



**Registration of a Charge**

Company Name: **ZURICH ASSURANCE LTD**

Company Number: **02456671**



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**Details of Charge**

Date of creation: **06/04/2023**

Charge code: **0245 6671 0061**

Persons entitled: **YORKSHIRE AND CLYDESDALE BANK PENSION TRUSTEE LIMITED**

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

Certified by: **CMS CAMERON MCKENNA NABARRO OLSWANG LLP**



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

Company number: 2456671

Charge code: 0245 6671 0061

The Registrar of Companies for England and Wales hereby certifies that a charge dated 6th April 2023 and created by ZURICH ASSURANCE LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th April 2023 .

Given at Companies House, Cardiff on 19th April 2023

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**

DATE: 6 APRIL 2023

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**REINSURANCE SECURITY ASSIGNMENT**

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Between

**ZURICH ASSURANCE LTD**  
(as Assignor)

and

**YORKSHIRE AND CLYDESDALE BANK PENSION TRUSTEE LIMITED (ACTING IN ITS  
CAPACITY AS TRUSTEE FOR AND ON BEHALF OF THE YORKSHIRE AND  
CLYDESDALE BANK PENSION SCHEME)**  
(as Assignee)

and

**PACIFIC LIFE RE INTERNATIONAL LIMITED (ACTING THROUGH ITS UK BRANCH)**  
(as Reinsurer)

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THIS DEED (this "Deed") is made on 6 APRIL 2023

**BETWEEN:**

- (1) **ZURICH ASSURANCE LTD**, a company incorporated and registered in England and Wales with registered number 02456671, whose registered address is at Unity Place, 1 Carfax Close, Swindon, Wiltshire, United Kingdom, SN1 1AP (the "Assignor");
- (2) **YORKSHIRE AND CLYDESDALE BANK PENSION TRUSTEE LIMITED**, a company incorporated and registered in Scotland with registered number SC150005, whose registered address is at 30 St. Vincent Place, Glasgow, United Kingdom, G1 2HL (acting in its capacity as trustee for and on behalf of the Yorkshire and Clydesdale Bank Pension Scheme) (the "Assignee"); and
- (3) **PACIFIC LIFE RE INTERNATIONAL LIMITED**, an exempted company incorporated in Bermuda bearing company registration number 55099, whose registered address is at Carey Olsen Services Bermuda Limited, Rosebank Centre, 5th Floor, 11 Bermudiana Road, Hamilton, Pembroke HM08, Bermuda, which is registered with the Bermuda Monetary Authority in accordance with the Bermuda Insurance Act as a Class E insurer, acting through its UK branch, and whose UK establishment address is at Tower Bridge House, St. Katharine's Way, London, United Kingdom, E1W 1BA with UK establishment number BR022755 (the "Reinsurer").

**BACKGROUND**

- (A) The Assignor enters into this Deed in connection with the Insurance Agreement.
- (B) This Deed is the "Reinsurance Security Assignment" referred to and as defined in the Framework Agreement.
- (C) It is intended that this document takes effect as a deed of the Assignor, even if it has not been duly executed by the Assignee or has been executed by the Assignee but not as a deed.

**IT IS AGREED AS FOLLOWS:**

**1. DEFINITIONS AND INTERPRETATION**

***Definitions***

- 1.1 Capitalised terms used in this Deed and not otherwise defined herein shall have the meaning given to them in the Framework Agreement and the following words shall have the meanings set out below:

"Act" means the Law of Property Act 1925;

"Assigned Rights" means all of the present and future rights, title and interest of the Assignor in, under and to any Payment Obligations and any amounts paid by the Reinsurer (whether to the Insurer or otherwise) in discharge of them;

"Assignee" has the meaning given to it in the preamble;

"Assignor" has the meaning given to it in the preamble;

"Attorney" has the meaning given in Clause 12.1 (*Power of Attorney*);

"Enforcement Event" has the meaning given in Clause 5.1 (*Enforcement of Security*);

