



Registration of a Charge

Company name: **GOLDMAN SACHS INTERNATIONAL**

Company number: **02263951**



X6HP39BD

Received for Electronic Filing: **24/10/2017**

Details of Charge

Date of creation: **11/10/2017**

Charge code: **0226 3951 0298**

Persons entitled: **BANCO CENTRAL DEL ECUADOR**

Brief description: **NOT APPLICABLE**

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

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 COMPOSITE COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

STEPHEN BATE



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2263951

Charge code: 0226 3951 0298

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th October 2017 and created by GOLDMAN SACHS INTERNATIONAL was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th October 2017 .

Given at Companies House, Cardiff on 26th October 2017

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 AGREEMENT

DATED 11 OCTOBER, 2017

BETWEEN

GOLDMAN SACHS INTERNATIONAL
as Chargor

and

BANCO CENTRAL DEL ECUADOR
as Chargee

Save for material redacted pursuant to s859G of the Companies Act 2006, I certify that this is a true and complete copy of the composite original seen by me



Name: STEPHEN BATE
Title: SOLICITOR
Date: 20 OCTOBER 2017

Hogan Lovells International LLP (Ref: 146546/000047)
Atlantic House, Holborn Viaduct, London, EC1A 2FG

THIS SECURITY AGREEMENT shall be executed as a deed (**Deed**) and is dated 11 October, 2017 and made

BETWEEN:

- (1) **GOLDMAN SACHS INTERNATIONAL** (the **Chargor**); and
- (2) **BANCO CENTRAL DEL ECUADOR** (the **Chargee**).

BACKGROUND:

- (A) The **Chargor** is entering into this **Deed** in connection with the **Transaction Documents**.
- (B) The **Chargee** and the **Chargor** intend this document to take effect as a deed (even though either party may execute it under hand).

IT IS AGREED as follows:

1. DEFINITION AND INTERPRETATION

1.1 Definitions

Words and expressions not otherwise defined in this **Deed** shall be construed in accordance with the **ISDA Agreement** and the **Custody Agreement**. In addition, in this **Deed**:

Assigned Rights means all rights relating to the **Collateral Securities** which the **Chargor** may have now or in the future against any third party other than the **Custodian**, including, without limitation, any right to delivery of a security of the appropriate description which arises in connection with (a) any **Collateral Securities** being transferred to a clearance system or financial intermediary or (b) any interest in or to any **Collateral Securities** being acquired while that **Collateral Securities** is in a clearance system or held through a financial intermediary.

Base Currency Equivalent means, with respect to an amount on a **Business Day**, in the case of an amount denominated in **USD**, such amount and, in the case of an amount in a currency other than the **USD** (the **Other Currency**), the amount in **USD** required to purchase such amount of the **Other Currency** at the spot foreign exchange rate for a **Valuation Date**, as determined by the **Chargor**.

Bond Transaction means the **Transaction** under the **ISDA Agreement** evidenced by a **Confirmation** dated 11 October 2017.

Business Day means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York.

Charged Assets means the assets that are from time to time subject, or expressed to be subject, to the **Charges**.

Charges means all or any of the **Security** created or expressed to be created by or pursuant to this **Deed**.

Collateral Cash means the debt represented by cash standing to the credit of the **Segregated Account(s)** from time to time.

Collateral Effective Date means the Business Day immediately following the later of: (a) the Bullion Transaction Settlement Date under, and as defined in, the Gold Transaction; and (b) SB Transaction Settlement Date under, and as defined in, the Bond Transaction.

Collateral Securities means the securities from time to time recorded in and represented by the Segregated Account(s) and all rights relating to any of those securities (to the extent there are any) which are deposited with, or registered in the name of, any depository, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including rights against any such person).

Custodian means The Bank of New York Mellon, London Branch (or any successor in title, permitted assign or permitted transferee thereof) acting in its capacity as custodian pursuant to the Custody Agreement.

Custody Agreement means the Custody Agreement between Custodian, Chargor and Chargee dated 11 October 2017.

Delegate means a delegate or sub-delegate appointed pursuant to Clause 8.5.

Eligible Collateral means (a) United States Dollars; (b) any Distributions; and (c) any security that, at the time it is transferred to the Segregated Account, (i) is in the form of, or represented by, a bond, note, certificated debt security or other debt security of any type whatsoever, (ii) is held through a Depository outside of the United States of America, (iii) satisfies the Minimum Rating Test and (iv) is not issued by the Chargor or The Goldman Sachs Group, Inc..

Eligible Dealers means leading dealers in the relevant market selected by the Chargor in good faith and in a commercially reasonable manner (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make any extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

Enforcement Event means either (a) the designation of an Early Termination Date under Section 5(a)(vii) of the ISDA Agreement in respect of which the Chargor is the Defaulting Party provided that the Chargee determines, acting in a commercially reasonable manner, that an Early Termination Amount would be payable to the Chargee under Section 6 of the ISDA Agreement (calculated on the basis that the date on which such designation is made is the Early Termination Date) or (b) an amount is payable by the Chargor under Section 6 of the ISDA Agreement and the Chargor has failed to make such payment on or prior to the second Business Day immediately following the day on which such payment became due.

Exposure Amount means with respect to any Business Day, the product of:

- (i) the Base Currency Equivalent of the amount (if any), that would be payable by Chargor to Chargee pursuant to Section 6(e)(ii)(1) of the ISDA Agreement if all Transactions were being terminated as of the relevant Business Day, provided that the Close-out Amount will be determined by the Chargor using its estimates at mid-market; and
- (ii) 110 per cent.

The Exposure Amount will be zero with respect to any day from, and, including, the Termination Date

Notwithstanding the foregoing, if the Chargee has not:

- (a) appointed one or more "Permanent Process Agents" (as such term is defined and determined in accordance with the relevant Transaction Document) under all such Transaction Documents; and
- (b) provided such evidence of that appointment as may be reasonably required by Goldman Sachs International,

in each case, on or prior to 11 January 2018 (or if such date is not a Business Day, the next following Business Day) (the "**Process End Date**"), then the Exposure Amount on the Process End Date will be deemed to be zero (and accordingly, the Charged Assets may be reduced to zero) and will be zero at all times thereafter until all such appointments have been made and all such related evidence provided.

Financial Collateral Regulations means the Financial Collateral Arrangements (No.2) Regulations 2003.

Gold Transaction means the Transaction under the ISDA Agreement evidenced by a Confirmation dated 11 October 2017.

ISDA Agreement means the ISDA 2002 Master Agreement between the Chargor and the Chargee dated as of 16 May 2014, the Schedule to the ISDA Master Agreement and each confirmation evidencing a transaction entered into under such ISDA 2002 Master Agreement.

LPA means the Law of Property Act 1925.

Minimum Rating Test will be satisfied with respect to a security if such security or the issuer of such security has either:

- (a) (i) a long-term senior unsecured debt or issuer credit rating of at least "BBB" (or its equivalent) from S&P; or (ii) a short-term senior unsecured debt or issuer credit rating of at least "A-3" (or its equivalent) from S&P; or
- (b) (i) a long-term senior unsecured debt or issuer credit rating of at least "Baa3" (or its equivalent) from Moody's; or (ii) a short-term senior unsecured debt or issuer credit rating of at least "P-3" (or its equivalent) from Moody's.

Minimum Transfer Amount means USD 4,000,000.

Moody's means Moody's Investors Services, Inc. and any successor or successors thereto.

Party means a party to this Deed.

Permitted Security Interest means any security interest of the Custodian contemplated by section 10.14 of the Custody Agreement, any other Security expressly contemplated by the Custody Agreement and any lien routinely imposed on all securities in a clearing system in which any Collateral Securities may be held.

Receiver means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Assets.

S&P means Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Services Europe Limited and any successor or successors thereto.

