



Registration of a Charge

Company name: **ZURICH ASSURANCE LTD**

Company number: **02456671**



X9K44DWP

Received for Electronic Filing: **17/12/2020**

Details of Charge

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

Charge code: **0245 6671 0021**

Persons entitled: **THE CANADA LIFE ASSURANCE COMPANY, ACTING THROUGH ITS
BARBADOS BRANCH**

Brief description:

Contains fixed 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: **WE HEREBY CERTIFY THAT, SAVE FOR MATERIAL REDACTED
PURSUANT TO SECTION 859G COMPANIES ACT 2006, THE
ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS
APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE
ORIGINAL INSTRUMENT.**

Certified by:

HERBERT SMITH FREEHILLS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2456671

Charge code: 0245 6671 0021

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th December 2020 and created by ZURICH ASSURANCE LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th December 2020 .

Given at Companies House, Cardiff on 18th 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

FEE COLLATERAL ASSIGNMENT AGREEMENT

11 December **2020**

Zurich Assurance Ltd

and

The Canada Life Assurance Company, Barbados Branch

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THIS DEED is made on 11 December 2020

BETWEEN

- (1) **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 Assignor); and
- (2) **The Canada Life Assurance Company**, a company incorporated and registered in Canada, whose registered address is at 100 Osborne Street North, Winnipeg, Manitoba, R3C 1V3, Canada, acting through its Barbados branch established under the laws of Barbados, whose principal place of business in Barbados is at Fourth Floor, Cedar Court, Wildey, St Michael, BB14006, Barbados, West Indies (the Assignee),

BACKGROUND:

- (A) The Assignor enters into this Deed in connection with the Reinsurance Agreement, the Framework Agreement and the Fee Collateral Security Deed (as defined below).
- (B) This Deed is the "Fee Collateral Assignment Agreement" referred to in the Framework Agreement.
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

Account Control Agreement has the meaning given to that term in the Fee Collateral Security Deed.

Act means the Law of Property Act 1925.

Applicable Law has the meaning given to it in the Framework Agreement.

Assigned Rights has the meaning given to in Clause 2.2.

Assignment Agreement Enforcement Event means the occurrence of any one or more of the following events or circumstances:

- (a) an "Enforcement Event" occurs, as defined in the Fee Collateral Security Deed;
- (b) the Assignor has not, on or prior to the Payment Deferral Cut-Off Date, delivered to the Assignee a Payment Deferral Notice in respect of the Initial Termination Amount, the Proposed Termination Adjustment Amount or the Interregnum Arrangements Failure Payment Amount (as the case may be) and the Assignor fails to pay the Initial Termination Amount or Proposed Termination Adjustment Amount when due and payable to the Assignee under clause 13 of the Reinsurance Agreement or the

Interregnum Arrangements Failure Payment Amount when due and payable to the Assignee under clauses 32.18 and 32.19 of the Framework Agreement (as applicable);

- (c) on or prior the Payment Deferral Cut-Off Date, a Payment Deferral Notice in respect of the Initial Termination Amount, the Proposed Termination Adjustment Amount or the Interregnum Arrangements Failure Payment Amount (as the case may be) is delivered by the Assignor to the Assignee pursuant to clause 7 of the Reinsurance Agreement;
- (d) the occurrence of an Early Termination Event specified in column A in Part 3 (*Trustee Events*) of Schedule 5 (*Early Termination Events*) to the Framework Agreement;
- (e) the occurrence of an Early Termination Event specified in column A in Part 2 (*Insurer Events*) of Schedule 5 (*Early Termination Events*) of the Framework Agreement;
- (f) the enforcement of any Security Interest or Quasi-Security Interest created or allowed to subsist by the Assignor on, over or affecting any Security Asset in breach of Clause 4 (*Restrictions on Dealings*).

Charged Account has the meaning given to it in the Fee Collateral Security Deed.

Costs has the meaning given to it in Clause 11.2(a).

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

Excluded Costs has the meaning given to it in Clause 11.2.

Fee Collateral Security Deed means the security deed dated on or about the date hereof and entered into between the BBC Pension Trust Limited (acting in its capacity as trustee for and on behalf of the BBC Pension Scheme) and the Assignor.

Framework Agreement means the framework agreement dated on or about the date of this Deed between the Assignor, the Assignee and the Trustee.

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

Insurance Security Assignment means the deed of assignment dated on or about the date hereof and entered into between the Assignor and the Assignee.

No-Fault Assignment Agreement Enforcement Event means:

- (a) the enforcement by the Assignee of the Security created by this Deed as a consequence of the occurrence of an Assignment Agreement Enforcement Event listed in paragraph (c) of the definition of "Assignment Agreement Enforcement Event" where such enforcement commences prior to the occurrence of the earlier of: (i) a Relevant Assignment Cut-Off Date (if applicable) in respect of the relevant Payment Deferral Notice; and (ii) an Assignment Agreement Enforcement Event referred to in paragraph (b), (e) or (f) of the definition of "Assignment Agreement Enforcement Event"; or
- (b) the enforcement by the Assignee of the Security created by this Deed as a consequence of the occurrence of an Assignment Agreement Enforcement Event listed in paragraph (a) or (d) of the definition of "Assignment Agreement Enforcement Event", where the Assignor is not in breach of any of its contractual obligations under this Deed,

(provided that any and all No-Fault Assignment Agreement Enforcement Events shall cease to be treated as such (and will not be "continuing") with effect from the occurrence of an Assignment Agreement Enforcement Event referred to in paragraph (b), (e) or (f) of the definition of "Assignment Agreement Enforcement Event").