**"Framework Agreement"** means the framework agreement between the Assignor (as insurer), the Assignee (as trustee) and the Reinsurer (as reinsurer) in respect of the Scheme entered into on or around the date of this Deed;

**"Indemnified Loss"** means any liability, damages, cost (including, if applicable, cost of funds), loss (whether in contract or tort or otherwise) or expense (including legal fees) (but always excluding any consequential loss and any loss of profit) and any VAT thereon;

**"Insurance Agreement"** means the insurance agreement between the Assignor (as insurer) and the Assignee (as trustee) in respect of the Scheme entered into on or around the date of this Deed;

**"Party"** means each of the Assignor and the Assignee (subject to Clause 1.2 (in respect of clause 1.2.1 (*Interpretation and Definitions*) of the Framework Agreement));

**"Payment Obligation"** means an obligation of the Reinsurer under the Reinsurance Agreement to pay to the Assignor:

- (a) the Initial Termination Amount; and/or
- (b) the Final Termination Adjustment Amount;

**"Preservation Expenses"** means all the costs and expenses (including legal fees) reasonably and properly incurred by the Assignee or a Receiver in respect of any actions taken by it pursuant to the provisions of Clause 12.1 (*Power of Attorney*);

**"Receiver"** means any receiver, receiver and manager or administrative receiver, in each case, appointed under this Deed;

**"Reinsurance Agreement"** means the reinsurance agreement between the Assignor (as insurer) and the Reinsurer (as reinsurer) in respect of the Scheme entered into on or around the date of this Deed;

**"Reinsurer"** has the meaning given to it in the preamble;

**"Scheme"** means the Yorkshire and Clydesdale Bank Pension Scheme, a registered pension scheme (within section 153 of the Finance Act 2004) established by an interim trust deed dated 26 December 1951;

**"Secured Liabilities"** means (a) payment of any Initial Termination Amount or Termination Adjustment Amount payable by the Assignor pursuant to the Insurance Agreement; (b) any interest that the Assignor is required to pay in connection with the foregoing under or in respect of the Insurance Agreement; and (c) all costs, fees and expenses incurred in relation to enforcement of the Security and which the Assignor is required to pay in connection with the foregoing pursuant to this Deed, the Insurance Agreement and/or the Framework Agreement, by law or otherwise;

**"Security"** means the security created under or pursuant to or evidenced by this Deed;

**"Security Interest"** has the meaning given to it in the Framework Agreement; and

**"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.

### ***Construction***

- 1.2 The provisions of clause 1.2 (*Interpretation and Definitions*) of the Framework Agreement (to the extent relevant) shall apply as though they were set out in full in this Deed, with such changes as are appropriate to align with the context of this Deed, including that references to:
- 1.2.1 the Framework Agreement shall be construed as references to this Deed;
  - 1.2.2 the Insurer shall be construed as references to the Assignor; and
  - 1.2.3 the Trustee shall be construed as references to the Assignee.
- 1.3 Any covenant of the Assignor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.

### ***Third Party Rights***

- 1.4 Except as set out in Clause 1.6, and save for Clause 13.10 (*Miscellaneous*) which any party to the Framework Agreement may enforce, a person who is not a Party or the Trustee 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.
- 1.5 Notwithstanding any term of this Deed, the consent of any person who is not a party to the Framework Agreement is not required to rescind or vary this Deed at any time.
- 1.6 Any Receiver (or any delegate or sub-delegate of any such Receiver or of the Assignee) may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to Clause 1.5 and the provisions of the Contracts (Rights of Third Parties) Act 1999.

## **2. CREATION OF SECURITY**

### ***General***

- 2.1 The Assignor shall pay or discharge the Secured Liabilities in the manner provided for in the Transaction Documents.

