than in row 5 of that column) in Part 4 (*Reinsurer Events*) of Schedule 5 (*Early Termination Events*) to the Framework Agreement.

**Full Release ETD** means an Early Termination Date which has occurred as a result of the occurrence of a Full Release Early Termination Event.

**Full Release Return Instruction** has the meaning given in Clause 3.4(a)(i) (*Full Release ETD*).

**GBP or £** means the lawful currency of the United Kingdom from time to time.

**Ineligible Collateral** has the meaning given in Clause 5.2 (*Ineligible Collateral*).

**Ineligible Collateral Instruction** has the meaning given in Clause 5.2 (*Ineligible Collateral*).

**Initial Eligible Collateral** means the Negotiable Debt Instruments listed in the following table (which at the date of this Deed constitute Eligible Collateral):

| Description                 | ISIN         | Notional       |
|-----------------------------|--------------|----------------|
| UKT 3.25% 22-Jan-2044       | GB00B84Z9V04 | GBP 14,200,000 |
| UKTI 3MO 1.125% 22-Nov-2037 | GB00B1L6W962 | GBP 29,910,000 |

**Initial Termination Amount** has the meaning given in the Framework Agreement.

**Insolvency Act** means the Insolvency Act 1986, as amended from time to time.

**Insurance Agreement** means the insurance agreement entered into between the Chargor and the Secured Party on or around the date of this Deed.

**Interregnum Arrangements Failure Payment Amount** has the meaning given in the Framework Agreement.

**LPA** means the Law of Property Act 1925, as varied from time to time.

**Minimum Transfer Amount** means GBP 250,000 provided, however, that if the Valuation Date falls on a day that is also the Partial Release ETD, the Full Release ETD or the Natural Termination Date, as the case may be, the Minimum Transfer Amount will be zero.

**Natural Termination Date** has the meaning given in the Framework Agreement.

**Negotiable Debt Instrument** has the meaning given in the Framework Agreement.

**New Trustee** has the meaning given in the Framework Agreement.

**Notice of Default** has the meaning given in the Account Control Agreement.

**Original Collateral** has the meaning given in Clause 5.1(a) (*Substitutions*).

**Partial Release Cut-Off Date** has the meaning given in Clause 3.3(a)(ii) (*Partial Release ETD*).

**Partial Release Dispute Notice** has the meaning given in Clause 3.3(b) (*Partial Release ETD*).

**Partial Release Early Termination Event** has the meaning given in Schedule 8 (*Fee Collateral*) to the Framework Agreement

**Partial Release ETD** means an Early Termination Date which has occurred as a result of the occurrence of a Partial Release Early Termination Event.

**Partial Release Return Instruction** has the meaning given in Clause 3.3(a)(i) (*Partial Release ETD*).

**Party** means a party to this Deed.

**Permitted Custodian** has the meaning given in the Framework Agreement.

**Permitted Security Interest** has the meaning given in Clause 7.1 (*Holding Posted Collateral and other Security Assets*).

**Posted Collateral** means, at any time, all Eligible Collateral, Distributions, and any securities that have been transferred to or credited to the Charged Account in accordance with this Deed and the Account Control Agreement or otherwise, and not:

- (a) transferred to the Chargor pursuant to Clauses 3.2 (*Return Amounts*), 3.3 (*Partial Release ETD*), 3.4 (*Full Release ETD*) or 5 (*Substitutions and Ineligible Collateral*);
- (b) released on behalf of the Secured Party pursuant to Clause 8 (*Rights of Enforcement*) or otherwise; or
- (c) otherwise debited from the Charged Account by the Custodian.

**Potential Event of Default** means, with respect to a Party, an event or circumstance which does or would (with the expiry of a grace period, the giving of notice, the making of any determination, the passage of time, the satisfaction of any condition, the resolution of any dispute under any Transaction Document or any combination of the foregoing) be an Event of Default with respect to that Party.

**Proposed Return Instruction** has the meaning given in Clause 3.2(a)(i) (*Return Amounts*).

**Quasi-Security Interest** means any transaction whereby a person:

- (a) sells, transfers or otherwise disposes of any of its assets on terms whereby they (or equivalent assets) are or may be leased to or re-acquired by such person;
- (b) enters into any arrangement under which money or the benefit of a bank or other account may be applied or made subject to a combination of accounts; or
- (c) enters into any other preferential arrangement having a similar effect.

**RBCIS** has the meaning given in Clause 8.3(a)(ii)(A) (*Enforcement Triggers*).

**Receiver** means a receiver, receiver and manager or, where permitted by law, an administrative receiver (as the Secured Party may specify at any time in any relevant appointment) and that term will include any appointee made under a joint or several appointment.

**Regulations** means the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended from time to time).

**Reinsurer** means the Reinsurer (as defined in the Framework Agreement), being at the date of this Deed The Canada Life Assurance Company, acting through its Barbados Branch.

**Reinsurance Agreement** means the reinsurance agreement between the Secured Party and the Reinsurer entered into on or around the date of this Deed.

**Related Rights** means, in relation to any Relevant Security Asset:

- (a) all proceeds of income, assets and sums otherwise arising, paid, payable, derived or deriving from, or relating to any Relevant Security Asset (including any proceeds of sale, transfer or other disposal, any coupons, principal and any distributions of any kind);
- (b) all rights, claims, guarantees, indemnities, Security Interests or covenants for title in relation to any Relevant Security Asset which the Chargor may have now or in the future, including, without limitation, any right to delivery of a security of the appropriate description which arises in connection with (i) any Posted Collateral being transferred to a clearance system or financial intermediary or (ii) any interest in or to Posted Collateral being acquired while that Posted Collateral is in a clearance system or held through a financial intermediary;
- (c) any awards or judgments in favour of the Chargor in relation to any Relevant Security Asset and any rights to enforce and compel performance of any of the provisions of that Relevant Security Asset and otherwise to exercise all claims, rights and remedies arising out of or in connection with the same (including as a result of a breach of or a default under or in connection with the same); and
- (d) any rights the Chargor may have against the Custodian in respect of a Relevant Security Asset.

**Release Notice** has the meaning given in the Account Control Agreement.

**Relevant Security Assets** means the assets which, from time to time, are, or are expressed to be, the subject of the Security Interests created by Clause 2.2(a) or 2.2(c) and any part of those assets.

**Replacement Account** has the meaning given in the Framework Agreement.

**Replacement Custodian** has the meaning given in the Framework Agreement.

**Return Amount** has the meaning given in Clause 3.2(b) (*Return Amounts*).

**Secured Obligations** means all present and future obligations and liabilities of the Chargor, or as the case may be, the Additional Trustee or the New Trustee (whether due, owing or incurred, actual or contingent, joint or several, or incurred as principal or surety or otherwise and whether originally owing to the Secured Party or acquired in any other way by it):

- (a) to pay and discharge (i) the Initial Termination Amount and the Proposed Termination Adjustment Amount following the occurrence of an Early Termination Date other than a Full Release ETD, and (ii) the Interregnum Arrangements Failure Payment Amount pursuant to the terms of the Framework Agreement or the Insurance Agreement (as applicable); and
- (b) under or in connection with Clauses 8.1(b) (*Secured Party's Rights*), 16.3 (*Enforcement Costs*), 16.4 (*Liabilities*) and Clause 21.4 (*Miscellaneous*), and without double counting, any other of the Secured Party's costs and expenses in relation to the enforcement of the security created in its favour under this Deed and which the Chargor is required to pay to the Secured Party or reimburse the Secured Party for pursuant to this Deed.

**Secured Party's Capital Adequacy Test** has the meaning given in the Framework Agreement.

**Secured Party Instructing Party** has the meaning given in the Account Control Agreement.

**Security Assets** means the assets which, from time to time, are, or are expressed to be, the subject of the Security Interests created by Clause 2.2 (*Security*) and any part of those assets.

**Second Currency** has the meaning given in Clause 21.4.

**Security Interest** means any right or interest arising out of or pursuant to:

- (a) any mortgage, charge, pledge, assignment, hypothecation, lien, encumbrance or other priority or security interest of any kind, howsoever created or arising;
- (b) any trust 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.

**Substitute Collateral** has the meaning given in Clause 5.1(a) (*Substitutions and Ineligible Collateral*).

**Substitution Consent Notice Date** has the meaning given in Clause 5.1(b) (*Substitutions and Ineligible Collateral*).

**Substitution Instruction** has the meaning given in 5.1(b)(ii) (*Substitutions and Ineligible Collateral*).

**Substitution Notice** has the meaning given in Clause 5.1(a) (*Substitutions and Ineligible Collateral*).

**Substitution Notice Date** has the meaning given in Clause 5.1(a) (*Substitutions and Ineligible Collateral*).

**Sum** has the meaning given in Clause 21.4 (*Miscellaneous*).

**Suspense Account** has the meaning given in Clause 8.3(a)(ii)(A) (*Enforcement Triggers*).

**Termination Amount** has the meaning given in the Framework Agreement.

**Trustee Credit Support Default ETD** means an Early Termination Date which has occurred as a result of the occurrence of an event falling under paragraph (b), (c) or (d) of the definition of Trustee Credit Support Default Event.