Obligations means all the obligations and liabilities of the Assignor to the Assignee under the Reinsurance Agreement and the Framework Agreement to pay and discharge:

- (a) the Initial Termination Amount and the Proposed Termination Adjustment Amount; and
- (b) the Interregnum Arrangements Failure Payment Amount,

(ignoring, solely for the purposes of the definition of Obligations in this Deed, the effect of the delivery of any Payment Deferral Notice by the Assignor in accordance with clause 7 of the Reinsurance Agreement in respect of the Initial Termination Amount, the Proposed Termination Adjustment Amount or the Interregnum Arrangements Failure Payment Amount (as applicable)) in each case, which are now or hereafter due, owing or incurred and whether present, future or contingent, joint or several, incurred as principal or surety or otherwise and whether originally owing to the Assignee or acquired in any other way by it.

Party means a party to this Deed.

Payment Deferral Cut-Off Date means the tenth Business Day following the date on which the Assignee delivers a Payment Deferral Stop Notice to the Assignor in accordance with Clause 7.3 of the Reinsurance Agreement.

Payment Deferral Notice has the meaning given to it in the Reinsurance Agreement.

Payment Deferral Stop Notice has the meaning given to it in the Reinsurance Agreement.

Permitted Security Interest has the meaning given to that term in Clause 4 (*Restrictions on Dealings*).

Posted Collateral has the meaning given to it in the Fee Collateral Security Deed.

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.

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

Reinsurance Agreement means the reinsurance agreement dated on or about the date hereof between the Assignor as Cedant and the Assignee as Reinsurer.

Related Assets has the meaning given to the term “Related Rights” in the Fee Collateral Security Deed (and, for the avoidance of doubt, capitalised terms used in such definition of “Related Rights” shall have the meaning given to them in the Fee Collateral Security Deed).

Related Rights means, in relation to any Security Asset:

- (a) all proceeds of income, assets and sums otherwise arising, paid, payable, derived or deriving from, or relating to, such 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 such Security Asset which the Assignor 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 Security Asset being transferred to a clearance system or financial intermediary or (ii) any interest in or to any Security Asset being acquired while that Security Asset is in a clearance system or held through a financial intermediary; and
- (c) any awards or judgments in favour of the Assignor in relation that Security Asset and any rights to enforce and compel performance of any of the provisions of that 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).

Relevant Assignment means a Relevant Assignment (as defined in the Reinsurance Agreement) entered into by the Parties.

Relevant Assignment Cut-Off Date has the meaning give to it in the Reinsurance Agreement.

Relevant Contracts means:

- (i) the Fee Collateral Security Deed;
- (ii) the Account Control Agreement; and
- (iii) any other agreement or instrument to which the Assignor is a party evidencing a Security Asset.

Relevant Enforcement Costs means costs, losses, liabilities and expenses (including legal fees) incurred by the Assignee or any other Secured Person under or in connection with Clauses 7.6, 11 (*Expenses and Indemnity*) and 15.11 (*Currency indemnity*) and any other of the Assignee’s costs and expenses in relation to the enforcement of the security created in its favour under this Deed and which the Assignor is required to pay to the Assignee or reimburse the Assignee for pursuant to this Deed.

Secured Liabilities means:

- (i) the Obligations; and
- (ii) any Relevant Enforcement Costs.

Secured Party Instructing Party has the meaning given to that term in the Framework Agreement.

Secured Person has the meaning given in Clause 11.1.

Security Asset means each asset of the Assignor within the Assigned Rights which is, or is expressed to be, subject at any time to any Security Interest created by this Deed.

Security Documents has the meaning given in Schedule 8 (Fee Collateral) to the Framework Agreement.

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.

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no Secured Liabilities are capable of arising or may arise.

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

1.2 Construction

- (a) Capitalised terms defined in the Framework Agreement have the same meaning in this Deed, unless expressly defined in this Deed or the context requires otherwise.
- (b) The provisions of clause 1.2 (*Interpretation and Definitions*) 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 (other than in clause 1.2(r)) will be construed as references to this Deed.
- (c) Any reference in this Deed to:
 - (i) a **clearance system** means a person whose business is or includes the provision of clearance services or security accounts, or any nominee or depositary for that person;
 - (ii) a person or party shall be construed so as to include its and any subsequent successors in title, permitted assignees and permitted transferees;
 - (iii) a Relevant Contract or any other agreement or instrument includes (without prejudice to any restriction on amendments) that Relevant Contract or other agreement as amended, novated, supplemented, extended or restated from time to time and any amendment to that Relevant Contract, agreement or instrument, including any change in the purpose of, any extension of or any increase in the amount payable thereunder;
 - (iv) any **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);

- (v) any **rights** in respect of an asset include all amounts and proceeds paid or payable, all rights to make any demand or claim, and all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset;
- (vi) any **share, stock, debenture, bond or other security or investment** includes:
 - (A) any dividend, interest or other distribution paid or payable;
 - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
 - (C) any right against any clearance system;
 - (D) any right under any custody or other agreement (including any right to require delivery up of any cash or other assets); and
 - (E) any cash or securities account maintained by any custodian or other entity,

in each case, in relation to that share, stock, debenture, bond or other security or investment;
- (vii) **this Security** means any security created by this Deed; and
- (viii) an agreement, instrument or other document **to which it is a party** includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).
- (d) Any covenant of the Assignor under this Deed (other than a payment obligation) remains in force during the Security Period. Any payment obligation remains in force until unconditionally and irrevocably discharged in full.
- (e) If the Assignee considers that an amount paid to it in respect of the Secured Liabilities is capable of being avoided, reduced or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed and the liability of the Assignor under this Deed and this Security will continue.
- (f) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.
- (g) 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.
- (h) In the event of any conflict between the terms of this Deed and the Reinsurance Agreement, this Deed shall prevail for the purposes of this Deed and to the extent of such conflict.
- (i) An Assignment Agreement Enforcement Event is **continuing** if it has not been waived in writing.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (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 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.