Secured Liabilities means all present and future obligations of the Chargor under the ISDA Agreement and/or this Deed.

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Segregated Account means, together, the securities account and cash account established and maintained by the Custodian in the name of Chargor under the terms of the Custody Agreement and identified by account number [REDACTED] and account reference "GSI PLEDGED BANCO CENT DEL ECUADOR" (as such accounts may be redesignated, renumbered or otherwise modified).

Termination Date means the first date on which no further amounts are due or capable of falling due from the Chargor under Section 2(a) or Section 6 of the ISDA Agreement.

Transaction Document means each of:

- (a) this Deed;
- (b) the ISDA Agreement;
- (c) the Custody Agreement; and
- (d) any other document designated as such by the Chargee and the Chargor.

Value means, for any Business Day and with respect to:

- (a) a security, the product of (i) 100 per cent and (ii) the Base Currency Equivalent of the prevailing mid-market price (including accrued interest) reasonably determined by the Chargor, taking into account third party market data or prices where commercially reasonable to do so; and
- (b) an amount of cash, the Base Currency Equivalent of such amount.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Deed to:
 - (i) **assets** includes present and future properties, revenues and rights of every description;
 - (ii) the **Chargor**, the **Chargee** or any **Party** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (iii) a **Transaction Document** or any other agreement or instrument is to a reference to that Transaction Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerous) or replaced and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under that Transaction Document or other agreement or instrument;
 - (iv) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality); and
 - (v) a provision of law is a reference to that provision as amended or re-enacted.
- (b) Clause and Schedule headings are for ease of reference only.

- (c) Unless a contrary indication appears, a term used in any other Transaction Document or in any notice given under or in connection with any Transaction Document has the same meaning in this Deed as in that Transaction Document or notice.
- (d) An Enforcement Event is **continuing** if it has not been cured or waived.
- (e) In the event of any conflict between the provisions of this Deed and the provisions of the Custody Agreement the provisions of the Custody Agreement will prevail.

2. UNDERTAKING TO PAY

The Chargor shall pay the Secured Liabilities when due in accordance with the terms of the ISDA Agreement or this Deed.

3. SECURITY

3.1 Security

The Chargor, as first fixed security for the full and punctual performance and discharge of the Secured Liabilities:

- (a) charges and agrees to charge in favour of the Chargee all Collateral Securities;
- (b) to the fullest extent permitted by law, charges and agrees to charge in favour of the Chargee all Collateral Cash;
- (c) charges and agrees to charge in favour of the Chargee the Segregated Account(s); and
- (d) assigns and agrees to assign in favour of the Chargee the Assigned Rights.

3.2 Floating Charge

The Chargor, as security for the full and punctual payment, performance and discharge of the Secured Liabilities, by way of first floating charge hereby charges, with full title guarantee, in favour of the Chargee all its right, title, interest and benefit, present and future, in, under and to all of the Collateral Securities and the Collateral Cash. This floating charge shall be without prejudice to and shall rank behind all security granted under Clause 3.1 (*Security*) above.

3.3 Crystallisation of Floating Charge

The Chargee may, at any time, by notice in writing to the Chargor convert the floating charge created by Clause 3.2 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if an Enforcement Event has occurred.

3.4 Priority

Without prejudice to Clause 4.1 (*Security*), any Security created in the future by the Chargor over the Charged Assets (except any Permitted Security Interest) will be expressed to be subject to this Deed and will rank in order of priority behind the security interest granted under this Deed.

3.5 Release of Security

If the Chargor determines that a Termination Date has occurred, the Chargor will notify the Chargee in writing that a Termination Date has occurred (such notice, a "**Release Notice**"). Following delivery of such Release Notice, the Chargee will notify the Chargor within 30 calendar days in writing that it is satisfied that a Termination Date has occurred (such notice, a "**Confirmation**").

Notice"). Upon effective delivery of such Confirmation Notice by the Chargee to the Chargor the Security granted under this Deed will be released immediately without any further action by either Party. If no such Confirmation Notice is delivered within 30 calendar days of delivery of the Release Notice (and no notice has been delivered by the Chargee to the Chargor within such time period which states that it has determined (acting reasonably) that no Termination Date has occurred) the Security granted under this Deed will be released immediately on the thirty-first calendar day following delivery of the Release Notice without any further action by either Party. Upon a transfer by the Custodian of Charged Assets from the Segregated Account(s) permitted by, and in accordance with, this Deed and the Custody Agreement, the Security granted under this Deed in respect of those Charged Assets will be released immediately, and the Assigned Rights relating to those Charged Assets will be re-assigned to the Chargor, in each case without any further action by either Party.

3.6 Preservation of Security

The security constituted by this Deed shall be a continuing security and shall not be satisfied by any intermediate payment or satisfaction of the whole or any part of the Secured Liabilities but shall secure the ultimate balance of the Secured Liabilities. If for any reason this security ceases to be a continuing security, the Chargee may procure that the Chargor open a new account with or continue any existing account with the Custodian and the liability of the Chargor in respect of the Secured Liabilities at the date of such cessation shall remain regardless of any payments into or out of any such account. Without prejudice to any of the Chargor's obligations under the ISDA Agreement, the security constituted by this Deed shall be in addition to and shall not be affected by any other security now or subsequently held by the Chargee for all or any of the Secured Liabilities, any right of set-off, lien, or other rights exercisable by the Chargee against the Chargor or any guarantee, indemnity and/or negotiable instrument now or in the future held by the Chargee. No prior security held by the Chargee over the whole or any part of the Charged Assets shall merge into the Security.

3.7 Waiver of Defences

The obligations of the Chargor under this Deed shall not be affected by any act, omission or circumstance which, but for this provision, might operate to release or otherwise exonerate the Chargor from its obligations under this Deed or affect such obligations including (but without limitation) and whether or not known to the Chargor or the Chargee:

- (a) any waiver, consent, time or indulgence granted to or composition with the Chargor or any other person;
- (b) the variation, extension, compromise, renewal or release of, or refusal or neglect to perfect or enforce, any terms of the ISDA Agreement or the Custody Agreement or any rights or remedies against, or any security granted by, the Chargor or any other person;
- (c) the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor other than the Chargee;
- (d) the making or absence of any demand for payment or discharge of any Secured Liabilities;
- (e) the existence of any claim, set-off or other right which the Chargor may have at any time against the Chargee or any other person;
- (f) any irregularity, invalidity or unenforceability of any obligations of the Chargor under the ISDA Agreement or the Custody 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 to the intent that the Chargor's obligations under 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; and

- (g) any legal limitation, disability, incapacity or other circumstance relating to the Chargor any guarantor or any other person or any amendment to or variation of the terms of the ISDA Agreement or any other document or security.

Notwithstanding anything herein to the contrary and for the avoidance of doubt, this Clause 3.7 is not intended to, and does not provide the Chargor with any unilateral rights to release the Charged Assets or the Chargor from its obligations under the Security Agreement.

3.8 Immediate Recourse

The Chargor waives any right it may have of first requiring the Chargee to proceed against or claim payment from any other person or enforce any guarantee or security before enforcing this Deed.

3.9 Reinstatement

Where any discharge (whether in respect of the security constituted by this Deed, any other security or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or any amount paid pursuant to any such 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 discharge or arrangement.

3.10 No use of Charged Assets

For the avoidance of doubt, and without limiting the rights of the Chargee under the other provisions of this Deed, until enforcement of the security hereunder the Chargee will not have the right to sell, pledge, rehypothecate, assign, insert, use, commingle or otherwise dispose of, any Charged Assets, which, shall remain the property of the Chargor.

4. RESTRICTIONS AND FURTHER ASSURANCE

4.1 Security

Subject to any Security or encumbrance having a similar effect arising by operation of law, the Chargor shall not create or permit to subsist any Security over any Charged Asset except for the Charges and any Permitted Security Interest.