### ***Assignment and Charge***

- 2.2 Subject to Clause 2.3:
- 2.2.1 The Assignor assigns the Assigned Rights to the Assignee as security for the payment and discharge of the Secured Liabilities.
  - 2.2.2 Without limitation of the assignment under Clause 2.2.1, the Assignor charges the Assigned Rights as a first ranking fixed security in favour of the Assignee as security for the payment and discharge of the Secured Liabilities.
- 2.3 All of the Security:
- 2.3.1 is created in favour of the Assignee;
  - 2.3.2 is created over the Assigned Rights, which for the avoidance of doubt include:
    - (a) all amounts and proceeds paid or payable (including the proceeds of any disposal);
    - (b) all rights to make any demand or claim; and
    - (c) all powers, remedies, causes of action, Security Interests, guarantees and indemnities,



in each case, in respect of or derived from the Assigned Rights;

- 2.3.3 is security for the payment and discharge of all the Secured Liabilities;
- 2.3.4 is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- 2.3.5 is created free and clear of any other Security Interest.

***Release/Reassignment***

- 2.4 Upon the Assignee being satisfied that the Secured Liabilities have been irrevocably and unconditionally paid or discharged in full, the Assignee shall re-assign, at the request of the Assignor (such reassignment not to be unreasonably withheld or delayed) to the Assignor the Assigned Rights and release all the Security relating to such Assigned Rights, subject to Clause 13.3 (*Miscellaneous*) and without recourse to, or the giving of any representation or warranty by, the Assignee or any of its nominee(s), and the Parties shall each bear their own costs in respect of the same.

***Acknowledgement of Assignment and Grant of Security***

- 2.5 The Reinsurer hereby:

- 2.5.1 acknowledges and consents:

- (a) to the assignment of the Assignor's present and future rights, title, benefit and interest in and to the Assigned Rights, all remedies provided for in respect of the Assigned Rights or available at law or in equity in relation to the Assigned Rights, the right to compel performance of the Assigned Rights and all other rights, interests and benefits whatsoever accruing to or for the benefit of the Assignor in respect of the Assigned Rights; and
- (b) to the extent the Assigned Rights have not been validly and effectively assigned pursuant to Clause 2.2, to the Assignor charging in favour of the Assignee, by way of first fixed charge, all the Assigned Rights;

- 2.5.2 confirms that, other than under the Transaction Documents, it has not received notice of any other charge, assignment or other third party right or interest whatsoever in, of, over, or affecting, the Reinsurance Agreement; and

- 2.5.3 acknowledges that, upon receipt of notice from the Assignee confirming that an Enforcement Event has occurred and is continuing with respect to the Secured Liabilities, all of the Assignor's rights, powers and discretions in respect of the relevant Assigned Rights under the Reinsurance Agreement shall be exercisable by, and notices in respect of the relevant Assigned Rights shall be given to, the Assignee or as it directs.

- 2.6 The Parties and the Reinsurer acknowledge and agree that, in the event of any conflict between communications received by the Reinsurer from the Assignor and from the Assignee in relation to this Deed, the communication from the Assignee shall prevail.

- 2.7 The Assignor hereby confirms that:

- 2.7.1 it will remain liable under the Reinsurance Agreement to perform all the obligations assumed by it under the Reinsurance Agreement; and
- 2.7.2 none of the Assignee, its agents, any receiver or any other person will at any time be under any obligation or liability to the Reinsurer under or in respect of the Reinsurance Agreement.

### **3. REPRESENTATIONS**

3.1 The representations and warranties in this Deed (including in this Clause 3 (*Representations*)) are made by the Assignor on the date of this Deed.

3.2 The Assignor represents and warrants to the Assignee as follows:

3.2.1 *Nature of Security:*

(a) This Deed creates the Security Interest it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Assignor or otherwise.

(b) The Security is not subject to any prior ranking or *pari passu* Security Interest.

3.2.2 *Non-conflict (Security):* No agreement or document which is binding upon it or any of its assets results in the creation of any Security Interests over any of the Assigned Rights (other than as contemplated by the Transaction Documents).