2. CREATION OF SECURITY

2.1 General

- (a) The Assignor shall pay or discharge the Secured Liabilities in the manner and at the times provided for in the relevant Transaction Document.
- (b) All the security created under this Deed:
 - (i) is created in favour of the Assignee;
 - (ii) is created over the Assigned Rights and the other Security Assets;
 - (iii) is security for the payment, discharge and performance of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Assignment and Grant of Security

The Assignor assigns by way of security to the Assignee absolutely, subject to a proviso for re-assignment on redemption (or, to the extent not assignable, not capable of assignment or, as the case may be, not validly and effectively assigned, charges by way of a first fixed charge in favour of the Assignee), any and all of its title, interest and rights in respect of, in, to and under (in each case present and future):

- (a) the Fee Collateral Security Deed;
- (b) the Account Control Agreement;
- (c) the Posted Collateral;
- (d) all Related Assets;
- (e) the Charged Account and any amounts and securities standing from time to time to the credit of the Charged Account; and
- (f) all Related Rights relating to any of the foregoing

(the items at (a) to (f) above together being the "Assigned Rights").

3. REPRESENTATIONS - GENERAL

3.1 Nature of the security and title

The Assignor represents and warrants to the Assignee that:

- (a) 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 those Security Interests 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 all applicable bankruptcy, insolvency, moratorium, liquidation, reorganisation or similar laws of general application affecting creditors' rights generally and further subject to, as to enforceability, all equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law); and
- (b) it is the sole beneficial owner of the Security Assets and such assets are free and clear of: (i) any Security Interest, Quasi-Security Interest, lien or encumbrance (other than any which is a Permitted Security Interest); and (ii) any other interest or restriction in favour of any third party.

3.2 Times for making representations

- (a) The representations and warranties set out in this Deed (including in this Clause 3 and in Clause 5.1) are made by the Assignor on the date of this Deed.
- (b) The representations and warranties under Clause 3.1 are deemed to be made by the Assignor by reference to the facts and circumstances then existing on each date during the Security Period provided that if any representation or warranty under Clause 3.1(a) is or proves to have been incorrect or misleading when deemed to be made under this Clause after the date of this Deed, such failure shall only constitute a breach of Clause 3.1(a) if such failure results from an act or omission of the Assignor or its fraud, negligence or wilful default.

4. RESTRICTIONS ON DEALINGS

The Assignor must not:

- (a) create or permit to subsist any Security Interest or, as the case may be, Quasi-Security Interest on, over or affecting all or any part of any Security Asset other than:
 - (i) any Security Interest or Quasi-Security Interest created by this Deed, the Fee Collateral Security Deed, any other Security Document, a Relevant Assignment or any Security Interest or Quasi-Security Interest allowed by paragraph 6.2 (*Custodian Replacement Event*) of Schedule 8 (*Fee Collateral*) to the Framework Agreement which is in favour of the Assignee;
 - (ii) in the case of any Security Assets which constitute the Assignor's rights, title and interest from time to time in, to, under or in respect of, the Charged Account, the Posted Collateral or, as the case may be, the Related Assets:

- (A) any lien routinely imposed by a clearing system on all securities held in that clearing system;
- (B) any Security Interest imposed by the Custodian in accordance with the terms of the Account Control Agreement; and
- (iii) any Security Interest or Quasi-Security Interest which the Assignee has expressly approved in writing

(each a **Permitted Security Interest**); or

- (b) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, transfer, novate, assign, lend, licence, lease or otherwise dispose of any Security Asset, grant any interest in or rights in respect of (or permit its rights in the Security Assets (or any of them) to be conferred on any person or for any person to acquire an interest in the same) any of its title, interest or rights in respect of any Security Asset except in accordance with the Fee Collateral Security Deed (excluding for these purposes any amendment made thereto after the date hereof without the Assignee's prior written consent) or otherwise as expressly allowed under the Reinsurance Agreement, any Relevant Assignment, any other relevant Security Document, the Framework Agreement or this Deed.

5. SECURITY ASSETS

5.1 Representations in relation to Relevant Contracts

The Assignor represents and warrants to the Assignee that:

- (a) no amount payable to it under a Relevant Contract is subject to any right of set-off or similar right (except for any such right that arises under the express terms of that Relevant Contract, the Insurance Agreement, the Reinsurance Agreement, any Relevant Assignment, the Framework Agreement or this Deed or under any mandatory rules of set-off applicable with respect to the same under any Applicable Law);
- (b) each Relevant Contract is the legal, valid, binding and enforceable obligation of the Assignor, 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);
- (c) it is not in default of any of its obligations under any Relevant Contract to which it is party;
- (d) there is no prohibition on assignment in, or other restriction on the creation of security by the Assignor under this Deed or the chargor under the Fee Collateral Security Deed (as applicable) over, any Relevant Contract;
- (e) its entry into and performance of this Deed will not conflict with any term of any Relevant Contract; and
- (f) its rights in respect of each Relevant Contract to which it is party are free of any Security Interests (except for Permitted Security Interests).