4.2 Further assurance

- (a) The Chargor must take, on the Chargee's request, whatever action is reasonably necessary for:

- (i) creating, perfecting or protecting the Security intended to be created by or pursuant to this Deed (which shall include making all filings and registrations within the required time periods for making such filings and registrations); or
- (ii) facilitating the realisation of any Charged Asset where required pursuant to (and in accordance with) this Deed; or
- (iii) the exercise of the rights, powers and remedies of the Chargee provided by or pursuant to this Deed or by law; or

- (iv) obtaining any consents necessary to enable the assets of the Chargor to be the subject of the security interests expressed to be created pursuant to Clause 3 and all other consents necessary to enable the Chargor to perform its obligations under this Deed.
- (b) As soon as reasonably practical following a request from the Chargor, the Chargee must take whatever action is reasonably necessary for effecting the release of the Security over any Charged Assets in accordance with Clause 3.5 of this Deed, including delivery of any notice to the Custodian.

4.3 Covenants for title

Subject to any Permitted Security Interest, the Security created by this Deed is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

5. GENERAL UNDERTAKINGS

5.1 Voting and other rights while an Enforcement Event is not continuing

Except during the continuance of an Enforcement Event, the Chargor shall be entitled to exercise or direct the exercise of the voting rights attached to any Collateral Securities as it sees fit.

5.2 Voting and other rights if the Charges become enforceable

At any time while an Enforcement Event is continuing and the Chargee has given prior written notice to the Chargor:

- (a) the Chargee shall be entitled (but not obliged) to exercise or direct the exercise of the voting rights attached to any Collateral Securities as it sees fit; and
- (b) the Chargor shall (subject to any requirement of law, rule or regulation and any request from any regulatory or supervisory authority) comply or procure the compliance with any directions of the Chargee in respect of the exercise of those rights and shall promptly execute and/or deliver to the Chargee such forms of proxy as it may require in connection with that exercise.

5.3 Instructions if the Charges become Enforceable

At any time while an Enforcement Event is continuing, the Chargor shall issue any instructions to the Custodian in relation to the Segregated Account(s) and the Charged Assets as requested by the Chargee. In the event that an Enforcement Event occurs but is no longer continuing, the Chargee shall, if it has notified the Custodian that an Enforcement Event has occurred, notify (with a copy to the Chargor) the Custodian as soon as reasonably possible that the Chargee retracts such notice and that the Custodian should act as if the original notice had not been delivered.

5.4 Chargor still liable

The Chargor shall remain liable to perform all its obligations under the Transaction Documents. Notwithstanding any provision of this Deed, the Chargee does not assume, nor shall be obliged to perform, any obligations of any other party to this Deed or the Custody Agreement or of the Chargor in respect of the Charges and nothing herein shall be construed so as to transfer any of such obligations to the Chargee.

5.5 Performance of obligations

The Chargor covenants with the Chargee that it shall perform all obligations relevant to it under the terms of the Custody Agreement.

5.6 New account

At any time after:

- (a) the Chargee receives or is deemed to have received notice of any subsequent security interest affecting all or any part of the Charged Assets or any assignment or transfer of the Charged Assets which is prohibited by the terms of this Deed; or
- (b) the commencement of the dissolution of the Chargor,

all payments by or on behalf of the Chargor to the Chargee shall be treated as having been credited to a new account of the Chargor and not, upon the occurrence of any of the circumstances specified in (a) or (b) above, as having been applied in reduction of the Secured Liabilities.

5.7 Preservation of Charged Assets

- (a) Except to the extent permitted by this Deed, the Chargor will not, without prior written consent of the Chargee (such consent not to be unreasonably withheld or delayed), do or permit to be done any act or thing (including, without limitation, any sale or purchase comprising Charged Assets) which might, in the reasonable opinion of the Chargor, jeopardise the rights of the Chargee in the Charged Assets.
- (b) The Chargor shall punctually pay, as they become due, all debts and liabilities which by law would have priority over all or any part of the Secured Liabilities.
- (c) Notwithstanding Section 4 (*Settlement of Trades*) of the Custody Agreement, neither the Chargor nor the Chargee will settle sales or purchases of Securities through the Segregated Account.

5.8 Custody Agreement

The Chargor shall not, without prior written consent of the Chargee (such consent not to be unreasonably withheld or delayed), and, in the case of (a) to (d), only where such action might, in the reasonable opinion of the Chargor, jeopardise the rights of the Chargee in the Charged Assets or which might adversely affect or diminish the value or otherwise depreciate, impair or prejudice any Charged Assets:

- (a) release the Custodian from its obligations under the Custody Agreement;
- (b) waive any breach by the Custodian or consent to any act or omission which would otherwise constitute a breach under the Custody Agreement;
- (c) amend, supplement, vary or waive any provision of the Custody Agreement (or agree to do so);
- (d) exercise any right of consent or approval conferred by the terms of the Custody Agreement;
- (e) novate, transfer or assign any of its rights under the Custody Agreement; or
- (f) exercise any right to rescind, cancel or terminate the Custody Agreement.

5.9 Notice of Exclusive Control

The Chargee covenants that it will not deliver a Notice of Exclusive Control to the Custodian under the Custody Agreement unless an Enforcement Event has occurred and is continuing.

5.10 Indemnity

The Chargor shall indemnify and hold harmless the Chargee from and against all losses, costs, expenses, damages, liabilities and claims (including reasonable legal fees and expenses) sustained or properly incurred by the Chargee in connection with or arising out of any payment the Chargee is required to make to the Custodian or any direct or indirect subsidiary of the Custodian under section 7.8 (*Indemnification*) of the Custody Agreement, except to the extent resulting from the Chargee's negligence, wilful misconduct or fraud. This provision shall survive the termination of this Deed.

6. REPLACEMENT OF CUSTODIAN

- (a) Either party may give notice to the other party that it wishes to replace the Custodian by a new custodian which is acceptable to the other party (acting reasonably). Following such notification the parties agree to enter into negotiations in good faith with each other and the new custodian and to use reasonable efforts to agree to the terms on which the security constituted by this Deed will be replaced by security over a new account established by the Chargor with the new custodian on terms substantially the same as the terms of this Deed.
- (b) As soon as possible after the delivery of written notice of termination of the Custody Agreement by the Custodian, the Chargor shall use its best endeavours to appoint a successor custodian which is acceptable to the Chargee (acting reasonably) and create security over the relevant account(s) of the Chargor with such successor custodian on terms which are materially the same as this Deed and the Custody Agreement and notify the Custodian of such successor custodian and the details required to enable the Custodian to transfer the Collateral Cash and Collateral Securities to such successor custodian.

7. PRE-ENFORCEMENT

Prior to the occurrence of an Enforcement Event, Charged Assets may only be withdrawn by or on behalf of the Chargor from the Segregated Accounts in accordance with this Deed (including without limitation, pursuant to Section 14 of this Deed) and the Custody Agreement, provided that the Chargor must not cause the accounts to be overdrawn.