3.2.3 *Representations in relation to the Assigned Rights:*

(a) None of the Assigned Rights are subject to any right of set-off or similar right (except for any such right that arises under the express terms of the Transaction Documents).

(b) There are no prohibitions or restrictions on the Assignor's ability to assign or charge the Assigned Rights pursuant to this Deed (except for any such prohibitions or restrictions that arise under the express terms of the Transaction Documents) in any document to which the Assignor is a party (including any document issued in the Assignor's favour or of which it otherwise has the benefit (in whole or in part)) or at law.

(c) It is the legal and beneficial owner of the Assigned Rights and such rights are free of any Security Interests (except for those created by or pursuant to the Transaction Documents) and any other rights or interests in favour of third parties.

### **4. UNDERTAKINGS**

*Restrictions on Dealings*

4.1 The Assignor shall not:

4.1.1 create or permit to subsist any Security Interest over any Assigned Rights; or

4.1.2 enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, license, transfer, declare a trust over or otherwise dispose of any Assigned Rights,

or otherwise deal with any part of the Assigned Rights, except as expressly allowed for under the Transaction Documents, it being agreed and acknowledged by the Assignee that if the Assignor receives any amount or asset in discharge of any Payment Obligation, it may use the same to discharge any corresponding obligation it has to the Assignee.

### *Information*

- 4.2 The Assignor shall supply the Assignee and any Receiver with copies of the Reinsurance Agreement and any information and documentation relating to the Reinsurance Agreement reasonably requested by the Assignee or any Receiver.

## **5. ENFORCEMENT OF SECURITY**

### *Enforcement Events*

- 5.1 The Security shall become immediately enforceable upon the occurrence of a failure by the Assignor to pay and discharge the whole or any part of the Termination Amount (including any Initial Termination Amount and/or any Final Termination Adjustment Amount) when due and payable by the Assignor to the Assignee pursuant to the terms of clause 13 (*Effect of Termination and Termination Payments*) of the Insurance Agreement (an “**Enforcement Event**”).

### *Discretion and Enforcement Steps*

- 5.2 Following the occurrence of an Enforcement Event which is continuing, the Assignee may, in its absolute discretion and without any notice to the Assignor or the prior authorisation of any court:
- 5.2.1 enforce all or any part of the Security and take possession and dispose of all or any part of the Assigned Rights in any manner it sees fit;
  - 5.2.2 whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions granted to a Receiver by this Deed or by law;
  - 5.2.3 settle, adjust, compromise and arrange any claims, accounts, disputes, questions and demands relating in any way to the Assigned Rights;
  - 5.2.4 bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Assigned Rights which may seem to it to be expedient;
  - 5.2.5 exercise in relation to any of the Assigned Rights all the powers, authorities and things which it would be capable of exercising if it were the absolute owner of the same;
  - 5.2.6 apply for and maintain any regulatory permission, consent or licence required in connection with the Assigned Rights; and
  - 5.2.7 fulfil, at the Assignor's expense and risk, the Assignor's obligations in respect of the Assigned Rights.

### *Statutory Powers*

- 5.3 Without prejudice to Clause 5.4:
- 5.3.1 for the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed;
  - 5.3.2 the Assignee and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act; and
  - 5.3.3 the power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, shall be immediately exercisable upon the occurrence of an Enforcement Event which is continuing.
- 5.4 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 Deed.

### ***No Liability as Mortgagee in Possession***

- 5.5 Neither the Assignee nor any Receiver shall be liable, by reason of entering into possession of an Assigned Right, 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, but every Receiver duly appointed by the Assignee under this Deed shall for all purposes be deemed to be in the same position as a receiver duly appointed by a mortgagee under the Act, save to the extent that the provisions of the Act are varied by or are inconsistent with the provisions of this Deed, in which case the provisions of this Deed will prevail.