**Trustee Credit Support Default Event** has the meaning given in the Framework Agreement.

**Valuation Date** means:

- (a) the final day of each January, April, July and October from (and including) 31 January 2021 to (but excluding) the first Original Valuation Date (as defined in the Framework Agreement);
- (b) each Original Valuation Date (as defined in the Framework Agreement); and
- (c) the Early Termination Date or the Natural Termination Date, as the case may be,

or in each case, if such day is not a Business Day, the immediately succeeding Business Day.

**Valuation Percentage** means, for any item of Eligible Collateral, the percentage specified in the applicable column of the table in the definition of Eligible Collateral, which is calculated by reference to the residual time to maturity of that item of Eligible Collateral.

**Value** has the meaning given to the term "FC Value" in Schedule 8 (*Fee Collateral*) to the Framework Agreement.

- 1.2 For the avoidance of doubt, references to **transfer** by the Chargor in this Deed mean, in relation to cash, payment and, in relation to other assets, delivery.
- 1.3 Unless a contrary indication appears a reference in this Deed to:
- (a) a Clause or Paragraph shall be to a clause or paragraph of this Deed;
  - (b) a person or party shall be construed so as to include its and any subsequent successors in title, permitted assigns and permitted transferees (including any assignees permitted by Clause 14 (*Assignment*) following enforcement of the Security Interests created by the Assignment Agreement in respect of the Secured Party's rights under this Deed or, as the case may be, following an absolute assignment of the Secured Party's rights under this Deed to the Reinsurer in accordance with the Reinsurance Agreement);
  - (c) a contract, document, agreement or instrument is a reference to that contract, document, agreement or instrument as amended, novated, supplemented, extended or restated from time to time;
  - (d) a person includes any firm, company, government, state or agency of a state, any local or municipal authority, trust, partnership or unincorporated association (whether or not having separate legal personality);
  - (e) any statute includes any regulations made under it and any subsequent statutory modification or re-enactment of it or them;
  - (f) assets includes properties, revenues and rights of every kind, present, future and contingent, and whether tangible or intangible;
  - (g) indebtedness includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
  - (h) the singular includes the plural and vice versa;
  - (i) any gender includes the other gender;
  - (j) 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; and
  - (k) rights includes all rights, title, benefits, power, privileges, interests, claims, authorities, discretions, remedies and liberties (in each case, of every kind, present, future and contingent).
- 1.4 Any capitalised term used in this Deed but not defined herein shall have the meaning given in the Framework Agreement.
- 1.5 Clause headings shall be ignored in interpreting this Deed.
- 1.6 An Event of Default or a Potential Event of Default (in each case excluding an Enforcement Event) is "continuing" if it has not been remedied and has not otherwise ceased to subsist or been waived in writing and an Enforcement Event is "continuing" if it has not been waived in writing.
- 1.7 The words "including", "include" and "in particular" and words of similar effect shall not be deemed to limit the general effect of the words that precede them.

- 1.8 This Deed is intended to take effect as a deed notwithstanding that the Secured Party may have executed it under hand.

## **2. SECURITY**

### **2.1 Covenant to Perform**

The Chargor covenants with the Secured Party that it will pay or discharge the Secured Obligations in the manner and at the times provided in the Insurance Agreement and the Framework Agreement (as applicable) and in the case of any Secured Obligations referred to in Paragraph (b) of the definition of "Secured Obligations", in the manner and at the times provided in this Deed.

### **2.2 Security**

The Chargor, as continuing security for the performance of the Secured Obligations, charges with full title guarantee and by way of first fixed charge in favour of the Secured Party all the Chargor's rights, title and interest from time to time in, to, under and in respect of each of the following assets:

- (a) the Posted Collateral from time to time;
- (b) all Related Rights in relation to the Posted Collateral;
- (c) the Charged Account and any amounts and securities standing from time to time to the credit of the Charged Account; and
- (d) all Related Rights in relation to the Charged Account.

### **2.3 Right of Appropriation**

- (a) The Secured Party may, on or at any time after the security constituted by this Deed becomes enforceable, by notice in writing to the Chargor and the Custodian appropriate with immediate effect any and all Posted Collateral comprising financial collateral (as defined in the Regulations) which is subject to a security financial collateral arrangement (within the meaning of the Regulations) and apply it in or towards the discharge of the Secured Obligations in such manner as it may determine, whether such Posted Collateral is held by the Secured Party or otherwise.
- (b) The value of any Posted Collateral appropriated under Paragraph (a) above shall be:
  - (i) in the case of cash, its face value at the time of appropriation; and
  - (ii) in the case of a financial instrument (within the meaning of the Regulations) the current value of the cash payment which the Secured Party reasonably determines (having exercised the right of appropriation) would be received on a sale or other disposal, on an arm's length basis, of such asset effected for payment as soon as reasonably possible after the time of exercise of the right of appropriation,

and the Parties agree that the method of valuation provided for in this Clause shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

### **2.4 Preservation of Security**

The security constituted by this Deed shall be a continuing security and shall not be satisfied by any intermediate or partial payment or satisfaction of the whole or any part of the Secured Obligations but shall secure the ultimate balance of the Secured Obligations. 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 Secured Party for all or any of the Secured Obligations.

## 2.5 Waiver of Defences

- (a) Neither the obligations of the Chargor under this Deed nor the security created or intended to be created by or pursuant to this Deed shall be affected by any act, omission, circumstance or matter which, but for this provision, might operate to release or otherwise exonerate the Chargor from its obligations under this Deed or affect, reduce or prejudice any such obligations or the Security Interests created or intended to be created by or pursuant to this Deed, including (but without limitation) and whether or not known to the Chargor or the Secured Party or any other person:
- (i) any time, waiver, consent, release or indulgence granted to or composition with the Chargor or any other person;
  - (ii) the taking, variation, extension, compromise, exchange, renewal or release of (whether under the terms of any composition or arrangement with any creditor of the Chargor or any other person or otherwise), or refusal or neglect to take up, perfect or enforce, any terms of the Insurance Agreement, the Framework Agreement or any other agreement, or any rights or remedies against, or any security granted by, the Chargor or any other person;
  - (iii) any irregularity, any non-presentation or non-observance of any formality or other requirement in respect of any instrument, any failure to realise the full value of any security, any invalidity, illegality or unenforceability of any obligations of the Chargor or any other person under the Insurance Agreement, the Framework Agreement or any other agreement or any present or future law or order of any government or authority (whether of right or in fact) purporting to reduce or otherwise affect any of such obligations or the security created or intended to be created by or pursuant to this Deed to the intent that the Chargor's obligations under this Deed and the security created or intended to be created by or pursuant to this Deed shall remain in full force and this Deed shall be construed accordingly as if there were no such irregularity, unenforceability, invalidity, law or order;
  - (iv) any legal limitation, disability, incapacity, lack of power, authority or legal personality or other circumstance relating to the Chargor, any guarantor or any other person or any amendment to or variation of the terms of the Insurance Agreement, the Framework Agreement or any other document or security;
  - (v) any dissolution, change in the members or status of, or any insolvency, insolvency or similar proceedings in respect of the Chargor or any other person or the occurrence of any Scheme Event; or
  - (vi) any winding-up of any trust of which the Chargor is a trustee.
- (b) Without prejudice to the generality of Paragraph (a) above, the Chargor expressly confirms that it intends that the security constituted, created or intended to be created by or pursuant to this Deed shall extend from time to time to any variation, increase, extension or addition of or to: (i) any of the Secured Obligations and/or (ii) any Custody Agreement or any Transaction Document or any of the documents evidencing the terms of, or relating to, the Secured Obligations (however fundamental).

## 2.6 Immediate Recourse

The Chargor waives any right it may have of first requiring the Secured Party (or any nominee or assignee or any other person) to proceed against or claim payment from any other person or enforce any right, guarantee or security before enforcing this Deed. This waiver applies irrespective of any law or any provision of any Transaction Document to the contrary.

## 2.7 Reinstatement

- (a) Any release, settlement or discharge (whether in respect of any of the Secured Obligations or any security for those liabilities or otherwise) shall be conditional upon no payment to, or security provided to, the Secured Party in respect of the relevant Secured Obligations being avoided, invalidated or reduced or required to be restored or paid away by virtue of any requirement having the force of law.
- (b) Where any release, settlement or discharge (whether in respect of any of the Secured Obligations, the security constituted by this Deed, any other security, any guarantee, indemnity or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition, transaction or arrangement which is avoided, invalidated or reduced or any amount paid pursuant to any such release, settlement, discharge or arrangement must be repaid on bankruptcy, liquidation or otherwise without limitation, the security constituted by this Deed and the liability of the Chargor under this Deed shall continue as if there had been no such release, settlement, discharge or arrangement.