5.2 Preservation

- (a) Except as expressly permitted or required by the Reinsurance Agreement, any Relevant Assignment, the Insurance Security Assignment, the Framework Agreement or this Deed, the Assignor must not, without the prior written consent of the Assignee (which shall be deemed to have been given where the Assignee takes any such action, exercises or executes any such right or document or omits to exercise any such right in acting as Secured Party Instructing Party in respect of the relevant matter):
- (i) amend, waive or suspend any term of, or terminate, or consent to the amendment, waiver, suspension of any term of, or termination of, any Relevant Contract;
 - (ii) exercise any right to rescind, cancel, terminate or repudiate any Relevant Contract (or, in each case, any of its rights or obligations relating thereto, or postpone or subordinate or vary or waive any of its rights or remedies thereunder or agree to do so);
 - (iii) take any action, execute any document or omit to exercise any right which the Assignor has under or pursuant to the Relevant Contract which jeopardises or would reasonably be expected to jeopardise the existence or enforceability of any Relevant Contract or which results or would reasonably be expected to result in this Deed or any Relevant Contract (or any term thereof) becoming void, voidable, illegal, invalid, non-binding or unenforceable in England and Wales;
 - (iv) release any party from any of its obligations under any Relevant Contract;
 - (v) waive any breach by any party or expressly consent to any act or omission which would otherwise constitute a breach by any party thereto under any provision of any Relevant Contract; or
 - (vi) to the extent within the Assignor's control and except as provided in, or expressly permitted by, the Transaction Documents, take or permit any action which affects or is reasonably likely to affect adversely the value or otherwise depreciate, impair or prejudice any of the Security Assets or any rights of the Assignee hereunder.
- (b) The Assignor must not, without the prior written consent of the Assignee, give any consent or instruction pursuant to any provision of the Fee Collateral Security Deed or the Account Control Agreement (or in each case agree to do so), provided that the obligations in this paragraph (b) shall not apply where the Assignee is entitled to give and gives any such consent or instruction on the Insurer's behalf in the Assignee's capacity as Secured Party Instructing Party pursuant to the Framework Agreement or as FC Secured Party.
- (c) Unless expressly permitted or required otherwise under the terms of this Deed, the Reinsurance Agreement, the Framework Agreement or, as the case may be, any Relevant Assignment, the Assignor shall exercise its rights and discretions under the Fee Collateral Security Deed in accordance with the written instructions of the Assignee (whether by virtue of the Assignee counter-signing instructions to the Custodian pursuant to the Account Control Agreement or otherwise in writing) and shall act, or not act, as the case may be, in accordance with such written instructions provided that:

- (i) the Assignor will not be required by the Assignee to exercise its rights under this paragraph (c) in a way that is inconsistent with:
 - (A) the provisions of the Fee Collateral Security Deed, the Account Control Agreement, the Reinsurance Agreement and the Framework Agreement; or
 - (B) Applicable Law; and
- (ii) the obligations in this paragraph (c) shall not apply whilst the Assignee is entitled to exercise any such right or discretion or, as the case may be, is entitled or obliged to perform such action on behalf of the Insurer in the Assignee's capacity as the Secured Party Instructing Party pursuant to the Framework Agreement or as FC Secured Party.

5.3 Other undertakings

The Assignor shall:

- (a) duly and promptly perform its obligations, and subject to Clause 5.2, diligently pursue its rights, under each Relevant Contract (provided that the obligations in this paragraph (a) shall not apply whilst the Assignee is entitled to exercise such rights or, as the case may be, is entitled or obliged to perform such obligations on the Insurer's behalf in the Assignee's capacity as Secured Party Instructing Party pursuant to the Framework Agreement);
- (b) supply the Assignee and any Receiver with any information and documentation relating to any Relevant Contract reasonably requested by the Assignee or any Receiver as soon as reasonably practicable upon such request;
- (c) notify the Assignee of:
 - (i) any breach of, or default under, any Relevant Contract by it;
 - (ii) any claim made or threatened to be made by it under or in connection with any Relevant Contract;
 - (iii) any claim made or threatened in writing against the Assignor under any Relevant Contract or in relation to the Security Assets (or any of them) (other than any such claim made or threatened by the Assignee); and
 - (iv) any right of any party (other than the Assignee) to rescind, cancel or terminate any Relevant Contract being exercised (unless the Assignee has already been notified of any of the foregoing by another person or is otherwise aware of the same),

in each case, promptly on becoming aware of the same. The Assignor shall provide the Assignee with reasonable details of any such claim and its progress and notify the Assignee as soon as practicable upon that claim being resolved; and

- (d) promptly provide copies to the Assignee of any communications (including notices) given or made by the Assignor (other than by the Assignee as agent of the Assignor in its capacity as Secured Party Instructing Party) to the Trustee or, as the case may be, the Custodian in respect of any Relevant Contract.

5.4 Notices of assignment

- (a) The Assignor must:
 - (i) promptly serve a notice of assignment, substantially in the form of Part 1 of Schedule 1 (*Forms of letter for Relevant Contracts*) (or in such other form as the Assignee approves), on the Trustee ; and
 - (ii) use its reasonable endeavours to procure that the Trustee acknowledges that notice, substantially in the form of Part 2 of Schedule 1 (*Forms of letter for Relevant Contracts*) (or in such other form as the Assignee approves).
- (b) The Assignor must, if so requested by the Assignee, promptly serve a notice of assignment on each other counterparty to a Relevant Contract, and use its reasonable endeavours to procure that the counterparty acknowledges that notice, in each case in form and substance satisfactory to the Assignee.

5.5 Undertakings

- (a) The Assignor will comply with all other conditions and obligations assumed by it in respect of any Security Asset and shall remain liable to perform all its obligations under the Relevant Contracts to which it is a party (save for any obligations which the Assignee (as Secured Party Instructing Party) has agreed to perform and discharge under paragraph 2 (*Secured Party Instructing Party*) of Schedule 8 (*Fee Collateral*) to the Framework Agreement).
- (b) Following a demand made by the Assignee, the Assignor shall promptly use all reasonable endeavours to ensure that the Assignee is provided with any information which the Assignee may reasonably request relating to the performance of this Deed.
- (c) Prior to the date (if any) on which the Assignee has enforced this Security, the Assignor shall (if requested by the Assignee) use reasonable endeavours by exercising rights it has to require the same to procure that the Trustee or the Trustee's nominee will, take all such action as the Assignee may reasonably require (including making all filings and registrations) for the purpose of the constitution, perfection or protection or maintenance of the Security Interests conferred or intended to be conferred on the Assignee by or pursuant to this Deed or the Security Interests conferred or intended to be conferred on the Assignor pursuant to or evidenced by the Fee Collateral Security Deed provided that the obligations in this paragraph (c) shall not apply whilst the Assignee is entitled to exercise such rights on the Insurer's behalf in the Assignee's capacity as Secured Party Instructing Party pursuant to the Framework Agreement.
- (d) The Assignor will promptly give notice to the Assignee of, and defend against, any suit, action, proceeding or Security Interest that involves any Security Asset or that could adversely affect this Security or any other provision of this Deed or the rights of the Assignee or Receiver (or any of their Delegates or assignees) hereunder to the extent that such suit, action or proceeding is brought against the Assignor.