### ***Protection of Third Parties***

- 5.6 No person (including a purchaser) dealing with the Assignee or a Receiver (or, in either case, their agents) need enquire:
- 5.6.1 whether the Secured Liabilities have become payable;
  - 5.6.2 whether any power which the Assignee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
  - 5.6.3 whether any money remains due from the Assignor to the Assignee under the Transaction Documents or any amount remains secured by this Deed; or
  - 5.6.4 how any money paid to the Assignee or to that Receiver is to be applied.

## **6. RECEIVER**

### ***Appointment of Receiver***

- 6.1 Except as provided below, the Assignee may from time to time appoint any one or more persons to be a Receiver in respect of all or any part of the Assigned Rights:
- 6.1.1 following the occurrence of an Enforcement Event which is continuing; or
  - 6.1.2 if the Assignor so requests the Assignee in writing at any time.
- 6.2 Any appointment under Clause 6.1 shall be by deed, under seal or in writing under hand.
- 6.3 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.
- 6.4 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 1986.

### ***Removal***

- 6.5 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.

### ***Remuneration***

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

### ***Agent of the Assignor***

- 6.7 Any 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 shall be responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver and for the payment of its remuneration (as described in Clause 6.6).
- 6.8 The Assignee shall not incur any liability (either to the Assignor or to any other person) by reason of the appointment of a Receiver or for any other reason.

### ***Relationship with Assignee***

- 6.9 To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may, at any time following the occurrence of an Enforcement Event which is continuing, be exercised by the Assignee in relation to any Assigned Right without first appointing a Receiver and notwithstanding the appointment of a Receiver.

## **7. POWERS OF RECEIVER**

### ***General***

- 7.1 A Receiver has all of the rights, powers and discretions set out in this Clause 7.1 (*Powers of Receiver*) in addition to those conferred on it by any law, in each case to the extent referable to the Assigned Rights (with any reference in this Clause 7 (*Powers of Receiver*) to the Assigned Rights being limited to those in respect of which the Receiver is appointed). This includes each of the following to the extent referable to the Assigned Rights:
- 7.1.1 all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
  - 7.1.2 all the rights, powers and discretions conferred on a receiver (or a receiver and manager, mortgagor or mortgagee in possession) under the Act and the Insolvency Act 1986;
  - 7.1.3 all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Assignor itself could do or omit to do; and
  - 7.1.4 the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, the Assignor; the collection and/or realisation of the Assigned Rights in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of the Assignor (whether under hand, or by way of deed or by utilisation of the company seal of the Assignor)).
- 7.2 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.
- 7.3 The powers granted to a Receiver pursuant to this Deed may be restricted by the instrument (signed by the Assignee) appointing that Receiver but they shall not be restricted by any winding-up or dissolution of the Assignor.

### ***Possession***

- 7.4 A Receiver may take immediate possession of, get in and realise any Assigned Right and exercise any right of the Assignor in respect of or pursuant to any Assigned Right.

### ***Sale of Assigned Rights***

- 7.5 A Receiver may sell, exchange, convert into money and realise any Assigned Right by public auction or private contract and generally in any manner and on any terms which it thinks fit.
- 7.6 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.

### ***Compromise***

- 7.7 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 or relating in any way to any Assigned Right.

### ***Legal Actions***

- 7.8 A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Assigned Right which it thinks fit.

### ***Receipts***

- 7.9 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 Assigned Right.

### ***Delegation***

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

### ***Other Powers***

- 7.11 A Receiver may:
- 7.11.1 do all other acts and things which it may consider:
    - (a) necessary or desirable for realising any Assigned Right; or
    - (b) incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
  - 7.11.2 exercise in relation to any Assigned Right all the powers, authorities and things which it would be capable of exercising if it were the absolute beneficial owner of that Assigned Right; and
  - 7.11.3 use the name of the Assignor for any of the above purposes.