## 3. CREDIT SUPPORT OBLIGATIONS

### 3.1 Delivery Amounts

- (a) The Chargor will ensure that no later than twenty Business Days following the date of this Deed, the Initial Eligible Collateral is credited to the Charged Account.
- (b) Subject to Clauses 4.1(b) (*Conditions Precedent, Transfers and Calculations*) and 6 (*Dispute Resolution*), if the Delivery Amount in respect of a Valuation Date equals or exceeds the Minimum Transfer Amount, the Chargor shall, within ten Business Days of the effective delivery of the Fee Collateral Requirements Report to the Chargor and the Collateral Manager by the Calculation Agent, transfer to the Charged Account Eligible Collateral having a Value as of the date of transfer at least equal to the applicable Delivery Amount (rounded pursuant to Clause 3.5 (*Rounding*)).
- (c) The **Delivery Amount** for any Valuation Date for the purposes of this Clause 3.1 (*Delivery Amounts*) will equal the amount by which:
  - (i) the Adjusted Fee Collateral Required Value;  
exceeds
  - (ii) the Value as of that Valuation Date of all Posted Collateral held in the Charged Account (as adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed).

### 3.2 Return Amounts

- (a) Subject to the Account Control Agreement and Clauses 4 (*Conditions Precedent, Transfers and Calculations*) and 6 (*Dispute Resolution*), if the Return Amount in respect of a Valuation Date equals or exceeds the Minimum Transfer Amount:



- (i) within ten Business Days of the effective delivery of the Fee Collateral Requirements Report to the Chargor, the Collateral Manager and the Secured Party by the Calculation Agent, the Chargor shall (or shall procure that the Collateral Manager (acting on behalf of the Chargor) shall) deliver by email to the Secured Party for countersignature a signed instruction to the Custodian in the form set out in the Annex hereto in respect of the Return Amount relating to such Fee Collateral Requirements Report (the **Proposed Return Instruction**) specifying (amongst other things):
    - (A) the type and amount of Posted Collateral which shall comprise the Return Amount (the Value of which as at the date of the Proposed Return Instruction shall not exceed the Return Amount); and
    - (B) the account of the Chargor to which such Posted Collateral should be transferred; and
  - (ii) by the sixth Business Day following receipt of the Proposed Return Instruction in accordance with Paragraph (i) above, the Secured Party shall countersign such Proposed Return Instruction and deliver it by email to the Custodian.
- (b) The **Return Amount** for any Valuation Date for the purposes of this Clause 3 (*Credit Support Obligations*) will equal the amount by which:
- (i) the Value as of that Valuation Date of all Posted Collateral held in the Charged Account (as adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed);
- exceeds
- (ii) the Adjusted Fee Collateral Required Value.
- (c) Upon the transfer of Posted Collateral to the Chargor in accordance with this Clause 3.2 (*Return Amounts*), the Security Interest created hereunder in respect of that Posted Collateral will be automatically and immediately released.

### 3.3 Partial Release ETD

- (a) In respect of the Valuation Date that is a Partial Release ETD:
  - (i) on or following the effective delivery of the Adjusted Collateral Report (or an updated Adjusted Collateral Report) to the Chargor, the Collateral Manager, the Secured Party and the Secured Party Instructing Party by the Calculation Agent, the Chargor may (or may procure that the Collateral Manager (acting on behalf of the Chargor) shall) deliver by email to the Secured Party for countersignature a signed instruction to the Custodian in the form out in the Annex hereto in respect of the Return Amount relating to such Adjusted Collateral Report and Partial Release ETD (a **Partial Release Return Instruction**) specifying (amongst other things):
    - (A) the type and amount of Posted Collateral which shall comprise the Return Amount (the Value of which as at the date of the Partial Release Return Instruction shall not exceed the Return Amount); and
    - (B) the account of the Chargor to which such Posted Collateral should be transferred; and

- (ii) subject to Paragraph (b) below, by the sixth Business Day following the later of (A) the Secured Party's receipt of the Partial Release Return Instruction and (B) the date on which the Initial Termination Amount is notified in accordance with clause 31.1 (*Termination Procedures and Calculations*) of the Framework Agreement (the **Partial Release Cut-Off Date**), the Secured Party shall countersign such Partial Release Return Instruction and deliver it by email to the Custodian.
- (b) The Secured Party will comply with the provisions of Paragraph (a)(ii) above in relation to a Partial Release Return Instruction delivered in compliance with this Clause 3.3 (*Partial Release ETD*) (or a Partial Release Return Instruction, as updated in accordance with Paragraph (c) below) unless:
  - (i) a dispute relating to the Adjusted Collateral Report remains outstanding in accordance with the paragraph 4(e)(ii) (*Adjusted Fee Collateral Required Value*) of Schedule 8 (*Fee Collateral*) of the Framework Agreement;
  - (ii) acting in good faith and a commercially reasonable manner, it believes that the Value of the Posted Collateral which is proposed to comprise the Return Amount as of the date of the Partial Release Return Instruction is greater than such Return Amount; or
  - (iii) a party to the Framework Agreement has, on or prior to the Partial Release Cut-Off Date, delivered a Notice of Dispute under Clause 54.3 of the Framework Agreement indicating that it disagrees that (A) an Early Termination Date has occurred, or (B) an Early Termination Date has occurred as a result of the relevant Partial Release Early Termination Event,

and on such grounds the Secured Party is unwilling to countersign the Partial Release Return Instruction, in which case the Secured Party shall promptly (and in any event, on or prior to the Partial Release Cut-Off Date), notify the Calculation Agent, the Chargor and the Collateral Manager of the same (such notice being a **Partial Release Dispute Notice**).
- (c) If the Secured Party has effectively delivered a Partial Release Dispute Notice to the Chargor, the Collateral Manager and the Calculation Agent by the Partial Release Cut-Off Date, without prejudice to the provisions of paragraph 4(e) (*Adjusted Fee Collateral Required Value*) of Schedule 8 (*Fee Collateral*) of the Framework Agreement:
  - (i) to the extent the Partial Release Dispute Notice relates to a dispute falling within Clause 3.3(b)(ii) (*Partial Release ETD*), the Chargor shall (or the Chargor shall procure that the Collateral Manager (acting on behalf of the Chargor) shall) deliver an updated accurate Partial Release Return Instruction to the Secured Party; and
  - (ii) to the extent the Partial Release Dispute Notice relates to a dispute falling within Clause 3.3(b)(i) or 3.3(b)(iii) (*Partial Release ETD*), following the resolution of such dispute in accordance with the Framework Agreement and the delivery by the Calculation Agent of an updated Adjusted Collateral Report, the Chargor may (or the Chargor may procure that the Collateral Manager (acting on behalf of the Chargor) shall) deliver an updated accurate Partial Release Return Instruction to the Secured Party.
- (d) Upon the transfer of Posted Collateral to the Chargor in accordance with this Clause 3.3 (*Partial Release ETD*), the Security Interest created hereunder in respect of that Posted Collateral will be automatically and immediately released.

### 3.4 Full Release ETD

- (a) In respect of the Valuation Date that is a Full Release ETD:
- (i) on or promptly following such Full Release ETD, the Chargor may (or may procure that the Collateral Manager (acting on behalf of the Chargor) shall) deliver by email to the Secured Party for countersignature a signed instruction to the Custodian in the form set out in the Annex hereto (a **Full Release Return Instruction**), specifying (amongst other things):
    - (A) the type and amount of Posted Collateral to be transferred pursuant to the such Full Release Return Instruction; and
    - (B) the account of the Chargor to which such Posted Collateral should be transferred; and
  - (ii) subject to Paragraph (b) below, by the sixth Business Day following the later of (A) the Secured Party's receipt of the Full Release Return Instruction in accordance with Paragraph (a)(i) above, and (B) the date on which the Initial Termination Amount is notified in accordance with clause 31.1 (*Termination Procedures and Calculations*) of the Framework Agreement (the **Full Release Cut-Off Date**), the Secured Party shall countersign such Full Release Return Instruction and deliver it by email to the Custodian.
- (b) The Secured Party will comply with the provisions of Paragraph (a)(ii) above in relation to a Full Release Return Instruction delivered in accordance with Paragraph (a) above (or a Full Release Return Instruction, as updated in accordance with Paragraph (c) below), unless a party to the Framework Agreement has, on or prior to the Full Release Cut-Off Date, delivered a Notice of Dispute under clause 54.3 of the Framework Agreement indicating that it disagrees that (i) an Early Termination Date has occurred, or (ii) an Early Termination Date has occurred as a result of the relevant Full Release Early Termination Event, and on such grounds the Secured Party is unwilling to countersign the Full Release Return Instruction, in which case the Secured Party shall promptly (and in any event, on or prior to the Full Release Cut-Off Date), notify the Calculation Agent, the Chargor and the Collateral Manager of the same (such notice being a **Full Release Dispute Notice**).
- (c) If the Secured Party has effectively delivered a Full Release Dispute Notice to the Chargor, the Collateral Manager and the Calculation Agent by the Full Release Cut-Off Date, the Chargor may (or the Chargor may procure that the Collateral Manager (acting on behalf of the Chargor) shall), following the resolution of such dispute in accordance with the Framework Agreement, deliver an updated Full Release Return Instruction to the Secured Party.
- (d) Upon the transfer of Posted Collateral to the Chargor in accordance with this Clause 3.4 (*Full Release ETD*), the Security Interest created hereunder in respect of that Posted Collateral will be automatically and immediately released.