6. WHEN SECURITY BECOMES ENFORCEABLE

6.1 Assignment Agreement Enforcement Event

This Security will become immediately enforceable if an Assignment Agreement Enforcement Event occurs and is continuing.

6.2 Discretion

Following the occurrence of an Assignment Agreement Enforcement Event and whilst an Assignment Agreement Enforcement Event is continuing, the Assignee may, in its absolute discretion, enforce or realise all or any part of this Security in any manner it sees fit.

6.3 Power of sale

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will arise on the date of this Deed but shall only be exercisable at any time after this Security has become enforceable.

7. ENFORCEMENT OF SECURITY

7.1 General

- (a) For the purposes of all powers implied by statute (including by section 101 of the Act), the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security or any sale made under this Deed.
- (c) The provisions of the Act relating to the power of sale conferred by that Act are extended to authorise the Assignee and any Receiver and their Delegates at any time when an Assignment Agreement Enforcement Event has occurred and is continuing to sell or otherwise dispose of (or instruct any nominee to do so), 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 Assignee thinks fit.

7.2 Assignee's Rights

- (a) After this Security has become enforceable, the Assignee 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 Assignee by virtue of this Deed or available to a secured creditor or a Receiver pursuant to applicable law and in particular (but without limitation) the Assignee shall, immediately or at any subsequent time and without prior notice to the Assignor, 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 Assignee shall in its absolute discretion determine; or
 - (ii) collect, recover or compromise and to give a good discharge for any moneys payable to the Assignor 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 Assignor with respect to any Secured Liability in such order as the Assignee 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 Assignee 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 Assignee 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 any of them) in the Assignor's name but excluding any proceedings in the Assignor's own name in circumstances where to do so would or could reasonably be expected to (i) result in the Assignor being in breach of any Applicable Law, or (ii) result in the Assignor becoming subject to any regulatory action, censure or sanction; and/or
 - (vii) whether or not it has appointed a Receiver, exercise all or any of the powers, authorisations and discretions conferred by the Act (as varied or extended by this Deed) on chargees or mortgagees or by this Deed on the Assignee on any Receiver or otherwise conferred by law on chargees, mortgagees or Receivers.
- (b) If the Assignee, any Receiver or any Delegate of either of them takes possession of any Security Asset it may relinquish such possession at any time.
 - (c) The rights conferred upon the Assignee by this Deed shall be supplemental to and in addition to any which may be vested in the Assignee by applicable law or otherwise.
 - (d) At any time when an Enforcement Event has occurred and is continuing, if the Assignor receives any moneys in respect of the Security Assets, the Assignor shall hold such moneys on trust for the Assignee, pending payment to the Assignee (which it shall promptly do) for application in accordance with Clause 10.

7.3 No liability as mortgagee in possession

Neither the Assignee nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

7.4 Privileges

Each Receiver and the Assignee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that the restriction in section 103 of the Act does not apply.

7.5 Protection of third parties

No person (including a purchaser) dealing with the Assignee or with its attorney or agent or with a Receiver or any Delegate or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Assignee or a Receiver or such other person is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Transaction Documents; or

- (d) how any money paid to the Assignee or to that Receiver or such other person is to be applied.

7.6 Redemption of prior mortgages

- (a) The Assignee may do any one or more of the following at any time:
 - (i) redeem any prior Security Interest against any Security Asset (other than Permitted Security);
 - (ii) procure the transfer of that Security Interest to itself; and
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Assignor.
- (b) The Assignor must, promptly on demand, pay to the Assignee the costs and expenses incurred by the Assignee in connection with any such redemption or transfer, including the payment of any principal or interest and such costs and expenses shall constitute Secured Liabilities.

7.7 Contingencies

If this Security is enforced at a time when no amount is due in respect of the Secured Liabilities but at a time when amounts may or will become due, the Assignee (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

7.8 No Liability

It is acknowledged and agreed that:

- (a) the Assignor shall not have any right or claim against the Assignee or a Receiver 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 Assignee's fraud, gross negligence or wilful misconduct; and
- (b) neither the Assignee, any Delegate, attorney, manager, agent or other person appointed by the Assignee 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, gross negligence, wilful misconduct or breach of the terms of this Deed.

7.9 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Assignor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended from time to time) (the

Regulations)), the Assignee may after this Security has become enforceable appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.

- (b) Where the Assignee appropriates any financial collateral:
 - (i) if it is cash, its value will be its face value at the time of appropriation;
 - (ii) in the case of a financial instrument (within the meaning of the Regulations), its value will be the current value of the cash payment which the Assignee 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
 - (iii) in any other case, its value will be the amount that the Assignee reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it,

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.

8. RECEIVER

8.1 Appointment of Receiver

- (a) Except as provided below, the Assignee 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 Assignee thinks fit if:
 - (i) this Security has become enforceable; or
 - (ii) the Assignor so requests the Assignee in writing at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under the Assignee'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 Act) does not apply to this Deed.
- (d) The Assignee 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.

8.2 Removal

The Assignee 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.

8.3 Remuneration

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

8.4 Agent of the Assignor

- (a) A Receiver will be deemed to be the agent of the Assignor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Assignor alone 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 Assignee will not incur any liability (either to the Assignor or to any other person) by reason of the appointment of a Receiver (provided only that such Receiver has been appointed by the Assignee in accordance with Clause 8.1 or Clause 8.2 above).

8.5 Relationship with Assignee

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 this Security becomes enforceable be exercised by the Assignee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

9. POWERS OF RECEIVER

9.1 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 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 Act 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.