### ***Indemnity of Receiver***

- 7.12 The Assignee shall indemnify and keep indemnified the Receiver in full against any Indemnified Loss which it incurs, otherwise than by reason of its wilful default, gross negligence or fraud, in respect of:
- 7.12.1 the performance by the Receiver of its obligations under this Deed or any document or arrangement entered into between the Assignor and such Receiver;

- 7.12.2 anything done or purported to be done by the Receiver under this Deed, or the other documents referred to in Clause 7.12.1 (*Indemnity of Receiver*) or anything omitted to be done by the Receiver thereunder; and
- 7.12.3 the exercise or attempted exercise by or on behalf of the Receiver of any of its powers, discretions or determinations or any other actions taken by the Receiver with a view to or in connection with enforcing on behalf of the Assignee its rights under this Deed.

## **8. APPLICATION OF PROCEEDS**

- 8.1 All amounts from time to time received or recovered by the Assignee or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security shall be held by the Assignee and applied in the following order of priority:
  - 8.1.1 in or towards payment of any sums owing to any Receiver (including any remuneration and fees payable to any such Receiver);
  - 8.1.2 in or towards payment of all costs and expenses incurred by the Assignee or any Receiver in connection with any realisation or enforcement of the Security;
  - 8.1.3 in or towards payment of or provision for the Secured Liabilities in accordance with the terms of the Transaction Documents; and
  - 8.1.4 in payment of the surplus (if any) to the Assignor or other person entitled to it.
- 8.2 This Clause 8 (*Application of Proceeds*) is without prejudice to any rights that the Assignee may have under the Transaction Documents.

## **9. EXPENSES AND INDEMNITY**

### ***General***

- 9.1 Except as otherwise provided in Clauses 9.2 (*Preservation Expenses*) and 9.3 (*Indemnity*), each Party will pay its own costs and expenses in connection with performing its obligations under this Deed and neither Party shall be liable for any such costs and expenses incurred by the other Party, provided, however, that the Assignee shall be responsible for any stamp, transfer or similar transaction tax or duty payable on any transfer made under this Deed.

### ***Preservation Expenses***

- 9.2 The Assignor shall, within three (3) Business Days of demand, pay to the Assignee any related Preservation Expenses on a full indemnity basis.

### ***Indemnity***

- 9.3 The Reinsurer shall pay to the Assignee on demand and on a full indemnity basis all the costs and expenses (including legal fees), which:
  - 9.3.1 were reasonably and properly incurred by the Assignee following the occurrence of an Enforcement Event, which is continuing, in connection with:
    - (a) the exercise, preservation and/or enforcement of any rights, powers or remedies of the Assignee in relation to the Assigned Rights;
    - (b) the liquidation and/or application of any Assigned Rights under this Deed;
    - (c) any proceedings instituted by or against the Assignor as a consequence of the Assignee taking or holding the Assigned Rights; and/or

- (d) otherwise enforcing any of its rights, powers or remedies under this Deed; and
- 9.3.2 do not constitute Preservation Expenses.

## **10. DELEGATION**

### ***Power of Attorney***

- 10.1 The Assignee or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion exercisable by it under this Deed.

### ***Terms***

- 10.2 Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Assignee or that Receiver (as the case may be) may think fit.

### ***Liability***

- 10.3 Neither the Assignee nor any Receiver shall be bound to supervise or will be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any delegate or sub-delegate.

## **11. FURTHER ASSURANCES**

- 11.1 The Assignor shall promptly take whatever action the Assignee or a Receiver may require for:
- 11.1.1 creating, perfecting or protecting any Security Interest over any Assigned Right; or
  - 11.1.2 following the occurrence of an Enforcement Event which is continuing, facilitating the realisation of any Assigned Right, or the exercise of any right, power or discretion exercisable, by the Assignee or any Receiver or any of their respective delegates or sub-delegates.
- 11.2 The action that may be required under Clause 11.1 includes:
- 11.2.1 the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any Assigned Right, whether to the Assignee, its nominee or any other person; or
  - 11.2.2 the giving of any notice, order or direction and the making of any filing or registration, which, in any such case, the Assignee reasonably considers necessary or desirable.