### 3.5 Rounding

The Delivery Amount will be rounded up and the Return Amount will be rounded down to the nearest integral multiple of GBP 10,000, respectively.

## 4. CONDITIONS PRECEDENT, TRANSFERS AND CALCULATIONS

### 4.1 Conditions Precedent

- (a) Each obligation of the Secured Party to provide an instruction to the Custodian under Clauses 3.2 (*Return Amounts*), 5 (*Substitutions and Ineligible Collateral*) and 6 (*Dispute Resolution*) (including pursuant to the Dispute Resolution Provisions) is subject to the condition precedent that:
  - (i) no Event of Default or Potential Event of Default in respect of the Chargor has occurred and is continuing;
  - (ii) no Enforcement Event has occurred; and
  - (iii) no Early Termination Date has occurred.
- (b) Each transfer obligation of the Chargor under Clauses 3.1 (*Delivery Amounts*) and 5 (*Substitutions and Ineligible Collateral*) is subject to the condition precedent that:
  - (i) no Event of Default or Potential Event of Default in respect of the Secured Party has occurred and is continuing; and
  - (ii) no Early Termination Date has occurred.

### 4.2 Transfers

- (a) All transfers under this Deed of any Eligible Collateral or Posted Collateral shall be made in accordance with the provisions of this Deed, the Framework Agreement and the Account Control Agreement.
- (b) Any obligation of the Secured Party to make a transfer of Posted Collateral to the account specified by the Chargor for that purpose under this Deed or the Framework Agreement shall be discharged by the Secured Party providing the Custodian with an instruction countersigned by it in accordance with this Deed or the Framework Agreement, following the delivery to it by the Chargor or the Collateral Manager (on behalf of the Chargor) of an instruction in accordance with this Deed or the Framework Agreement.

### 4.3 Calculations

All calculations of Value of any Eligible Collateral, Posted Collateral, Delivery Amounts and Return Amounts for purposes of this Deed (other than following the occurrence of the Enforcement Date or a Full Release ETD) will be made and notified by the Calculation Agent in accordance with Paragraph 3 (*Calculations*) of Schedule 8 (*Fee Collateral*) of the Framework Agreement.

## 5. SUBSTITUTIONS AND INELIGIBLE COLLATERAL

### 5.1 Substitutions

- (a) Subject to Clause 4 (*Conditions Precedent, Transfers and Calculations*), the Chargor or the Collateral Manager (acting on its behalf) may, on any Business Day by notice (a **Substitution Notice**, and the Business Day on which that Substitution Notice is effectively delivered to the Secured Party being the **Substitution Notice Date**), inform the Secured Party that it wishes to transfer to the Charged Account Eligible Collateral specified in that Substitution Notice (the **Substitute Collateral**) in substitution for certain Posted Collateral specified in that Substitution Notice (the **Original Collateral**), such Substitution Notice setting out:

- (i) the type and amount of Substitute Collateral to be transferred by the Chargor to the Charged Account;
  - (ii) the Value of such Substitute Collateral as of the date of the Substitution Notice;
  - (iii) the type and amount of Original Collateral intended to be substituted by the Substitute Collateral;
  - (iv) the Value of such Original Collateral as of the Substitution Notice Date; and
  - (v) the account of the Chargor to which such Original Collateral should be transferred.
- (b) If the Secured Party consents to the proposed substitution (which consent shall not be unreasonably withheld or delayed), then:
- (i) the Secured Party shall, on or before the sixth Business Day following the Substitution Notice Date, notify the Chargor or the Collateral Manager, as applicable, via email of its consent (or not) (the date of such notice confirming consent being the **Substitution Consent Notice Date**); and
  - (ii) following a consent notification pursuant to Paragraph (i) above:
    - (A) the Chargor shall, on or before the sixth Business Day following the Substitution Consent Notice Date, transfer the type and amount of Substitute Collateral, as specified in the Substitution Notice, to the Charged Account free of payment; and
    - (B) on the Business Day following the day on which the Substitute Collateral is credited to the Charged Account, the Chargor (or the Collateral Manager acting on behalf of the Chargor) shall deliver by email to the Secured Party a signed instruction to the Custodian in the form set out in the Annex hereto (the **Substitution Instruction**) specifying (amongst other things):
      - (1) the type and amount of Original Collateral, as specified in the Substitution Notice; and
      - (2) the account of the Chargor to which such Original Collateral should be transferred to,

together with evidence that the Substitute Collateral has been credited to the Charged Account; and
    - (C) by the sixth Business Day following receipt of the Substitution Instruction in accordance with Paragraph (B) above (and provided that the Substitute Collateral has been credited to the Charged Account), the Secured Party shall countersign such Substitution Instruction and deliver it by email to the Custodian.
- (c) In the event of a substitution in accordance with this Clause 5.1 (*Substitutions and Ineligible Collateral*):
- (i) the Chargor must take all reasonable steps to perfect the Security Interest over any Substitute Collateral; and

- (ii) any Original Collateral shall be automatically and immediately released from the Security Interest created by this Deed upon it being transferred out of the Charged Account in accordance with this Deed and the Account Control Agreement.

## 5.2 Ineligible Collateral

- (a) Subject to Clause 4 (*Conditions Precedent, Transfers and Calculations*), if, at any time, any Eligible Collateral which has been transferred to the Charged Account pursuant to Clause 3.1 (*Delivery Amounts*) or otherwise ceases to qualify (or assets have been transferred to the Charged Account which never qualified) as Eligible Collateral (**Ineligible Collateral**), the Chargor shall, after becoming aware of it, including where it has received notice from or on behalf of the Secured Party, use reasonable endeavours to seek to substitute the Ineligible Collateral in accordance with the provisions of Clause 5.1 (*Substitutions*), provided that such obligation under this Clause 5.2 (*Ineligible Collateral*) shall not exist if:
  - (i) a Valuation Date is due to occur within fourteen Business Days of the date on which the Chargor becomes aware of such ineligibility; or
  - (ii) the Delivery Amount or Return Amount in respect of the immediately preceding Valuation Date has not, as of such date, been transferred to or from the Charged Account (as applicable) (including where the Fee Collateral Requirements Report in respect of such Valuation Date has not yet been delivered by the Calculation Agent in accordance with paragraph 3(c) of Schedule 8 (*Fee Collateral*) to the Framework Agreement.
- (b) Subject to Clause 4 (*Conditions Precedent, Transfers and Calculations*), in circumstances where Ineligible Collateral was standing to the credit of the Charged Account as of the most recent Valuation Date (and constituted Ineligible Collateral at such time) and has not been substituted in accordance with Clause 5.1 (*Substitutions*) (or otherwise transferred out of the Charged Account in accordance with the Transaction Documents) following such Valuation Date, but the Chargor has transferred Eligible Collateral to the Charged Account such that a Delivery Amount no longer exists in respect of such Valuation Date:
  - (i) the Chargor may (or may procure that the Collateral Manager (acting on behalf of the Chargor) shall), prior to the date falling fourteen Business Days before the immediately following Valuation Date, deliver by email to the Secured Party a signed instruction to the Custodian in the form set out in the Annex hereto (the **Ineligible Collateral Instruction**), which shall specify (amongst other things):
    - (A) the type and amount of Ineligible Collateral (which constituted Ineligible Collateral as of the most recent Valuation Date); and
    - (B) the account of the Chargor to which such Ineligible Collateral should be transferred; and
  - (ii) by the sixth Business Day following receipt of the Ineligible Collateral Instruction in accordance with (i) above, the Secured Party shall countersign such Ineligible Collateral Instruction and deliver it by email to the Custodian.

## 6. DISPUTE RESOLUTION

- (a) The Parties acknowledge and agree that the relevant Dispute Resolution Provisions shall apply to any dispute in respect of the determination of the Fee Collateral Required Value, Adjusted Fee Collateral Required Value, Delivery Amount, Return Amount, the Value of any Posted Collateral, the Value of any Eligible Collateral or the Value of any transfer of Eligible

Collateral or Posted Collateral and the Parties agree to be bound by any determination made in accordance with such Dispute Resolution Provisions.

- (b) For the avoidance of doubt, the giving or countersigning of any instruction to the Custodian by the Secured Party shall be without prejudice to any dispute pursuant to the Dispute Resolution Provisions relating thereto.

## **7. HOLDING POSTED COLLATERAL AND OTHER SECURITY ASSETS**

### **7.1 Negative Pledge and No Disposals**

- (a) The Chargor shall not (and the Chargor shall not instruct the Custodian to):
  - (i) enter into a single transaction or a series of transactions (whether related or not) and whether voluntarily or involuntarily, to sell, assign, lend, transfer or otherwise dispose of the whole or any part of the Security Assets;
  - (ii) remove or permit the withdrawal of any Posted Collateral from the Charged Account; or
  - (iii) otherwise deal with all or any part of the Security Assets or permit its rights in the Security Assets (or any part thereof) to be conferred on any person or for any person to acquire any interest in the same (other than a Permitted Security Interest),

in each case, other than as expressly permitted or required by this Deed, the Account Control Agreement or the Framework Agreement, or which the Secured Party has expressly approved in writing for this purpose.