8. ENFORCEMENT

8.1 Enforcement Rights

While an Enforcement Event is continuing, unless the Chargee is satisfied that the Chargor has paid in full all of the Secured Liabilities then due, the Charges will be enforceable and the Chargee shall, without prior notice to the Chargor, be entitled to put into force and to exercise immediately or as and when it may see fit, but subject to the terms of the Custody Agreement, any and every power, authority and discretion possessed by the Chargee by virtue of this Deed or otherwise available to a secured creditor or Receiver (whether or not the Chargee has appointed a Receiver) (so that section 93 and section 103 of the LPA shall not apply to this Deed) in any manner permitted by any applicable law and on the terms it thinks fit and (but without limitation) the Chargee shall have power, in its own name or in the name of the Chargor:

- (a) in respect of Collateral Securities, without prior notice to the Chargor:

- (i) to sell all or any of the Collateral Securities or any part thereof (or, as it may elect and without prejudice to any later exercise of this power, the whole or part of the equitable interest divested of the legal title) in any manner permitted by any applicable law upon such terms as the Chargee shall in its absolute discretion determine;
 - (ii) to collect, recover or compromise and to give a good discharge for any moneys payable to the Chargor in respect of any of the Collateral Securities;
 - (iii) to send such messages and instructions (electronically or in writing) with respect to the Collateral Securities as the Chargee may think fit, including (without limitation) messages and instructions for the transfer of all or any Collateral Securities to such account or accounts as the Chargee may choose or for the sale of all or any of such Collateral Securities through a relevant system or for the recertification of all or any of such Collateral Securities; and
 - (iv) to call for any certificate or other document to be issued by a relevant system as to the nominal amount of Collateral Securities represented by a global note standing to the account of any person. Any such certificate or other document will be conclusive and binding for all purposes. The Chargee will not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by a relevant system and subsequently found to be forged or not authentic;
- (b) in respect of Collateral Cash, immediately or at any subsequent time, without prior notice to the Chargor:
- (i) apply or appropriate the Collateral Cash in or towards the payment or discharge of any amounts payable by the Chargor with respect to any Secured Liabilities in such order as the Chargee sees fit; or
 - (ii) set off all or any part of the amounts payable by the Chargor with respect to any Secured Liabilities against any obligation of the Chargee to repay any amount to the Chargor in respect of the Collateral Cash; and
- (c) in respect of Charged Assets, without prior notice to the Chargor:
- (i) to execute and deliver such documents and give such instructions as may be required to give effect to this Deed, including (without limitation) instructions for the withdrawal of any Charged Assets held by any person; and
 - (ii) to do anything else it may think fit for the realisation of the Charged Assets or incidental to the exercise of any of the rights conferred on the Chargee under or by virtue of this Deed,

and for the purposes of this Clause 8.1 the Chargor shall be entitled, subject to, and in accordance with, the Custody Agreement to make or procure any transfers of Collateral Cash and Collateral Securities from the Segregated Account(s) to an account of the Chargee or any third party. Notwithstanding anything to the contrary in this Clause 8.1, the Chargee shall not be entitled to deliver instructions to the Custodian under the Custody Agreement on behalf of the Chargor but, for the avoidance of doubt, may deliver instructions to the Custodian in its own right, as permitted pursuant to the terms of this Deed and the Custody Agreement.

Amounts or securities or other assets withdrawn from the Segregated Accounts by the Chargor otherwise than as expressly permitted by the Custody Agreement and this Deed shall be held on trust

by way of security for the Chargee until such time as the Chargee is satisfied (acting reasonably) that the Chargor has paid in full all of the Secured Liabilities then due.

8.2 Protection of Purchaser

- (a) No purchaser or other person dealing with the Chargee, any Receiver or Delegate, or with its attorney or agent shall be concerned to enquire:
- (i) whether any power exercised or purported to be exercised by the Chargee has become exercisable;
 - (ii) whether any Secured Liabilities remain due;
 - (iii) as to the propriety or regularity of any of the actions of the Chargee; or
 - (iv) as to the application of any money paid to the Chargee.
- (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 remedy of the Chargor in respect of any impropriety or irregularity whatever in the exercise of such powers shall be in damages only.

8.3 Power of Attorney

The Chargor by way of security irrevocably (within the meaning of section 4 of the Powers of Attorney Act 1971) appoints the Chargee severally (with full powers of substitution and delegation) to be its attorney (with full power of substitution), on its behalf and in its name or otherwise, at any time while an Enforcement Event is continuing, and in such manner as the attorney thinks fit, to (i) exercise any of the rights conferred on the Chargee in relation to the Charged Assets or under this Deed, the LPA or the Insolvency Act 1986 after such rights have become exercisable, (ii) perform any act which the Chargor is required to perform (but has not performed) under this Deed or the Custody Agreement or (iii) execute and deliver any agreement, deed, instrument or document or perform any other act or do any other thing (including giving any instruction or notice to any clearing systems, custodian, depository, or nominee in respect of any clearing system) which the Chargee considers is necessary to perfect, protect or enforce the security created by this Deed or to enable it to exercise all or any of its rights hereunder, and the taking of action by the attorney or attorneys shall (as between the attorney and any third party) be conclusive evidence to any third party of its rights to take such action). Notwithstanding the forgoing, the power of attorney in this Clause 8.3 does not extend to delivery of instructions to the Custodian under the Custody Agreement on behalf of the Chargor but, for the avoidance of doubt, the Chargee may deliver instructions to the Custodian in its own right, as permitted pursuant to the terms of this Deed and the Custody Agreement. The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney does or purports to do in the exercise or purported exercise of the power of attorney in this Clause 8.3.

8.4 Right to appoint a Receiver

- (a) At any time after the Charges become enforceable, the Chargee may, without notice to the Chargor, appoint one or more persons to be Receiver or Receivers. If the Chargee appoints more than one person as Receiver, the Chargee may give the relevant person powers to exercise all or any of the powers conferred on Receivers individually as well as jointly and to the exclusion of the other or others of them.

- (b) Any Receiver may be appointed either Receiver of all the Charged Assets or of such part of the Charged Assets as may be specified in the appointment. In the latter case, the rights conferred by Clause 8.4(d) below shall take effect as though every reference in that clause to "rights" were a reference to rights in respect of the specified part of the Charged Assets.
- (c) The Chargee may, by deed or by instrument in writing signed by any officer or other person authorised for such purpose by it (so far as it is lawfully able and subject to any requirement of the court in the case of an administrative receiver), remove any Receiver and may, whenever it deems expedient, appoint any one or more other qualified persons in place of or to act jointly with any other Receiver.
- (d) Any Receiver appointed under this Deed will (subject to any contrary provision specified in his appointment but notwithstanding the dissolution of the Chargor) have:
 - (i) all the rights conferred by the LPA on mortgagors and on mortgagees in possession and on any receiver appointed under the LPA;
 - (ii) the right to manage, use and apply all or any of the Charged Assets and to exercise (or permit the Chargor or its nominee to exercise) all other rights of an absolute beneficial owner of the Charged Assets;
 - (iii) the right to dispose of or otherwise realise all or any part of the Charged Assets in any manner whatsoever;
 - (iv) the right to redeem or transfer to the Chargee any prior security interest over the Charged Assets;
 - (v) all the rights expressed to be conferred upon the Chargee in this Deed; and
 - (vi) the right to do all lawful things which in the opinion of the Receiver seem to be incidental or conducive to any of the functions, powers, authorities or discretions conferred on or vested in him, the exercise of the rights hereunder or bringing into his hands any assets forming part of, or which when got in would form part of, the Charged Assets.
- (e) Any Receiver shall for all purposes be the agent of the Chargor and therefore deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA. The Chargor shall be solely responsible for his contracts, engagements, acts, omissions, defaults and losses and for all liabilities incurred by him and for the payment of his remuneration. No Receiver shall at any time act as, or be deemed to be, agent of the Chargee.
- (f) Subject to section 36 of the Insolvency Act 1986, the Chargee (acting reasonably) may from time to time fix the remuneration of any Receiver appointed by it (without being limited to the maximum rate specified in section 109(6) of the LPA) and may direct payment of such remuneration out of moneys accruing to him as Receiver, but the Chargor alone shall be liable for the payment of such remuneration and for all other costs, charges and expenses of the Receiver.

8.5 Delegation

- (a) Each of the Chargee and any Receiver may at any time delegate all or any of the rights conferred on it by this Deed.
- (b) The delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions as the Chargee may think fit.