## **12. POWER OF ATTORNEY**

- 12.1 Subject to Clause 12.2, the Assignor, by way of security, irrevocably and severally appoints the Assignee, any Receiver and any of their respective delegates or sub-delegates to be its attorney (each an "**Attorney**") with the full power and authority of the Assignor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case, which may be required or which any Attorney may, in its absolute discretion, deem necessary for carrying out any obligation of the Assignor under or pursuant to this Deed or generally for enabling the Assignee or any Receiver to exercise the respective powers conferred on them under this Deed or by law.
- 12.2 Any Attorney shall only exercise any rights and powers under this Clause 12 (*Power of Attorney*) in the event that the Assignor fails for any reason to perform its obligations in a timely manner.



- 12.3 The Assignor ratifies and confirms whatever any Attorney reasonably does or purports to do under its appointment under this Clause 12 (*Power of Attorney*).

### **13. MISCELLANEOUS**

#### ***Continuing Security***

##### **13.1 The Security:**

- 13.1.1 is a continuing security and shall remain in full force and effect as a continuing security until the expiry of the Security Period;
- 13.1.2 shall extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part; and
- 13.1.3 shall be in addition to and shall not be affected by any other Security Interest now or subsequently held by the Assignee for all or any part of the Secured Liabilities.

#### ***Avoidance of Payments***

- 13.2 Notwithstanding Clause 2.4 (*Creation of Security*) if the Assignee reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Assignor under this Deed and the Security shall continue or be reinstated (as if any discharge or release had not occurred) and that amount shall not be considered to have been irrevocably paid.

#### ***Rights Cumulative***

##### **13.3 Except as provided for in this Deed:**

- 13.3.1 any failure by a Party to exercise or delay in exercising a right or remedy provided by this Deed or by law will not impair or constitute a waiver of that or any other right or remedy;
- 13.3.2 no single or partial exercise of a right or remedy provided by this Deed or by law will prevent any further exercise of that or any other right or remedy;
- 13.3.3 the Parties' rights and remedies contained in this Deed are cumulative and not exclusive of rights or remedies provided by law; and
- 13.3.4 the Assignor waives any right it may have of first requiring the Assignee to proceed against it or enforce any other rights or Security Interest or claim payment from any person before claiming from the Assignor under this Deed.

#### ***Waiver of Defences***

- 13.4 The obligations of the Assignor 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 Assignor from its obligations under this Deed or affect such obligations including:

- 13.4.1 any time or indulgence granted to or composition with the Assignor or any other person;
- 13.4.2 any irregularity, invalidity or unenforceability of any obligations of the Assignor under any Transaction Document 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 Assignor'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;

- 13.4.3 any amendment, variation, novation, supplement, extension (whether of maturity or otherwise) or increase, restatement (however fundamental and of whatsoever nature and whether or not more onerous), replacement or change in the purpose of, compromise, renewal or release of, or refusal or neglect to perfect or enforce, any Transaction Document or any term of any Transaction Document or any rights or remedies against, or any Security Interest granted by, the Assignor or any other person;
- 13.4.4 any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of, any person; or
- 13.4.5 any legal limitation, disability, incapacity or other circumstance relating to the Assignor, any guarantor or any other person or any amendment to or variation of the terms of any Transaction Document or any other document or Security Interest.

***Partial Invalidity***

- 13.5 If, at any time, any provision of this Deed becomes illegal, void or unenforceable in any material respect under any enactment or by operation of law, the remaining provisions will remain valid and enforceable.