9.2 Possession

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

9.3 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.

9.4 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 Assignor and relating in any way to any Security Asset.

9.5 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.

9.6 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.

9.7 Delegation

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

9.8 Protection of assets

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

9.9 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 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) to the extent necessary or desirable, use the name of the Assignor for any of the above purposes (but not in any circumstances where to do so would or could reasonably be expected to (i) result in the Assignor being in breach of any Applicable Law; or (ii) result in the Assignor becoming subject to any regulatory action, censure or sanction.

10. APPLICATION OF PROCEEDS

Subject to Clause 15.6 and any claims having priority to this Security, all amounts from time to time received or recovered by the Assignee or any Receiver after this Security has become enforceable pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of this Security will be held by the Assignee and subject to applicable law applied in the following order of priority:

- (a) in payment of all costs, fees, taxes and expenses incurred by the Receiver or the Assignee 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 Assignee or such Delegate;
- (b) in payment of remuneration to the Receiver;
- (c) in or towards payment of all costs and expenses incurred by the Assignee in connection with any realisation or enforcement of the Security Interests created hereunder;
- (d) in or towards the discharge of the Secured Liabilities in such order as the Assignee thinks fit;
- (e) if the Secured Liabilities have been irrevocably and unconditionally paid in full and no Secured Liabilities are capable of arising thereafter, in payment or distribution to any person to whom the Assignee is obliged by applicable law or binding court order or judgment to pay or distribute in priority to the Assignor; and
- (f) in payment of the surplus (if any) to the Assignor or other person entitled to it.

This Clause is subject to the payment of any claims having priority over this Security. This Clause 10 does not prejudice the right of the Assignee to recover any shortfall from the Assignor in accordance with the other Transaction Documents between the Parties.

11. EXPENSES AND INDEMNITY

11.1 General

Except as provided in Clause 11.2, and subject to any more specific provisions of this Deed, each Party will be responsible for and pay its own costs and expenses (including any stamp, transfer or similar tax or duty) in connection with the entry into of this Deed and neither Party will be liable for any such costs and expenses incurred by the other Party.

11.2 Enforcement Costs

The Assignor must:

- (a) promptly on demand, pay to the Assignee, any Receiver or any delegate, agent, attorney or other person appointed by the Assignee or any Receiver (each, a **Secured Person**) the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by that Secured Person:
 - (i) in connection with the protection, enforcement or preservation of its rights under this Deed including the remuneration of any Receiver, any arising from any actual or alleged breach by any person of any law or regulation (but only to the extent that any such breach relates to the Security Assets or this Deed) and any stamp duty or similar tax which may be payable as a result of the enforcement of this Deed or, as the case may be (other than Excluded Costs),
 - (ii) as a result of any judicial or arbitral proceedings initiated (other than by or against the Trustee) and any cost awarded against such Secured Person the subject matter of which is the Security Assets and/or the Security Interests or the rights created by this Deed,

(together in this Clause, Costs) other than to the extent that such Costs have been incurred as a result of:

- (A) any breach by such Secured Person (or its Delegate(s)) of any contract to which such Secured Person is a party or any Applicable Law; or
 - (B) such Secured Person's (or its Delegates') fraud, gross negligence or wilful misconduct; and
- (b) keep each Secured Person indemnified against any failure or delay in paying those Costs.

In this Deed **Excluded Costs** means:

- (i) prior to the occurrence of an Assignment Agreement Enforcement Event, any costs, losses, liabilities and expenses incurred by a Secured Person in connection with the protection or preservation of its rights under this Deed; and
- (ii) following the occurrence of a No-Fault Assignment Agreement Enforcement Event, any costs, losses, liabilities and expenses incurred by a Secured Person whilst such No-Fault Assignment Agreement Enforcement Event is continuing in connection with the protection, enforcement or preservation of its rights under this Deed in connection with such No-Fault Assignment Agreement Enforcement Event,

in each case which are incurred for reasons other than: (1) a breach by the Assignor of any agreement to which it is a party or any Applicable Law; (2) any representation or warranty made by the Assignor in any agreement being incorrect when made; and (3) the fraud, negligence or wilful default of the Assignor or any of its agents.

11.3 Security Assets

The Assignor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to this Deed upon becoming aware of the same.

12. DELEGATION

12.1 Power of Attorney

The Assignee or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

12.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Assignee or any Receiver may think fit.

12.3 Liability

Neither the Assignee nor any Receiver will be in any way liable or responsible to the Assignor for any cost, loss or liability arising as a result of any act, default, omission or misconduct on the part of any Delegate (except in the case of the fraud, gross negligence or wilful default on

the part of its Delegate) provided that the Assignee shall exercise reasonable care and skill in the selection of the same.

13. FURTHER ASSURANCES

13.1 Further assurances

The Assignor must, at its own expense (provided that, for the avoidance of doubt, Clause 11.2 shall apply in respect of any costs, losses, liabilities and expenses incurred by a Secured Person), promptly take whatever action the Assignee or a Receiver may require (other than any such action which would breach Applicable Law) for:

- (a) creating, perfecting or protecting any security over any Security Asset granted or intended to be granted under this Deed;
- (b) giving effect to the requirements of this Deed;
- (c) protecting or preserving the ranking of the Security Interests created or intended to be created by or pursuant to this Deed over any other Security Interests (other than Permitted Security Interests); or
- (d) facilitating the realisation of any Security Asset, or the exercise of any right, power, remedy or discretion exercisable, by the Assignee or any Receiver or any of their respective Delegates in respect of any Security Asset or, as the case may be, provided by or pursuant to this Deed or by Applicable Law.

13.2 Action required

The action that may be required under Clause 13.1 (*Further assurances*) includes:

- (a) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Assignee or to its nominee; or
- (b) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Assignee may consider necessary or desirable (and in such form as the Assignee may reasonably require in favour of the Assignee).