- (c) Such delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Chargee or the Receiver itself or any subsequent delegation or revocation.
- (d) Under no circumstances shall the Chargee, nor any Receiver or Delegate nor any officer, agent or employee of any of them be liable to the Chargor or any other person as a result of or in connection with any act, default, omission or misconduct on the part of any Delegate.

8.6 Extension of Powers

The powers conferred by section 101 of the LPA as varied and extended by this Deed shall be deemed to arise (and the Secured Liabilities shall be deemed due and payable for that purpose) immediately on execution of this Deed. Section 109(1) of the LPA shall not apply to this Deed.

9. ORDER OF DISTRIBUTIONS

9.1 Application of proceeds

All amounts received or recovered by the Chargee or any Receiver in exercise of its rights under this Deed shall, following the occurrence of an Enforcement Event and subject to any Permitted Security Interest, be applied in the order provided in Clause 9.2.

9.2 Order of distributions

The order referred to in Clause 9.1 is:

- (a) in or towards the payment of all reasonable costs and expenses in connection with the liquidation and/or application of the Collateral Cash and/or the Collateral Securities;
- (b) in or towards the payment of the Secured Liabilities; and
- (c) in payment of any surplus to the Chargor.

10. RIGHT OF APPROPRIATION

10.1 Right of Appropriation

To the extent that any of the Charged Assets, this Deed and the rights and obligations of the parties under this Deed constitute a "security financial collateral arrangement" (as defined in, and for the purposes of, the Financial Collateral Regulations), on or at any time after the security constituted by this Deed becomes enforceable, the Chargee shall have the benefit of all the rights of a collateral taker conferred on it by the Financial Collateral Regulations, including the right to appropriate all or any part of the financial collateral (as defined in the Financial Collateral Regulations) with immediate effect by notice in writing to the Chargor, in or towards the discharge of the Secured Liabilities, whether such Charged Assets are held by the Chargee or otherwise.

10.2 Value

The value of any financial collateral appropriated under Clause 10.1 shall be:

- (a) in the case of cash, its face value at the time of appropriation; and
- (b) in the case of financial instruments or other financial collateral, their market value at the time of appropriation as determined (after appropriation) by the Chargee in a commercially reasonable manner,

as converted, where necessary, into USD at a market rate of exchange prevailing at the time of appropriation selected by the Chargee.

10.3 Surplus or Shortfall

The Chargee will account to the Chargor for any amount by which the value of the appropriated Charged Assets exceeds the Secured Liabilities and the Chargor shall remain liable to the Chargee for any amount by which the value of the appropriated Charged Assets is less than the Secured Liabilities.

11. DEFAULT AND LIABILITY

11.1 A Relevant Event will occur with respect to a Party if:

- (a) in the case of the Chargor, it fails to comply with the provisions of Clause 14.1 or 14.3(a) of this Deed and such failure is not remedied within two Business Days of written notice of such failure being given to the Chargor; or
- (b) in the case of the Chargor, it fails to perform any obligation or comply with any agreement under this Deed and such failure is not remedied within 20 calendar days of written notice of such failure being given to the Chargor; or
- (c) in the case of the Chargor, a replacement custodian is appointed and security equivalent to the security created hereunder over the Segregated Accounts is not created over the relevant replacement accounts with such replacement custodian prior to the first time any assets are transferred from the Segregated Accounts to such replacement accounts; or
- (d) in the case of the Chargee, it breaches Clause 5.9.

11.2 The occurrence of a Relevant Event with respect to a Party will constitute an Event of Default under Section 5(a)(iii)(1) of the ISDA Agreement for which such Party will be the Defaulting Party. No failure by either Party or the Custodian which is not a Relevant Event will constitute an Event of Default under Section 5(a)(iii)(1) of the ISDA Agreement. Save as expressly provided in this Deed, neither Party will have any liability to the other Party for acts or omissions of the Custodian.

11.3 The fact that the Security created by this Deed may not constitute fixed (as opposed to floating) security will not be capable of giving rise to an Event of Default under Section 5(a)(iii)(2) of the ISDA Agreement.

12. NO LIABILITY

12.1 Protection of the Chargee

Neither the Chargee nor any Delegate shall be liable for any loss, liability, cost, claim, action, demand, expense or inconvenience (**Liability**) which arises out of the exercise of, or purported exercise of, or the failure to exercise, any of their respective powers under or by virtue of this Deed, except if and to the extent that such Liability results from its or his own gross negligence or wilful default. Neither the Chargee nor any Delegate shall be liable to account as mortgagee in possession for any of the Charged Assets.

12.2 No Liability

Neither the Chargee nor any Receiver or Delegate nor any officer, agent or employee of any of them will in any circumstances (whether by reason of taking possession of the Charged Assets or for any other reason whatsoever):

- (a) be liable to account to the Chargor or any other person for anything except the Chargee's own actual receipts; or
- (b) be liable to the Chargor or any other person as a result of or in connection with:
 - (i) taking any action permitted by this Deed;
 - (ii) any neglect, default or omission in relation to the Charged Assets; or
 - (iii) taking possession of or realising all or any part of the Charged Assets,

except in each case, to the extent directly caused by fraud or wilful default or gross negligence on its part.

13. PAYMENTS

All payments by the Parties under or in respect of this Deed (including, damages for its breach) shall be made in USD and to such account, with such financial institution and in such other manner as the recipient Party may direct.

14. COLLATERAL

14.1 Valuation Obligations

- (a) Following the Collateral Effective Date, the Chargor (A) may on any Business Day and (B) shall on each Business Day prior to the Termination Date and provided that at such time a Relevant Event is not continuing with respect to the Chargee:
 - (i) determine the Exposure Amount in respect of such Business Day and provide notice of such Exposure Amount and the Aggregate Underlying Value as referenced by (and defined in) the Bond Transaction in respect of the immediately preceding Business Day to the Chargee no later than 9:00 p.m. London time on such Business Day; and
 - (ii) determine the Value of any Collateral Securities and Collateral Cash in respect of such Business Day and provide notice of such Value to the Chargee no later than 9:00 p.m. London time on such Business Day.
- (b) If the Chargee reasonably disputes the Value of any Collateral Securities as determined by the Chargor, then:
 - (i) the Chargee will notify the Chargor not later than the close of business on the Business Day on which it is notified of the Value;
 - (ii) the Parties will consult with each other in an attempt to resolve the dispute;
 - (iii) if the Parties fail to resolve the dispute by 1:00 p.m., London time, on the Business Day following the date on which the notice is given that gives rise to a dispute, the Chargor will seek three quotations at mid-market from Eligible Dealers for the purchase of a face amount of the relevant assets equal to the face amount of assets in relation to which Value is being disputed as of the relevant Business Day. The Value of the face amount of assets in relation to which Value is being disputed on the relevant Business Day on which Chargor seeks such quotations will be:
 - (A) if two or more quotations are obtained, the arithmetic average of those quotation;
 - (B) if only one quotation is obtained, such quotation; and

- (C) if no quotations are obtained, as determined by the Chargor in accordance with the definition of Value.
- (c) If the Chargee reasonably disputes the Exposure Amount as determined by the Chargor, then:
 - (i) the Chargee will notify the Chargor not later than the close of business on the Business Day on which it is notified of the Exposure Amount;
 - (ii) the Parties will consult with each other in an attempt to resolve the dispute;
 - (iii) if the Parties fail to resolve the dispute by 1:00 p.m., London time, on the Business Day following the date on which the notice is given that gives rise to a dispute, the Chargor will seek four quotations at mid-market from Eligible Dealers for the purposes of determining a Close-out Amount. The Exposure Amount on the relevant Business Day on which Chargor seeks such quotations will be:
 - (A) if two or more quotations are obtained, the arithmetic average of those quotations;
 - (B) if only one quotation is obtained, such quotation; and
 - (C) if no quotations are obtained, as determined by the Chargor in accordance with the definition of Exposure Amount.
- (d) The parties acknowledge and agree that in the certain circumstances set out in the last paragraph of the definition of "Exposure Amount", the Exposure Amount will be deemed to be zero, such that, in accordance with such paragraph of the definition of "Exposure Amount", all Charged Assets may be returned to the Chargor and all related security released. For the avoidance of doubt, where on or following the Process End Date the relevant appointments have been made and the relevant evidence has been provided as contemplated by such paragraph of the definition, the Exposure Amount will no longer be deemed to be zero and will again be determined in accordance with the first paragraph of the definition of "Exposure Amount" and any Collateral Cash or Collateral Securities transferred to the Segregated Account thereafter will be subject to the Charges.