- (b) The Chargor shall not create or permit to subsist any Security Interest or Quasi-Security Interest on, over or affecting all or any part of the Security Assets except for:
  - (i) any Security Interest or Quasi-Security Interest created by this Deed or the Framework Agreement, which is in favour of the Secured Party and/or the Secured Party Instructing Party;
  - (ii) any Security Interest or Quasi-Security Interest created by the Assignment Agreement;
  - (iii) any netting or set-off arrangement entered into under the Framework Agreement, Insurance Agreement or Reinsurance Agreement;
  - (iv) any lien routinely imposed by a clearing system on all securities held in that clearing system;
  - (v) any Security Interest (if any) imposed by the Custodian in accordance with the terms of the Account Control Agreement;
  - (vi) any trust law duty of the Chargor to hold any Security Asset for the beneficial interest of the underlying beneficiaries of the Scheme; and
  - (vii) any Security Interest or Quasi-Security Interest which the Secured Party has expressly approved in writing

(each a Permitted Security Interest).

## **7.2 Performance of obligations under Custody Agreement**

- (a) Without prejudice to the terms of the Custody Agreement and the Account Control Agreement, the Chargor shall perform all its obligations under the Custody Agreement or the Account Control Agreement (as the case may be) in respect of the Charged Account.
- (b) Subject to paragraph 5(a) (*No variation of Trustee Custody Agreement etc.*) of Schedule 8 (*Fee Collateral*) of the Framework Agreement, the Chargor shall maintain and enforce all its rights: (i) under or in connection with the Custody Agreement, in relation to, affecting or in so far as such obligations or rights relate to the Security Assets; and (ii) under or in connection with the Account Control Agreement, in each case only to the extent that failure to do so is or is likely to be prejudicial to the rights and interests of the Secured Party under and in respect of this Deed, the Account Control Agreement or the Security Assets.

## **7.3 Rights Accompanying Posted Collateral**

Without prejudice to the Secured Party's other rights, at any time after the occurrence of an Enforcement Event, in accordance with the requirements of paragraph 2 of Schedule 8 (*Fee Collateral*) of the Framework Agreement (if applicable) and the Account Control Agreement, the Secured Party (or the Secured Party Instructing Party) may deliver to the Custodian a Notice of Default and, following delivery of such notice, may exercise any and all of its rights which it has under the Account Control Agreement in relation to the Security Assets.

## **7.4 Other Obligations**

- (a) The Chargor shall, at all times (including after a valid Notice of Default has been served or an Enforcement Event has occurred), remain liable to observe and perform all of the conditions and obligations assumed by it in writing or by effect of law in respect of any of the Security Assets and under the Custody Agreement (as varied by the Account Control Agreement) and its obligations under the Account Control Agreement.
- (b) Neither the Secured Party nor any Receiver, Delegate or nominee shall be under any obligation or liability to the Chargor or any other person:
  - (i) under or in respect of the Custody Agreement; or
  - (ii) in respect of the rights or obligations of the Chargor under or in respect of the Security Assets, and in the case of each of the Secured Party and the Secured Party Instructing Party, without prejudice to its respective express obligations set out herein or in the Account Control Agreement.

# **8. RIGHTS OF ENFORCEMENT**

## **8.1 Secured Party's Rights**

- (a) If at any time an Enforcement Event has occurred and is continuing, then, unless the Chargor has paid in full all of the Secured Obligations, the Security Interests created by or pursuant to this Deed shall be enforceable and the Secured Party shall be entitled to put into force and to exercise immediately or as and when it may see fit any and every power possessed by the Secured Party by virtue of this Deed or available to a secured creditor or a Receiver pursuant to applicable law (and so that section 93 and section 103 of the LPA shall not apply to this Deed or any sale made under it) and in particular (but without limitation) the Secured Party shall, immediately or at any subsequent time and without prior notice to the Chargor, have power to:



- (i) take possession of, hold, sell or otherwise dispose of all or any of the Security Assets on an arm's length basis at any time upon such terms as the Secured Party shall in its absolute discretion determine; or
  - (ii) collect, recover or compromise and to give a good discharge for any moneys payable to the Chargor in respect of any of the Security Assets; or
  - (iii) apply or appropriate the Security Assets in or towards the payment or discharge of any amounts payable by the Chargor with respect to any Secured Obligation in such order as the Secured Party sees fit; or
  - (iv) secure and perfect its title to all or any part of the Security Assets (including transferring the same into the name of the Secured Party or its nominee(s)) or otherwise exercise in relation to the Security Assets all the rights of an absolute legal and beneficial owner in any manner that the Secured Party determines; or
  - (v) to appoint one or more persons as a Receiver of any Security Assets;
  - (vi) to defend against any suit, action or proceeding relating to, or affecting the Security Assets (or in each case any of them) in the Chargor's name; and/or
  - (vii) whether or not it has appointed a Receiver, exercise all or any of the powers, authorisations and discretions conferred by the LPA (as varied or extended by this Deed) on chargees or mortgagees or by this Deed on the Secured Party on any Receiver or otherwise conferred by law on chargees, mortgagees or Receivers.
- (b) The Secured Party may redeem any prior Security Interest (other than a Permitted Security Interest) against the Security Assets or procure a transfer of such Security Interest 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 amount paid in connection with such redemption or transfer (including expenses) shall be paid on demand by the Chargor to the Secured Party and until such payment shall form part of the Secured Obligations.
- (c) If the Secured Party, any Receiver or any Delegate of either of them takes possession of any Security Asset it may relinquish such possession at any time.
- (d) The rights conferred upon the Secured Party by this Deed shall be supplemental to and in addition to any which may be vested in the Secured Party by applicable law or otherwise.
- (e) Without prejudice to the foregoing or to the Secured Party's other rights, the Chargor hereby irrevocably authorises the Secured Party, at any time when an Enforcement Event has occurred and is continuing, to give instructions to the Custodian for the transfer of cash (if any) out of the Charged Account to the Secured Party for application in or towards discharge of the Secured Obligations) and, if there is no cash standing to the credit of the Charged Account or the cash balance standing to the credit of the Charged Account is not sufficient to discharge the Secured Obligations, to give instructions to the Custodian:
- (i) to sell or otherwise realise all or such part of the assets held in or standing to the credit of the Charged Account as is necessary to fund such transfer and to apply the proceeds of sale for that purpose; or
  - (ii) to transfer out of the Charged Account to the Secured Party such assets as may be selected by the Secured Party and whose transfer to the Secured Party is necessary in order to enable discharge of the Secured Obligations (or any part thereof).

- (f) At any time when an Enforcement Event has occurred and is continuing, if the Chargor receives any moneys under the Custody Agreement in respect of the Security Assets, the Chargor shall hold such moneys on trust for the Secured Party, pending payment to the Secured Party (which it shall promptly do) for application in accordance with Paragraph (i) below.
- (g) Until all Secured Obligations have been irrevocably paid in full, the Secured Party may:
  - (i) refrain from applying or enforcing any other moneys, security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Obligations, or apply and enforce the same in such manner and order as it sees fit and the Chargor shall not be entitled to the benefit of the same; and
  - (ii) hold in an interest-bearing suspense account any moneys received from or on behalf of the Chargor for or on account of the Secured Obligations (including, without limitation, any such moneys received, recovered or realised under or in connection with this Deed).
- (h) If the Security Interests created by or pursuant to this Deed are enforced at a time when no amount is due under the Transaction Documents but at a time when amounts may or will become due, the Secured Party (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.
- (i) Subject to Paragraph (g) above and any claims having priority to the Security Interests created by or pursuant to this Deed, all amounts from time to time received or recovered by the Secured Party or a Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security Interests created by this Deed shall be held by the Secured Party to apply them, to the extent permitted by applicable law in the following order of priority:
  - (i) in payment of all costs, fees, taxes and expenses incurred by the Receiver or the Secured Party or any of their Delegates in or pursuant to the exercise of the powers set out in this Deed and of all other outgoings properly payable by the Receiver, the Secured Party or such Delegates;
  - (ii) in payment of remuneration to the Receiver or the Secured Party or any of their Delegates;
  - (iii) in or towards the discharge of the Secured Obligations in such order as the Secured Party thinks fit;
  - (iv) if the Secured Obligations have been irrevocably and unconditionally paid in full and no Secured Obligations are capable of arising thereafter, in payment or distribution to any person to whom the Secured Party is obliged by applicable law or binding court order or judgment to pay or distribute in priority to the Chargor; and
  - (v) the balance, if any, in payment or distribution to the Chargor.