14. POWER OF ATTORNEY

The Assignor, by way of security, irrevocably and severally appoints the Assignee, each Receiver and their respective Delegates to be its attorney with the full power and authority of the Assignor to execute, deliver and perfect all deeds, instruments, instructions (including to the Custodian where the Assignee is unable to act as the Secured Party Instructing Party) and other documents in its name and otherwise on its behalf, at such time and in such manner as the attorney (acting reasonably) thinks fit (and in such forms as the Assignee may reasonably require) and to do or cause to be done all acts and things, in each case, which may be required or which any attorney in its absolute discretion may deem necessary: (i) for carrying out any obligation of the Assignor under or pursuant to this Deed and which it has failed to carry out when due or within one Business Day of notice by the Assignee or (ii) generally for enabling the Assignee or any Receiver to exercise the respective powers conferred on them under this Deed, paragraph 2 (Secured Party Instructing Party) of Schedule 8 (*Fee Collateral*) to the Framework Agreement or by Applicable Law. The Assignor ratifies and confirms (and agrees, promptly on the request of the Assignee, its Delegate or any Receiver, to ratify and confirm)

whatever any attorney does or purports to lawfully do in the exercise of the powers granted by this Clause in accordance with this Clause.

15. MISCELLANEOUS

15.1 Continuing security

This Security is a continuing security, shall remain in full force and effect as a continuing security until the expiry of the Security Period and shall extend to the ultimate balance of the Secured Liabilities regardless of any intermediate or partial payment or discharge in whole or in part. 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 Assignee for all or any part of the Secured Liabilities.

15.2 Tacking

The Assignee must perform its obligations under the Reinsurance Agreement and the Framework Agreement.

15.3 Waiver of Defences

- (a) Neither the obligations of the Assignor 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 Assignor 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 Assignor, the Assignee or any other person:
 - (i) any time, waiver, consent, release or indulgence granted to or composition with the Assignor 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 Assignor or any other person or otherwise), or refusal or neglect to take up, perfect or enforce, any terms of the Insurance Agreement, the Reinsurance Agreement, the Framework Agreement or any other agreement, or any rights or remedies against, or any security granted by, the Assignor 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 Assignor or any other person under the Reinsurance Agreement, 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 Assignor'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 Assignor, any guarantor or any other person or any amendment to or variation of the terms of the Reinsurance Agreement, Insurance Agreement, the Framework Agreement or any other document or security; or
 - (v) any dissolution, change in the members or status of, or any insolvency, insolvency or similar proceedings in respect of the Assignor or any other person.
- (b) Without prejudice to the generality of paragraph (a) above, the Assignor 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 as the case may be: (i) any of the Secured Liabilities and/or (ii) any Transaction Document or any of the documents evidencing the terms of, or relating to, the Secured Liabilities (however fundamental).

15.4 Immediate Recourse

For the duration of the Security Period the Assignor waives any right it may have of first requiring the Assignee (or any nominee or assignee or any other person) to proceed against or claim payment from any other person or enforce any guarantee or security before enforcing this Deed in accordance with its terms. This waiver applies irrespective of any law or any provision of any Transaction Document to the contrary.

15.5 Reinstatement

- (a) Any release, settlement or discharge (whether in respect of any of the Secured Liabilities or any security for those liabilities or otherwise) shall be conditional upon no payment to, or security provided to, the Assignee in respect of the relevant Secured Liabilities being avoided, invalidated or reduced or required to be restored or paid away by virtue of any requirement having the force of law.
- (b) Where any release, settlement or discharge (whether in respect of any of the Secured Liabilities, 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 Assignor under this Deed shall (continue as if there had been no such release, settlement, discharge or arrangement).

15.6 Appropriation

Until all amounts which may be or become due or payable by the Assignor to the Assignee under or in connection with the Transaction Documents have been irrevocably paid or irrevocably discharged in full, the Assignee (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other monies, security or rights held or received by the Assignee (or any trustee or agent on its behalf) against those amounts; or apply and enforce them in such order as it sees fit (whether against those amounts or otherwise) and the Assignor shall not be entitled to the benefit of the same; and

- (b) hold in an interest bearing suspense account any monies received from the Assignor or on account of the Assignor's liability under this Deed or any other Transaction Document (including, without limitation, any such moneys received, recovered or realised under or in connection with this Deed).

15.7 Remedies and waivers

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.

15.8 Successors

Without prejudice to Clause 19 (Transfers), this Deed is binding on any successors in title and assigns of the Assignor or the Assignee.

15.9 Partial invalidity

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.

15.10 No deduction

All payment to be made by the Assignor under this Deed shall be made without any set-off, counterclaim or equity and (subject to the following sentence) free from, clear of and without deduction for any taxes, duties, levies, imposts or charges whatsoever, present or future. If the Assignor is compelled by the law of any applicable jurisdiction (or by an order of any regulatory authority in such jurisdiction) to withhold or deduct any sums in respect of taxes, duties, levies, imposts or charges from any amount payable to the Assignee under this Deed or, if any such withholding or deduction is made in respect of any recovery under this Deed, the Assignor shall pay such additional amount as may be necessary to ensure that the net amount received by the Assignee shall equal the full amount due to it under the provisions of this Deed had no such withholding or deduction been made.

15.11 Currency indemnity

If any sum due from the Assignor 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 Assignor;
- (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 Liabilities,

the Assignor shall, as an independent obligation, within 5 Business Days of demand, indemnify the Assignee 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 Assignee at the time of its receipt of that Sum (to the extent that the rate of exchange at which such conversion is made is commercially reasonable under the then prevailing circumstances).