14.2 Calculations, determinations and exercise of rights

All calculations of Value and Exposure Amount with respect to a Business Day will be made by the Chargor as of 9:00 p.m. London time on the immediately preceding Business Day. Performance of all obligations (including all calculations, valuations and determinations made by the Chargor under this Clause 14) and exercise of all rights under this Deed by either Party will be made in good faith and in a commercially reasonable manner.

The Chargee may, upon reasonable written request, ask the Chargor to provide an explanation of any calculation of Exposure Amount made by the Chargor pursuant to this Clause 14. Following receipt of such request, subject to any applicable duties of confidentiality and only to the extent permitted by applicable law or regulation, the Chargor will, provided that the information is not proprietary to it, provide to the Chargee as soon as possible (but in any event, no later than 5 Business Days after the receipt of such request) a detailed explanation in writing of the calculation of such Exposure Amount, with emphasis on the inputs and variables used as part of such calculation.

14.3 Collateral Transfers, Withdrawals and Substitutions

- (a) Subject to Clause 14.3(d), if there is a Collateral Shortfall on any Business Day greater than the Minimum Transfer Amount then the Chargor will transfer to the Custodian (and procure that the Custodian credits to the Segregated Account), no later than the close of business on the second Business Day following determination of such Collateral Shortfall (the **Settlement Day**), Eligible

Collateral having a Value as of the date of transfer at least equal to such Collateral Shortfall (rounded up to the nearest integral multiple of USD 100,000). The "Collateral Shortfall" for any Business Day will be determined on such Business Day as equal to the greater of zero and:

- (i) the Exposure Amount with respect to such Business Day; minus
 - (ii) the Value as of that Business Day of all Eligible Collateral comprised in the Segregated Account (as adjusted to (A) include any Eligible Collateral which the Chargor has instructed to be transferred to Segregated Account to address any prior Collateral Shortfall, the transfer of which has not yet been completed and for which the relevant Settlement Day falls on or after such Business Day and (B) exclude any Eligible Collateral which the Chargor has instructed to be withdrawn from the Segregated Account to address any prior Collateral Excess the transfer or withdrawal of which has been instructed and such instruction has been accepted by the Custodian).
- (b) Subject to Clause 14.3(e), if there is a Collateral Excess on any Business Day greater than zero then the Chargor will be entitled to (i) receive Distributions (for the avoidance of doubt irrespective of whether or not instructions first need to be given by the Security Provider for each such Distribution) in accordance with the terms of the Custody Agreement and/or (ii) deliver instructions to the Custodian in accordance with the Custody Agreement relating to the transfer or withdrawal of assets comprised in the Segregated Account in aggregate having a Value as of the date of transfer no greater than such Collateral Excess (rounded down to the nearest integral multiple of USD 100,000, provided that if the Exposure Amount is zero then no such rounding will be applied). The "Collateral Excess" for any Business Day will be determined on such Business Day as equal to the greater of zero and:
- (i) the Value as of that Business Day of all Eligible Collateral comprised in the Segregated Account (as adjusted to (A) include any Eligible Collateral which the Chargor has instructed to be transferred to Segregated Account to address any prior Collateral Shortfall, the transfer of which has not yet been completed and for which the relevant Settlement Day falls on or after such Business Day and (B) to exclude any Eligible Collateral which the Chargor has instructed to be withdrawn from the Segregated Account to address any prior Collateral Excess the transfer or withdrawal of which has been instructed and such instruction has been accepted by the Custodian); minus
 - (ii) the Exposure Amount with respect of such Business Day.
- (c) Subject to Clause 14.3(e), the Chargor shall have the right on any Business Day to deliver instructions to the Custodian in accordance with the Custody Agreement (a **Substitution Instruction**) in relation to transfer to the Segregated Account of Eligible Collateral (the **Substitute Collateral**) specified in that Substitution Instruction in substitution for assets comprised in the Segregated Account (the **Original Collateral**) having a Value no greater than the Value of the Substitute Collateral specified in the Substitution Instruction. Following the delivery of an effective Substitution Instruction to the Custodian, (i) the Chargor will transfer the Substitute Collateral to the Custodian and procure that the same be credited to the Segregated Account and (ii) following the Substitute Collateral being so credited to the Segregated Account, the Custodian will transfer to the Chargor the Original Collateral.
- (d) The obligation of the Chargor to deliver Eligible Collateral under Clause 14.3(a) is subject to the condition precedent that:
- (i) no Relevant Event has occurred and is continuing with respect to the Chargee; or
 - (ii) no Event of Default or Potential Event of Default under the ISDA Agreement has occurred and is continuing with respect to the Chargee.

- (e) The right of the Chargor to deliver instructions to the Custodian under Clause 14.3(b) or Clause 14.3(c) is subject to the condition precedent that:

- (i) no Relevant Event has occurred and is continuing with respect to the Chargor; or
- (ii) no Event of Default or Potential Event of Default under the ISDA Agreement has occurred and is continuing with respect to the Chargor,

provided that such condition precedent shall cease to apply from, and including, the Termination Date.

- (f) Notwithstanding Section 1.3 of the Custody Agreement or Clause 14.3(b) above, the Chargor shall not, prior to the Termination Date, be entitled to receive Distributions or instruct the Custodian to transfer Distributions out of the Segregated Account except:

- (i) where there is a Collateral Excess; and
- (ii) to the extent the removal of such Distributions does not cause a Collateral Shortfall.

Where, prior to the Termination Date, any such removal of Distributions from the Segregated Account will happen automatically, the Chargor shall ensure there is sufficient Eligible Collateral in the Segregated Account so that such removal will not cause a Collateral Shortfall.

15. REPRESENTATIONS

The Chargor represents to the Chargee (which representations will be deemed to be repeated as of each date on which any Eligible Collateral is transferred to the Segregated Account(s)) that:

- (i) it has the power to grant the security interest in Clause 3 and has taken all necessary actions to authorise the granting of those security interests;
- (ii) it is the beneficial owner of all Collateral Cash or Collateral Securities transferred to the Segregated Account(s) in accordance with the Custody Agreement, free and clear of any security interest, lien, encumbrance or other interest or restriction other than: (i) the security interest granted under Clause 3 or (ii) any Permitted Security Interest;
- (iii) upon the transfer of any Collateral Cash or Collateral Securities to the Segregated Account(s), the Chargee will have a valid security interest in such Collateral Cash or Collateral Securities provided, however, that the Chargor makes no representation as to the nature of the security interest constituted by Clauses 3.1 and 3.2; and
- (iv) the performance by it as the Chargor of its obligations under this Deed and the Custody Agreement will not result in the creation of any security interest, lien or other interest or encumbrance in or on any Collateral Securities or Collateral Cash other than the security interests created under this Deed and any Permitted Security Interest.

16. RIGHTS, AMENDMENTS AND WAIVERS

16.1 Ambiguity

Where there is any ambiguity or conflict between the rights conferred by any applicable law and those conferred by or pursuant to this Deed, the terms of this Deed shall prevail.