## 8.2 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) of the LPA shall not apply; and

- (ii) extended to authorise the Secured Party and any Receiver and their Delegates at any time when an Enforcement Event has occurred and is continuing 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 Security Assets and, 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 Secured Party thinks fit.
- (b) The power of sale and all other powers conferred on a Secured Party by law (including by section 101 of the LPA) as varied or extended by this Deed will arise upon the date of this Deed (and the Secured Obligations shall be deemed to have become due and payable for such purpose) but shall only be exercised when an Enforcement Event has occurred and is continuing.

### 8.3 Enforcement Triggers

- (a) Notwithstanding the terms of this Deed but without prejudice to the rights of the Secured Party contained in the Account Control Agreement, following the occurrence of an Enforcement Event but prior to the agreement, deemed agreement or determination (or, in the case of the Initial Termination Amount, notification) of an Initial Termination Amount, Proposed Termination Adjustment Amount or Interregnum Arrangements Failure Payment Amount in accordance with the Framework Agreement that is payable by the Chargor (the earliest thereof to occur being the **Cut-Off Date**):
  - (i) the Secured Party shall not:
    - (A) appoint a receiver of all or any of the Security Assets, unless, notwithstanding the other provisions of this Deed, the remuneration of such receiver prior to the occurrence of the Cut-Off Date is for the account of the Secured Party; or
    - (B) sell or otherwise dispose of any of the Security Assets (excluding any transfer referred to in Clause 8.3(a)(ii) below); and
  - (ii) to the extent the Secured Party gives instructions to the Custodian (which are not countersigned by the Chargor) to transfer all or any part of the Posted Collateral out of the Charged Account:
    - (A) such Posted Collateral shall be transferred to an account of the Secured Party held by a Permitted Custodian or, at the Secured Party's option, RBC Investor Services Trust (RBCIS) and as soon as reasonably possible shall be credited to a separate account of the Secured Party opened and held by such custodian (such account, the **Suspense Account**);
    - (B) on the date the instructions are given to the Custodian to effect such transfer and taking account of the transfer(s) contemplated by such instructions the Value of the balance of the Posted Collateral would be at least £50,000; and
    - (C) the Secured Party shall identify in its records that the Security Assets which have been transferred pursuant to this Clause 8.3(a)(ii) have been provided by the Chargor for application in accordance with Clause 8.1(i); and
  - (iii) if the Secured Party's Capital Adequacy Test is not satisfied, and any assets are then held by the Secured Party pursuant to Clause 8.3(a)(ii), paragraph 2(e) of Schedule 8 to the Framework Agreement shall apply; and

- (iv) if the Posted Collateral has been transferred to RBCIS and, at the time of transfer, RBCIS does not have at least the Required Rating, the Secured Party shall, within 20 Business Days of such transfer, transfer the assets transferred pursuant to Clause 8.3(a)(ii) above to:
  - (A) an account of the Secured Party with a Permitted Custodian to be held in accordance with Clause 8.3(a)(ii); or
  - (B) the Charged Account (to the extent it is still open), such other account of the Chargor as the Secured Party may approve, or such other person as the Secured Party is obliged to transfer such assets to in priority to the Chargor pursuant to Applicable Law or court order (other than a creditor of the Secured Party).
- (b) Upon the occurrence of the Cut-Off Date, the Secured Party's obligations under this Clause and paragraph 2(e) of Schedule 8 to the Framework Agreement shall cease (without prejudice to Clause 8.3(a)(i)(A) in respect of the period prior to the Cut-Off Date) and, for the avoidance of doubt, the Secured Party may exercise any and all rights it has under this Deed as it sees fit in accordance with this Deed.

## **9. RECEIVER**

### **9.1 Appointment of Receiver**

- (a) Except as provided below, the Secured Party may from time to time appoint any one or more persons to be a Receiver of all or any part of the Security Assets upon such terms as to remuneration and otherwise as the Secured Party thinks fit if:
  - (i) the Security Interests created by or pursuant to this Deed have become enforceable; or
  - (ii) the Chargor so requests the Secured Party in writing at any time.
- (b) Any appointment under Paragraph (a) above may be by deed, under seal or in writing under the Secured Party's 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 LPA) does not apply to this Deed.
- (d) The Secured Party is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act.

### **9.2 Removal**

The Secured Party may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) 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.

### **9.3 Remuneration**

The Secured Party may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the LPA will not apply.

#### **9.4 Agent of the Chargor**

- (a) A Receiver 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 LPA. The Chargor is responsible for the remuneration, contracts, engagements, acts, omissions, defaults and losses of a Receiver and for costs, fees, taxes, expenses and liabilities incurred by a Receiver.
- (b) The Secured Party 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.

#### **9.5 Relationship with Secured Party**

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after the Security Interests created by or pursuant to this Deed have become enforceable be exercised by the Secured Party in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

### **10. POWERS OF RECEIVER**

#### **10.1 General**

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on a receiver or mortgagee in possession by any law; this includes:
  - (i) whether or not such a Receiver is an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act; and
  - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA and the Insolvency Act.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

#### **10.2 Possession**

A Receiver may take immediate possession of, get in and collect any Security Asset and exercise any right of the Chargor in respect of or pursuant to any Security Asset.

#### **10.3 Carry on business**

A Receiver may carry on any business of the Chargor in any manner it thinks fit.

#### **10.4 Employees**

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as it thinks fit.
- (b) A Receiver may discharge any person appointed by the Chargor.

#### **10.5 Borrow money**

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to the Security Interests created by or pursuant to this Deed or otherwise and generally on any terms and for whatever purpose which it thinks fit.

#### **10.6 Sale of assets**

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which it thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which it thinks fit.

#### **10.7 Compromise**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

#### **10.8 Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which it thinks fit.

#### **10.9 Receipts**

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

#### **10.10 Subsidiaries**

A Receiver may form a subsidiary of the Chargor and transfer to that subsidiary any Security Asset.

#### **10.11 Delegation**

A Receiver may delegate its powers in accordance with this Deed.

#### **10.12 Lending**

A Receiver may lend money or advance credit to any customer of the Chargor.

#### **10.13 Protection of assets**

A Receiver may effect any insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset as it thinks fit.

#### **10.14 Other powers**

A Receiver may:

- (a) do all other acts and things which it may consider desirable or necessary for maintaining or enhancing the value of any Security Assets or 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;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which it would be capable of exercising if it were the absolute legal and beneficial or beneficial owner of that Security Asset; and
- (c) use the name of the Chargor for any of the above purposes.

## 11. POWER OF ATTORNEY

- (a) The Chargor, by way of security, irrevocably appoints the Secured Party, its Delegate, any Receiver and any authorised nominee of any of them to be the attorney of the Chargor on its behalf and in the name of the Chargor or otherwise (as the attorney may decide) to do all acts, and execute all documents which the Chargor could itself execute, in relation to any of the Security Assets or in connection with any of the matters provided for in this Deed or in Schedule 8 (*Fee Collateral*) to the Framework Agreement, at such time and in such manner as the attorney thinks fit, including (but without limitation):
- (i) to execute any transfer, bill of sale or other assurance in respect of the Security Assets;
  - (ii) to exercise all the rights and powers of the Chargor in respect of the Security Assets;
  - (iii) to ask, require, demand, receive, compound and give a good discharge for any and all moneys and claims for moneys due and to become due under or arising out of any of the Security Assets;
  - (iv) to endorse any cheques or other instruments or orders in connection with any of the Security Assets;
  - (v) to make any claims or to take any action or to institute any proceedings which the Secured Party considers to be necessary or advisable to protect or enforce the Security Interest created by this Deed;
  - (vi) to do anything which the Chargor is obliged to do in respect of any of the Security Assets under this Deed, the Custody Agreement (in respect of the Security Assets only), the Account Control Agreement or Schedule 8 (*Fee Collateral*) to the Framework Agreement, but has failed to do (including to do all such acts or execute all such documents, assignments, transfers, mortgages, charges, notices, instructions, filings and registrations as the Secured Party may reasonably specify (and in such form as the Secured Party may reasonably require in favour of the Secured Party or its nominee)); and
  - (vii) to exercise any of the rights conferred on the Secured Party, its Delegate or any Receiver in relation to the Security Assets under this Deed, the Account Control Agreement, Schedule 8 (*Fee Collateral*) to the Framework Agreement or any law,

save that the powers conferred on the Secured Party, its Delegate or any Receiver under this Clause 11 (*Power of Attorney*) (other than Clause 11(a)(vi)) shall only be exercisable following the occurrence of an Enforcement Event.

- (b) The Chargor ratifies and confirms and agrees to, promptly on the request of the Secured Party, its Delegate or any Receiver, ratify and confirm whatever the Secured Party, its Delegate any Receiver and any authorised nominee of any of them (or any of the foregoing) shall do or has done pursuant to an exercise of the power of attorney in accordance with this Clause 11 (*Power of Attorney*).

## 12. PROTECTION OF PURCHASER, SECURED PARTY AND RECEIVER

- (a) No purchaser or other person dealing with the Secured Party or with its attorney or agent or with a Receiver or any Delegate of the foregoing shall be concerned to enquire (1) whether any power exercised or purported to be exercised by the Secured Party or any Receiver or such other person has become exercisable, (2) whether any Secured Obligation remains due or owing, (3) as to the propriety or regularity of any of the actions of the Secured Party or any

Receiver or such other person or (4) as to the application of any money paid to the Secured Party or any Receiver or such other person.