15.12 Recoveries after Enforcement Event

If, following the occurrence of an Enforcement Event under and as defined in the Fee Collateral Security Deed, the Assignor receives or recovers any money or other property from the Trustee pursuant to the Fee Collateral Security Deed:

- (a) such money or other property shall be held on trust for the Assignee and shall be delivered to the Assignee on demand; and
- (b) if such property is no longer capable of delivery the Assignor shall pay to the Assignee an amount equal to the value of such property,

in each case, to the extent any Secured Liabilities are or may become due until the Security Period ends.

16. NOTICES

The provisions of clause 43 (*Notices*) of the Framework Agreement shall 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.

17. RELEASE

At the end of the Security Period, the Assignee must, at the request and cost of the Assignor, re-assign to the Assignor the Assigned Rights and otherwise take whatever action is necessary to release the Security Assets from this Security (in each case without recourse, representation or warranty).

18. COUNTERPARTS

This Deed may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same deed, and any party (including any duly authorised representative of a party) may enter into this Deed by executing a counterpart.

19. TRANSFERS

Except as expressly provided for under any other Transaction Document, neither Party may assign or declare any trust over or in respect of any of its rights, or transfer any of its rights or obligations, under this Deed.

20. GOVERNING LAW

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

21. DISPUTE RESOLUTION

The provisions of clauses 51.1 (*General*), 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.

22. AGENT FOR SERVICE OF PROCESS

The Parties agree that the provisions of clause 42 (*Agent for Service of Process*) of the Framework Agreement apply to this Deed as if they were set out in full herein.

THIS DEED has been executed as a deed and delivered by the Assignor and the Assignee on the date stated at the beginning of this Deed.

SCHEDULE 1

FORMS OF LETTER FOR RELEVANT CONTRACTS

PART 1

NOTICE TO COUNTERPARTY

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

Copy: The Canada Life Assurance Company, acting through its Barbados Branch

[Date]

Dear Sirs,

Fee Collateral Assignment Agreement dated on or about [] between Zurich Assurance Ltd and The Canada Life Assurance Company, acting through its Barbados Branch (the Assignment Agreement)

This letter constitutes notice to you that under the Assignment Agreement we have assigned by way of security to The Canada Life Assurance Company, acting through its Barbados Branch (the Assignee) (or, to the extent not assignable, not capable of assignment or, as the case may be, not validly and effectively assigned, charged by way of a first fixed charge), any and all of our title, interest and rights in respect of, in, to and under (in each case present and future):

- (a) a security deed dated on or about the date hereof and entered into between us (the Fee Collateral Security Deed);
- (b) the Account Control Agreement, the Posted Collateral, all Related Rights, the Charged Account and any amounts and securities standing from time to time to the credit of the Charged Account (as such terms are defined in the Fee Collateral Security Deed); and
- (c) all Related Rights (as defined in the Assignment Agreement) relating to any of the foregoing,

(the Relevant Assets and the Fee Collateral Security Deed and the Account Control Agreement, the Contracts).

We confirm that:

- (a) we will remain liable to perform all the obligations assumed by us under or in respect of the Relevant Assets and under the Contracts, subject to the terms thereof; and
- (b) none of the Assignee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contracts in relation to the obligations assumed by us under the Contracts.

We also give you notice that our ability to deal with the Relevant Assets is restricted pursuant to, and in accordance with, the Assignment Agreement a copy of which is attached.

We draw your attention to paragraph [2] (*Secured Party Instructing Party*) of Schedule [8] (Fee Collateral) to the Framework Agreement

We irrevocably instruct and authorise you (notwithstanding any prior instructions to the contrary):

- (a) to disclose to the Assignee any information relating to the Contracts or, as the case may be, the Relevant Assets requested from you by the Assignee; and
- (b) following a notice of enforcement relating to the Assignment Agreement given by the Assignee to you, to comply with any written instruction, communication or notice received by you from the Assignee in relation to the Relevant Assets.

The instructions in this letter may not be revoked or amended without the prior consent of the Assignee and you may comply with them without further permission from us or enquiry by you.

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

Please acknowledge receipt of this letter and confirm that:

- (1) you have received a copy of the Assignment Agreement and are aware of its terms;
- (2) you have not received any other notice of any assignment of the Fee Collateral Security Deed or, as the case may be, the Account Control Agreement; and
- (3) you will comply with the other provisions of this notice of assignment,

by signing the acknowledgement and sending it to the Assignee at [The Canada Life Assurance Company, acting through its Barbados Branch, 4th Floor, Cedar Court, Wilkey, St. Michael, Barbados BB14006, with a copy to ourselves.]

Yours faithfully,

.....

(Authorised signatory)

ZURICH ASSURANCE LTD

PART 2

ACKNOWLEDGEMENT OF COUNTERPARTY

To: The Canada Life Assurance Company, Barbados Branch

Copy: Zurich Assurance Ltd

[Date]

Dear Sirs,

Fee Collateral Assignment Agreement dated on or about [] between Zurich Assurance Ltd and The Canada Life Assurance Company, Barbados Branch (the Assignment Agreement)

We confirm receipt from Zurich Assurance Ltd (the Assignor) of a notice dated on or about the date of this letter (a copy of which is attached) and confirm each of the matters referred to in paragraphs (1) to (3) (inclusive) of such notice.

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

Yours faithfully,

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

SIGNATORIES

Assignor

Executed as a Deed (but not delivered until the)
date of this Deed))
for and on 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

Assignor

Executed as a Deed (but not delivered until the)
date of this Deed))
for and on 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)

Assignee

EXECUTED as a **DEED** by

**THE CANADA LIFE
ASSURANCE COMPANY,
ACTING THROUGH ITS
BARBADOS BRANCH**

General Manager and Actuary

in the presence of:

Signature of witness

Name: VICKI D MARSHALL

Address: [REDACTED]
[REDACTED]

Occupation: CHARTERED SECRETARY

Principal Representative

in the presence of:

Signature of witness

Name: JICKI D. MARSHALL

Address: [REDACTED]
[REDACTED]

Occupation: CHARTERED SECRETARY