16.2 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Chargee or Delegate 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. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by any applicable law.

16.3 Amendments and waivers

Any term of this Deed may be amended or waived only with the written consent of the Chargee and the Chargor but without prejudice to any rights granted to the Chargee hereunder.

17. ASSIGNMENT

Neither Party shall assign or transfer, or attempt to assign or transfer, any of its rights or obligations under this Deed without the prior written consent of the other Party.

18. TERMINATION

The Chargor and the Chargee hereby acknowledge and agree that the Security Agreement dated 16 May, 2014 between the Chargor and the Chargee shall immediately cease and terminate and be of no further effect other than in respect of any provisions which are stated to survive the termination of the agreement.

19. PARTIAL INVALIDITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any applicable law, neither the legality, validity or enforceability of the remaining provisions under such applicable law and such other applicable laws nor the legality, validity or enforceability of such provision under any other applicable law will in any way be affected or impaired. The parties shall enter into good faith negotiations, but without any liability whatsoever in the event of no agreement being reached, to replace any illegal, invalid or unenforceable provision with a view to obtaining the same commercial effect as this Deed would have if such provision had been legal, valid and enforceable.

20. NOTICES

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name in Section 12 of the ISDA Agreement, or any substitute address, fax number or department or officer as the Party may notify to the other in accordance with that clause.

21. COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

22. GOVERNING LAW AND DISPUTE RESOLUTION

22.1 This Deed and any obligations arising from or in connection with this Deed shall be governed by and construed in accordance with English law.

22.2 Any dispute, controversy or claim of any nature arising out of or relating to this Deed, including any dispute as to the existence, validity, interpretation, performance, breach, termination or consequences of the nullity of this Deed (a **Dispute**) shall not be referred to a court of any jurisdiction and shall instead be referred to and finally resolved by arbitration at the London Court of International Arbitration (LCIA) under the Rules of the London Court of International Arbitration (**LCIA Rules**) as at present in force as modified by this Clause 22 (*Governing Law and Dispute Resolution*), which LCIA Rules are deemed to be incorporated by reference into this Clause 22 (*Governing Law and Dispute Resolution*). Capitalised terms used in this Clause 22 (*Governing Law and Dispute Resolution*) which are not otherwise defined in this Deed shall have the meaning given to them in the LCIA Rules. In particular:

- (i) The parties' addresses for service of any documents in relation to any such arbitration (including any Request for arbitration) are as provided for in the ISDA Agreement which, for the avoidance of doubt, includes the physical, fax and email addresses set out therein.
- (ii) At the same time as serving the Request for arbitration on the respondent(s), the claimant(s) in any such arbitration shall serve copies of that Request for arbitration on all parties to this contract.
- (iii) There shall be three arbitrators.
- (iv) Each arbitrator shall be an English law qualified Queen's Counsel (of any nationality) with experience in relation to international banking or capital markets disputes.
- (v) If there are two parties to the Dispute, each party shall be entitled to nominate one arbitrator. If there are multiple claimants and/or multiple respondents, all claimants and/or all respondents shall attempt to agree upon their respective nomination(s) such that the claimants shall together be entitled to nominate one arbitrator and the respondents shall together be entitled to nominate one arbitrator. If any such party or multiple parties fail to nominate an arbitrator within thirty (30) days from and including the date of the relevant Request for arbitration, an arbitrator shall be appointed on their behalf by the LCIA Court in accordance with the LCIA Rules and applying the criteria at subclause 22.2(iv) above. In such circumstances, any existing nomination or confirmation of the arbitrator chosen by the party or parties on the other side of the proposed arbitration shall be unaffected, and the remaining arbitrator(s) shall be appointed in accordance with the LCIA Rules.
- (vi) The third arbitrator and chairman of the Arbitral Tribunal shall be appointed by the LCIA Court in accordance with the LCIA Rules and applying the criteria at subclause 22.2(iv) above.
- (vii) The provisions in the LCIA Rules regarding an Emergency Arbitrator shall not apply.

22.3 The seat, or legal place, of arbitration shall be London, England.

22.4 The language to be used in the arbitration shall be English. This Clause 22 (*Governing Law and Dispute Resolution*) shall be governed by English law.

22.5 Joinder:

Any party to this Deed, and any party to any agreement which is related to this Deed (a **Related Agreement**), including, without limitation, the ISDA Agreement and any "Related Agreement" determined pursuant to the ISDA Agreement, may, upon application by any party to this Deed or any party to any Related Agreement be joined to any arbitral proceedings under this Deed or any Related Agreement, provided that:

- (i) such application for joinder is made by written notice to the LCIA, the Arbitral Tribunal hearing the proceedings and to all other parties to this Deed and all parties to any relevant Related Agreement within either thirty (30) days from the receipt by such party of the relevant Request for arbitration or such longer time as may be determined by the Arbitral Tribunal; and
- (ii) the Arbitral Tribunal considers it in the interests of justice and efficiency and appropriate in all the circumstances.

22.6 Claims by joined parties:

Any joined party may, on application to the Arbitral Tribunal hearing the proceedings, make a claim against any other party to the arbitration proceedings, provided that:

- (i) such claim is made by written notice to the LCIA, the Arbitral Tribunal hearing the proceedings and to all other parties to this Deed and all parties to any relevant Related Agreement within either thirty (30) days from the receipt by such party of the relevant Request for arbitration or such longer time as may be determined by the Arbitral Tribunal; and
- (ii) the Arbitral Tribunal considers it in the interests of justice and efficiency and appropriate in all the circumstances.

22.7 Consolidation:

- (a) If more than one arbitration is commenced under this Deed and/or any Related Agreement, and any party to any such arbitration contends that two or more arbitrations are substantially related and that the issues should be heard in one proceeding, the Arbitral Tribunal appointed pursuant to the first dated Request for arbitration shall, on application of the party seeking consolidation, have the power to determine whether, in the interests of justice and efficiency, the whole or part of the matters at issue should be consolidated before and be determined by that Arbitral Tribunal upon such terms or conditions as the Arbitral Tribunal thinks fit.
- (b) Any application for consolidation shall be made by written notice to the LCIA, any relevant Arbitral Tribunal and to all other parties to this Deed and all parties to any relevant Related Agreement.
- (c) The termination of any arbitral proceedings following consolidation shall be without prejudice to the date when any claim or defence was raised in those proceedings for the purposes of applying any limitation bar or any similar rule or provision.

22.8 Binding Nature of Award:

- (a) Any joined party or party to any consolidated arbitral proceedings shall be bound by any award rendered by the Arbitral Tribunal even if such party chooses not to participate in the arbitral proceedings.
- (b) Any award rendered by an Arbitral Tribunal appointed under this Deed or any Related Agreement in respect of any Dispute or any dispute in respect of a Related Agreement (including any award rendered following joinder of any party or consolidation as provided for in this Deed or any Related Agreement) is deemed for the purposes of the New York Convention on the Recognition and Enforcement of Arbitral Awards 1958 to be contemplated by this Deed and any such Related Agreement.
- (c) Each of the parties waives any objection, on the basis of any joinder or consolidation as provided for in this Deed or any Related Agreement, to the validity and/or enforcement of any arbitral award rendered by an Arbitral Tribunal constituted pursuant to this Deed or any Related Agreement.
- (d) For the avoidance of doubt, each party's agreement to joinder and consolidation as provided for in this Deed shall not, save as expressly provided, be construed as or deemed to constitute (a) an agreement by that party to be bound by the substantive obligations of any other party arising out of any Related Agreement or (b) an agreement to be liable for any breach by any other party arising out of any Related Agreement.

22.9 No Prejudice to Obligations:

Unless an Arbitral Tribunal orders otherwise, neither the existence of any Dispute nor any legal or arbitral proceedings arising out of or in connection with this Deed shall prejudice the obligations of the parties under this Deed or the performance thereof.