- (b) In the absence of bad faith on the part of such purchaser or other person, such dealings shall be deemed, so far as regards the safety and protection of such purchaser or other person, to be within the powers conferred by this Deed and to be valid accordingly. The receipt by the Secured Party or any Receiver shall be a conclusive discharge to any purchaser of the Security Assets.
- (c) It is acknowledged and agreed that:
  - (i) the Chargor shall not have any right or claim against the Secured Party or a Receiver or any of their Delegates in respect of any loss arising out of any sale or other realisation of a Security Asset permitted by this Deed, howsoever such loss may have been caused and whether or not a better price could or might have been obtained on the sale of that Security Asset or realisation thereof by either deferring or advancing the date of such sale or other realisation or otherwise, unless such loss is directly caused by the Secured Party's or such other person's fraud, gross negligence or wilful misconduct or the Secured Party's or Secured Party Instructing Party's breach of this Deed; and
  - (ii) neither the Secured Party 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.
- (d) Neither the Secured Party, any Delegate, attorney, manager, agent or other person appointed by the Secured Party pursuant to this Deed, nor any Receiver shall be liable in respect of any liability, damage, loss, cost, claim or expense of any kind or nature, whether present, future, prospective, contingent, direct, indirect, special, consequential or otherwise 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, unless directly caused by its fraud, negligence or wilful misconduct.

### 13. FINAL RETURNS

Following the earlier to occur of (a) the date when all Secured Obligations have been discharged in full and no amounts are, are capable of or may become, payable by the Chargor with respect to or which constitute any Secured Obligations, and (b) following the occurrence of an Early Termination Date, the date on which the Proposed Termination Adjustment Amount or the Interregnum Arrangements Failure Payment Amount, as applicable, has been agreed, deemed agreed or determined in accordance with the Framework Agreement and is not payable by the Chargor, no Initial Termination Amount remains unpaid by the Chargor and no other amounts are payable to the Secured Party, any Delegate or the Receiver with respect to any Secured Obligations (excluding for such purposes in the case of any Secured Obligations referred to in Paragraph (b) of the definition of "Secured Obligations" any contingent claims) (the Discharge Date), the Secured Party will, as soon as reasonably practicable (and in any event not later than the sixth Business Day) following the receipt from the Chargor of a Release Notice, countersign such Release Notice and deliver the Release Notice to the Custodian and the provisions of clause 2 of the Account Control Agreement shall apply.

### 14. ASSIGNMENT

The Chargor hereby agrees:

- (a) and consents to the assignment by way of security or absolutely by the Secured Party of all or any of its rights, title and interests under this Deed to the Reinsurer (or any successor thereto)



pursuant to and in accordance with the Reinsurance Agreement or, as the case may be, the Assignment Agreement and acknowledges notice of such assignment;

- (b) that the Secured Party may at any time delegate by power of attorney or otherwise to any person for any period any rights exercisable by the Secured Party under this Deed (including, without limitation, any right to sign, give or countersign instructions to the Custodian). Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Secured Party thinks fit. The Secured Party shall remain liable under this Deed in respect of acts or omissions of such Delegate, except where the right or obligation under this Deed is expressed to be for the benefit of, is capable of being exercised by or is to be performed by the Reinsurer, acting in its capacity as Secured Party Instructing Party (for whose acts or omissions, or those of its Delegates, the Insurer (in its capacity as the Secured Party) shall have no liability to the Chargor or any other person (whether in contract, tort or otherwise)).

## 15. REPRESENTATIONS

The Chargor represents and warrants to the Secured Party on the date of this Deed (which representations and warranties will be deemed to be repeated as of each date on which the Chargor transfers Eligible Collateral to the Charged Account (or in the case of the representation at (b) below, on each day prior to the Discharge Date) that:

- (a) it has the power to grant a Security Interest in respect of the Security Assets under this Deed and to transfer assets to the Charged Account in accordance with this Deed and has taken all necessary actions to authorise the granting of that Security Interest;
- (b) subject to the Chargor's trust law duties to hold such assets for the beneficial interest of the underlying beneficiaries of the Scheme, it is the sole beneficial owner of the Security Assets and such assets are free and clear of any Security Interest, Quasi-Security Interest or other interest or restriction other than any Permitted Security Interest;
- (c) upon the transfer of any Eligible Collateral by it to the Charged Account under the terms of this Deed, the Secured Party will have a valid Security Interest in such Eligible Collateral;
- (d) the performance by it of its obligations under this Deed will not result in the creation of any Security Interest or Quasi-Security Interest in or on any Security Asset other than any Permitted Security Interest; and
- (e) subject to the making of the appropriate registration of this Deed with Companies House in England and Wales under section 859A of the Companies Act 2006, payment of associated fees and any other appropriate registrations, filings, endorsements, notarisations, stampings and/or notifications required to be made in any jurisdiction in order to perfect the Security Interests created or expressed to be created pursuant to this Deed, this Deed creates (or, once entered into by the Secured Party, will create) the Security Interests which it purports to create and such Security Interests are lawful, legally binding, valid, effective and enforceable under its governing law and have the ranking in priority which they are expressed to have in this Deed subject to applicable bankruptcy, insolvency, moratorium, liquidation, reorganisation or similar laws of general application affecting creditors' rights generally and subject to, as to enforceability, equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law).

## **16. EXPENSES**

### **16.1 General**

Except as otherwise provided in Clauses 16.2 (*Posted Collateral*) to 16.4 (*Liabilities*) (inclusive), each Party will pay its own costs and expenses (including any stamp, transfer or similar transaction tax or duty payable on any transfer it is required to make under this Deed) in connection with performing its obligations under this Deed and neither Party will be liable for any such costs and expenses incurred by the other Party.

### **16.2 Posted Collateral**

The Chargor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to any Security Asset upon becoming aware of the same (including, without limitation, any such taxes, assessments or charges imposed on any transfer the Secured Party or the Reinsurer is required to make to the Chargor under this Deed, the Account Control Agreement or the Framework Agreement).

### **16.3 Enforcement Costs**

All costs, losses, liabilities and expenses (including legal fees) incurred by the Secured Party or its Delegate in connection with the protection, enforcement or preservation of rights under this Deed (including the remuneration of a Receiver, any arising from any actual or alleged breach by any person of any law or regulation and any stamp duty or similar tax which may be payable as a result of the enforcement of this Deed) will be payable, on demand, by the Chargor.

### **16.4 Liabilities**

The Chargor will, as soon as reasonably practicable upon demand, pay to the Secured Party, the Secured Party Instructing Party, the Reinsurer or any Receiver and each of their Delegates (as applicable) (each a **Protected Party**) an amount equal to any cost, loss, liability or expense reasonably incurred by such Protected Party as a result of any (i) judicial or arbitral proceedings initiated against such Protected Party and (ii) any cost awarded, against such Protected Party (together in this Clause, **Costs**) the subject matter of which is the Security Assets and/or the Security Interests or the rights created by this Deed other than to the extent that such Costs have been incurred as a result of:

- (a) any breach by such Protected Party (or its Delegate(s)) of any contract to which such Protected Party is a party or any Applicable Law; or
- (b) such Protected Party's (or its Delegates') fraud, gross negligence or wilful misconduct.

and keep each Protected Party indemnified against any failure or delay in paying those Costs or expenses.

## **17. REGISTRATION**

The parties agree and acknowledge that the Secured Party shall arrange for the charge created by Clause 2.2 (*Security*) to be registered with Companies House.

## **18. THIRD PARTY RIGHTS**

- (a) Subject to any provision(s) of this Deed under which rights are granted to third parties by express reference to the Contracts (Rights of Third Parties) Act 1999 and Paragraph (c) below, a person who is not a party to this Deed (other than the Collateral Manager, the Secured Party Instructing Party and the Reinsurer) has no right under the Contracts (Rights of Third Parties)

Act 1999 to enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

- (b) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver or any Delegate of the Secured Party or any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to Paragraph (b) above and the provisions of the Contracts (Rights of Third Parties) Act 1999.

## **19. GOOD FAITH AND COMMERCIALLY REASONABLE MANNER**

All calculations, valuations and determinations made by either Party, will be made in good faith and in a commercially reasonable manner.

## **20. ENTIRE AGREEMENT**

This Deed, the Account Control Agreement and the other documents referred to herein set out the entire agreement between the Parties in relation to the subject matter hereof and supersedes any previous agreement whether written or oral. Each Party acknowledges that in entering into this Deed it places no reliance on any representation or warranty in relation to the subject matter of this Deed other than any representation or warranty contained in this Deed or, as the case may be, another Transaction Document. Nothing in this Deed may operate to limit or exclude any liability for fraud.