***No Liability***

- 13.6 Notwithstanding anything contained in this Deed, the Assignee shall not, by virtue of its entry into this Deed:
  - 13.6.1 be under any obligation or liability under or in respect of the Reinsurance Agreement or be liable to make any payment under or in respect of the Reinsurance Agreement; or
  - 13.6.2 be obliged to take any steps necessary to preserve the Reinsurance Agreement or enforce against the Assignor or any other person any term of the Reinsurance Agreement, or to make any enquiries as to the nature or sufficiency of any payment received by the Assignor pursuant to the terms of the Reinsurance Agreement.
- 13.7 Without prejudice to clause 39 (*Entire Agreement and Liability*) of the Framework Agreement:
  - 13.7.1 the Assignor shall remain solely and fully liable under and in respect of the Reinsurance Agreement to perform all of the obligations to be performed by it, and to pay all losses, costs, expenses, taxes and damages payable by it, under or in connection with the Reinsurance Agreement in accordance with the terms of the Reinsurance Agreement and Framework Agreement; and
  - 13.7.2 the Assignor's total liability under this Deed, whether in respect of performance or for loss arising from any breach of its obligations or otherwise, is limited strictly to the assets comprising the Assigned Rights.

***The Assignor***

- 13.8 This Deed shall be binding on the successors and assigns of the Assignor.

***Transfers and Assignment***

- 13.9 The provisions of clause 20 (*Transfers and Assignment*) of the Insurance Agreement shall apply to this Deed as though they were set out in full in this Deed except that the reference to the Insurance Agreement shall be construed as a reference to this Deed.
- 13.10 The Parties may transfer their rights and obligations under this Deed only in accordance with the Insurance Agreement to any party to whom they transfer their rights and obligations under the Insurance Agreement.

### ***Amendments***

- 13.11 Any amendment or alteration to the terms of this Deed must be in writing and signed by each party to the Framework Agreement.

### **14. NOTICES**

- 14.1 Clause 34 (*Notices*) of the Framework Agreement applies to the giving of notices and other communications under or in connection with this Deed.

### **15. AGENTS FOR SERVICE OF PROCESS**

- 15.1 Clause 35 (*Agents for Service of Process*) of the Framework Agreement applies to this Deed.

### **16. RELEASE**

- 16.1 At the end of the Security Period, the Assignee shall, at the request and cost of the Assignor, re-assign (such re-assignment not to be unreasonably withheld or delayed) to the Assignor the Assigned Rights and otherwise take whatever action is necessary to release the Assigned Rights from the Security.

### **17. COUNTERPARTS**

- 17.1 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 and the Trustee (including any duly authorised representative of a Party or the Trustee) may enter into this Deed by executing a counterpart.

### **18. GOVERNING LAW AND DISPUTE RESOLUTION**

- 18.1 This Deed, and any non-contractual obligations arising out of or in connection with it, shall be governed by, and shall be construed and take effect in accordance with English law.
- 18.2 Any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Deed shall be resolved in accordance with clauses 44 (*Dispute Resolution*) to 48 (*Joinder of Parties*) (inclusive) of the Framework Agreement.

### **19. GENERAL AND CONFIDENTIALITY**

- 19.1 The provisions of clauses 41.1 and 41.3 (*General*) 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.
- 19.2 Clause 49 (*Confidentiality*) of the Framework Agreement applies to Confidential Information relating to this Deed.

### **20. EXECUTION**

- 20.1 Each of the Parties and the Reinsurer has shown its acceptance to the terms of this Deed by executing it as a deed, and this Deed is delivered by each of the Parties and the Reinsurer on the date stated at the beginning of this Deed.

18.

Executed as a deed by )  
**YORKSHIRE AND CLYDESDALE BANK** )  
**PENSION TRUSTEE LIMITED** (acting in its )  
capacity as trustee for and on behalf of the )  
Yorkshire and Clydesdale Bank Pension )  
Scheme)  
acting by

..... *Inder Dhirgna* )

[Redacted Signature]

Director

and ..... *GRAVIN HILL* )

[Redacted Signature]

Director

Executed as a deed by  
**PACIFIC LIFE RE INTERNATIONAL  
LIMITED**  
(acting through its UK branch)

acting by

...HOWARD...TIMOTHY...

and ...ANDREW MCALEESE...

Authorized Signatory

Authorized Signatory