22.10 Waiver of Right to Appeal:

For the purposes of arbitration pursuant to this Clause 22 (*Governing Law and Dispute Resolution*), the parties waive any right of application to determine a preliminary point of law or appeal on a point of law under Sections 45 (Determination of a preliminary point of law) and 69 (Appeal on a point of law) of the Arbitration Act 1996.

22.11 Scope of Immunity:

To the extent permitted by law, the Chargee irrevocably and unconditionally agrees that:

- (i) it submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts in support of any arbitration in relation to any Dispute and in relation to the recognition of any arbitral award given in accordance with this Clause 22 (*Governing Law and Dispute Resolution*) (**Recognition**);
- (ii) it and its assets which do not constitute Immune Property (as defined below) are subject to, and available for, and the Chargee consents to, the enforcement of any order or judgment in support of arbitration or any award made or given in accordance with this Clause 22 (*Governing Law and Dispute Resolution*) in connection with any Dispute and the giving of any relief in the English courts and the courts of any other jurisdiction whether before or after a final arbitral award (**Enforcement**) including, without limitation: (a) relief by way of interim or final injunction or order for specific performance or recovery of any property; (b) attachment of its assets; and (c) enforcement or execution against any property, revenues or other assets whatsoever (irrespective of their use or intended use);

and it irrevocably and unconditionally waives any right which it has now or may subsequently acquire to assert any state or other immunity from Recognition or Enforcement in relation to any Dispute or the transactions described in this Deed in respect of or against it or its assets, or the assets of any state entity other than Immune Property and undertakes not to invoke any defence on the basis of any kind of immunity, for itself and/or its other assets which do not constitute Immune Property, with regard to any such Recognition or Enforcement.

22.12 Immune Property:

Notwithstanding any term in this Deed, the following assets of the Chargee, wherever located (the **Immune Property**), shall be entitled to immunity from Enforcement:

- (i) special drawing rights and net liquid reserve position at international financial organisations such as the International Monetary Fund, the Latin-American Reserve Fund or the Latin-American Integration Association;
- (ii) foreign currency investments in financial instruments issued by non-residents that are considered liquid and low risk;
- (iii) cash and cash equivalent in foreign currency;
- (iv) cash value of monetary and non-monetary gold; and
- (v) any other asset of the Chargee to the extent that the Chargee is prohibited by the laws of Ecuador applicable and in effect on the date of this Deed from waiving such immunity.

22.13 The provisions of subclause 22.11 to this subclause 22.13 have been negotiated and agreed solely with respect to this Deed. In no event shall the definition or scope of Immune Property described in subclause 22.11 to this subclause 22.13 be relied upon, utilised, admitted as evidence in any proceeding or construed by any third party (including any court, arbitrator or arbitral tribunal) to interpret any analogous provisions of any other agreement or instrument unrelated to this Deed or relating to any other indebtedness of the Chargee.

22.14 Without prejudice to any other mode of service allowed by law, the Chargee:

- (i) hereby appoints Mr. Jorge Vantroi Moreno Fierro, Consul in Charge of Consular Affairs, of the Consulate General of Ecuador, located at 9 John Sessions Square, Allie Street, London E1 8NQ (the Interim Process Agent); and
- (ii) may after the date hereof irrevocably appoint Law Debenture Corporate Services Limited with its registered office at 5/F, 100 Wood Street, London EC2V 7EX and/or any other entity or person acceptable to Goldman Sachs International (such entity or person so designated, the Permanent Process Agent) to replace the Interim Process Agent, and provide such evidence of the appointment(s) as may be reasonably required by Goldman Sachs International,

in each case, as its agents hereunder for service of process in relation to any proceedings before the English courts in relation to any arbitration contemplated by this Clause 21 (Governing Law and Dispute Resolution) or in relation to Recognition or Enforcement.]

- 22.15 The Permanent Process Agent will replace the Interim Process Agent on the date that the Chargor notifies the Chargee in writing that it has received such evidence of the appointment of the Permanent Process Agent as it reasonably requires.
- 22.16 If any person appointed as an Interim Process Agent, or, as applicable, Permanent Process Agent, under subclause 21.14 is unable for any reason so to act, the Chargee must immediately (and in any event within 10 days of the event taking place) appoint another agent (a Replacement Agent) on terms acceptable to the Chargor. Failing this, the Chargor may appoint another Interim Process Agent, or, as applicable, Permanent Process Agent, for this purpose.
- 22.17 The Chargee agrees that failure by an Interim Process Agent or, as applicable a Permanent Process Agent or Replacement Agent, to notify the Chargee of the process will not invalidate the proceedings concerned.
- 22.18 A person who is not a party to this Deed 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 which exists or is available apart from that Act.

23. ENTIRE AGREEMENT

This Deed constitutes the entire agreement and understanding of the parties with respect to its subject matter. Each of the parties acknowledges that in entering into this Deed it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in this Deed) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Deed will limit or exclude any liability of a party for fraud.

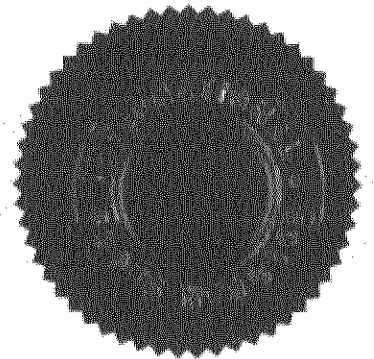
THIS DEED has been delivered on the date stated at the beginning of this Deed.

1944

SIGNATORIES

EXECUTED AS A DEED and THE COMMON SEAL of GOLDMAN SACHS

INTERNATIONAL was duly affixed and signed by either two Directors, two Managing Directors or a Director/Managing Director and a Secretary duly authorised by, and pursuant to, the resolution of the Board of Directors of Goldman Sachs International dated 29 March 2011:)



Name: [Redacted]
Title: Managing Director

Matthew Flett
Managing Director

in the presence of:

Witness's Signature: [Redacted]

Name: Daniel M J Parker

Address: [Redacted]

Name: [Redacted]
Title: Managing Director

Jonny Cheattie
Managing Director

in the presence of:

Witness's Signature: [Redacted]

Name: Daniel M J Parker

Address: [Redacted]

EXECUTED AS A DEED under seal)
by **BANCO CENTRAL DEL ECUADOR,**)
and signed and delivered as a deed on)
its behalf by Verónica Artola Jarrín, in the)
presence of:)

Signature of Verónica Artola Jarrín

Witness's Signature:

Name:

Address:

SIGNATORIES

EXECUTED AS A DEED and THE COMMON SEAL of GOLDMAN SACHS

INTERNATIONAL was duly affixed and signed by either two Directors, two Managing Directors or a Director/Managing Director and a Secretary duly authorised by, and pursuant to, the resolution of the Board of Directors of Goldman Sachs International dated 29 March 2011:)

.....
Name:
Title: Managing Director

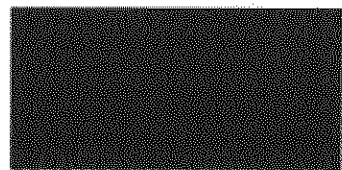
in the presence of:
Witness's Signature:
Name:
Address:

)
Name:
Title: Managing Director

in the presence of:

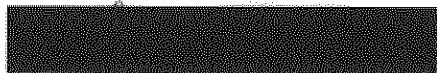
Witness's Signature:
Name:
Address:

EXECUTED AS A DEED under seal)
by **BANCO CENTRAL DEL ECUADOR**,)
and signed and delivered as a deed on)
its behalf by Verónica Artola Jarrín, in the)
presence of:)



Signature of Verónica Artola Jarrín

Witness's Signature:



Name: .. Patricia Ciccone ..
Address:



.....