## **21. MISCELLANEOUS**

- 21.1 No failure to exercise, nor delay in exercising, on the part of either Party any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. No waiver by a Party shall be effective unless it is in writing. The rights and remedies of each Party are cumulative and not exclusive of any rights or remedies provided by law.
- 21.2 Without prejudice to Clause 14 (*Assignment*), this Deed is binding on the successors in title and assigns of the Chargor.
- 21.3 If, at any time, any provision of this Deed becomes illegal, invalid or unenforceable in any respect under the law of any relevant jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed, nor the legality, validity or enforceability of that provision under the law of any other jurisdiction, shall be affected or impaired in any way.
- 21.4 If any sum due from the Chargor under this Deed (a **Sum**), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the **First Currency**) in which that Sum is payable into another currency (the **Second Currency**) for the purpose of:
  - (a) making or filing a claim or proof against the Chargor;
  - (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings; or
  - (c) applying the Sum in satisfaction of the Secured Obligations,

the Chargor shall, as an independent obligation, as soon as reasonably practicable upon demand, indemnify the Secured Party against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from

the First Currency into the Second Currency and (B) the rate or rates of exchange available to the Secured Party at the time of its receipt of that Sum.

21.5 If, contrary to this Deed, the Chargor receives or recovers any money or other property and such money or property is due to the Secured Party, such security, money or other property shall be held on trust for the Secured Party and shall be delivered to the Secured Party on demand and if such property is no longer capable of delivery, the Chargor shall pay to the Secured Party an amount equal to the value of such property.

21.6 No variation of this Deed shall be effective without the consent of the Reinsurer.

## **22. GOVERNING LAW**

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

## **23. DISPUTE RESOLUTION**

Without prejudice to the Dispute Resolution Provisions and clause 6 (*Dispute Resolution Provisions*), the provisions of clauses 54 (*Dispute Resolution*) and 56 (*Dispute Resolution by Arbitration*) to 58 (*Joinder of Parties*) of the Framework Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Framework Agreement shall be construed as references to this Deed.

## **24. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any Party may enter into the same by executing and delivering a counterpart.

IN WITNESS WHEREOF this Deed has been signed on behalf of the Secured Party and executed as a deed by the Chargor and is intended to be and is hereby delivered as a deed on the date first stated on page 1.

## SIGNATORIES

### The Chargor

**EXECUTED and delivered as a Deed by**

**BBC PENSION TRUST LIMITED**  
acting by

)  
)  
)  
)  
)  
)

Director

Director / Secretary

### The Secured Party

**Executed as a Deed (but not delivered until**  
**the**

**date of this Deed) for and behalf of**

**ZURICH**  
**ASSURANCE LTD by**

)  
)

) Authorised Signatory  
) Alex Koslowski, CEO and Director

)

) Authorised Signatory  
) Zurich Corporate Secretary (UK) Limited, Secretary  
) (by Joanne Godfrey-Reay, being a Director and duly  
) authorised signatory of ZURICH CORPORATE  
) SECRETARY (UK) LIMITED)

## SIGNATORIES

### The Chargor

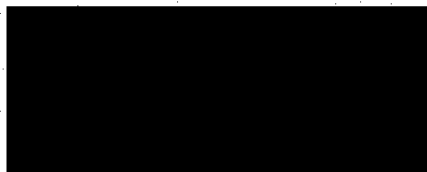
**EXECUTED and delivered as a Deed by**

**BBC PENSION TRUST LIMITED**  
acting by

)  
) .....  
) Director  
) .....  
) Director / Secretary

### The Secured Party

Executed as a Deed (but not delivered until  
the  
date of this Deed) for and behalf of  
**ZURICH**  
**ASSURANCE LTD** by



) Authorised Signatory  
) Alex Koslowski, CEO and Director

) .....  
) Authorised Signatory  
) Zurich Corporate Secretary (UK) Limited, Secretary  
) (by Joanne Godfrey-Reay, being a Director and duly  
) authorised signatory of ZURICH CORPORATE  
) SECRETARY (UK) LIMITED)

## SIGNATORIES

### The Chargor

**EXECUTED and delivered as a Deed by**

**BBC PENSION TRUST LIMITED**  
acting by

)  
) .....  
) Director  
) .....  
) Director / Secretary

### The Secured Party

**Executed as a Deed (but not delivered until**  
**the**  
**date of this Deed) for and behalf of**  
**ZURICH**  
**ASSURANCE LTD by**

)  
) .....  
) Authorised Signatory  
) Alex Koslowski, CEO and Director  
)  .....  
) Authorised Signatory  
) Zurich Corporate Secretary (UK) Limited, Secretary  
) (by Joanne Godfrey-Reay, being a Director and duly  
) authorised signatory of ZURICH CORPORATE  
) SECRETARY (UK) LIMITED)

## ANNEX



## HSBC GILT TRANSFERS TEMPLATE

### Gilt Instructions

|   |  |
|---|--|
| <b>To:</b> <b>Gilt Settlements</b><br><br><b>HSBC Securities Services, London</b> | <b>Fax</b> <b>00 44 345 587 0402</b><br><br><b>E-mail</b> <b>hssfagiltsetts@hsbc.com</b> |
|---|--|

|                            |  |                   |   |
|----------------------------|--|-------------------|---|
| <b>From:</b> (Client name) | <i>[LGIM details to be inserted]</i>           | <b>Date:</b>      | <i>[Date on which signed instruction is sent by LGIM to CL]</i> |
|                            |  | <b>Tel no:</b>    | <i>[LGIM tel. no. to be inserted]</i>                           |
| <b>Contact Name:</b>       | <i>[Relevant LGIM contact to be specified]</i> | <b>Fax no:</b>    | <i>[LGIM fax no. to be inserted]</i>                            |
|                            |  | <b>Reference:</b> | N/A   |

| Securities account number  | Receive or deliver <sup>1</sup> | Trade Date  | Sett Date <sup>2</sup>                                      | Nominal                          | ISIN                             | Stock description                | Transaction Type       | Counterparty name                       | Counterparty CREST gilt participant ID | Amount GBP (figures and words)   | SPX-X SPC-C | Repo Y/N | Buy-Sell Back Y/N |
|--|---------------------------------|---|---|----------------------------------|----------------------------------|----------------------------------|------------------------|---|--|----------------------------------|-------------|----------|-------------------|
| <i>[Trustee charged securities account number to be specified]</i> | Deliver                         | <i>[Date on which signed instruction is sent by LGIM to CL]</i> | <i>[3rd BD after "Date" of instruction to be specified]</i> | <i>[To be specified by LGIM]</i> | <i>[To be specified by LGIM]</i> | <i>[To be specified by LGIM]</i> | <i>Free of Payment</i> | HSBC Global Custody Nominees UK Limited | 5676                                   | <i>[To be specified by LGIM]</i> | N/A         | N        | N                 |

<sup>1</sup> **Guidance Note (to be deleted)** – HSBC requires a deliver and receive instruction for any gilt transfers. The deliver instruction (i.e. the instruction regarding the gilts coming out of the charged account) should be populated in the first row, and the receive instruction (i.e. the crediting of the gilts to the Trustee's general securities account) should be populated in the second row.

<sup>2</sup> **Guidance Note (to be deleted)** – We understand that the "Settlement Date" is the day on which HSBC will effect the relevant transfer, provided that if the Settlement Date specified has already occurred, HSBC will effect the relevant transfer on the date on which it receives the instruction (subject to its timing cut-offs, which is 13:55 (BST/GMT) for gilts). We have suggested that LGIM specify this as the 3rd BD after the date on which the signed instruction is sent by LGIM to CL, to allow flexibility for a faster transfer where CL actually signs and delivers the countersigned instruction to the Custodian prior to the 6th BD following CL's receipt of the signed instruction from LGIM.

|   |         |   |   |                                  |                                  |                                  |                        |   |      |                                  |     |   |   |
|---|---------|---|---|----------------------------------|----------------------------------|----------------------------------|------------------------|---|------|----------------------------------|-----|---|---|
| <i>[Trustee general securities account to which fee collateral will be delivered to be specified]</i> | Receive | <i>[Date on which signed instruction is sent by LGIM to CL]</i> | <i>[3rd BD after "Date" of Instruction to be specified]</i> | <i>[To be specified by LGIM]</i> | <i>[To be specified by LGIM]</i> | <i>[To be specified by LGIM]</i> | <i>Free of Payment</i> | HSBC Global Custody Nominees UK Limited | 5676 | <i>[To be specified by LGIM]</i> | N/A | N | N |
|---|---------|---|---|----------------------------------|----------------------------------|----------------------------------|------------------------|---|------|----------------------------------|-----|---|---|

|                                      |   |  |
|--------------------------------------|---|--|
| <b>Authorised by:</b> (print name/s) |   |  |
| <b>Authorising signature/s:</b>      |   |  |
| <b>For and on behalf of:</b>         | Legal and General Investment Management Limited |  |

|                                      |   |  |
|--------------------------------------|---|--|
| <b>Authorised by:</b> (print name/s) |   |  |
| <b>Authorising signature/s:</b>      |   |  |
| <b>For and on behalf of:</b>         | The Canada Life Assurance Company, acting through its Barbados Branch |  |