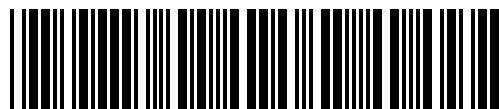




Registration of a Charge

Company Name: **ZURICH ASSURANCE LTD**

Company Number: **02456671**



XC4QEZJD

Received for filing in Electronic Format on the: **01/06/2023**

Details of Charge

Date of creation: **31/05/2023**

Charge code: **0245 6671 0062**

Persons entitled: **NATIONWIDE PENSION FUND TRUSTEE LIMITED AS TRUSTEE FOR
AND ON BEHALF OF THE NATIONWIDE SECTION OF THE NATIONWIDE
PENSION FUND**

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 ELECTRONIC
ORIGINAL INSTRUMENT.**

Certified by: **SACKER & PARTNERS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2456671

Charge code: 0245 6671 0062

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st May 2023 and created by ZURICH ASSURANCE LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st June 2023 .

Given at Companies House, Cardiff on 7th June 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**

31 May
DATE.....2023

INSURER TRUSTEE SECURITY DEED

Between

ZURICH ASSURANCE LTD

and

NATIONWIDE PENSION FUND TRUSTEE LIMITED

**(ACTING IN ITS CAPACITY AS TRUSTEE FOR AND ON BEHALF OF THE NATIONWIDE
SECTION OF THE NATIONWIDE PENSION FUND)**

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THIS DEED is made on 31 May 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, SN1 1AP (the "**Chargor**"); and

(2) **NATIONWIDE PENSION FUND TRUSTEE LIMITED**, a company incorporated and registered in England and Wales with registered number 06190393, whose registered address is at Nationwide House, Pipers Way, Swindon, Wiltshire, SN38 1NW, acting in its capacity as trustee for and on behalf of the Nationwide Section of the Nationwide Pension Fund (the "**Secured Party**"),

(each a "**Party**" and together the "**Parties**").

WHEREAS:

(A) The Parties, along with Prudential Insurance Company of America as reinsurer (the "**Reinsurer**"), have entered into longevity swap arrangements in relation to certain longevity risks and associated demographic risks of the Nationwide Pension Fund. Pursuant to those arrangements, and in the specific circumstances set out in those arrangements, the Chargor may become liable to pay the Gap Risk PV to the Secured Party to reimburse the Secured Party in respect of a corresponding amount (1) paid by the Secured Party to the Reinsurer or (2) that the Reinsurer has debited from collateral that the Secured Party has provided to the Reinsurer.

(B) In contemplation of this liability, the Chargor will, under the terms of this Deed, grant security to the Secured Party over certain accounts into which collateral will be transferred by the Chargor, the collateral credited to such accounts and all related rights thereto, on the terms set out in this Deed and the Insurer-Trustee Collateral Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Any capitalised term used in this Deed, but not defined herein, shall have the meaning given to it in the Insurer-Trustee Collateral Agreement.

1.2 In this Deed the following terms have the following meanings:

"Account Control Agreement"	means the tripartite Insurer-Trustee Account Control Agreement entered into by the Chargor, the Secured Party and the Custodian dated on or about the date of this Deed, where the Custodian acts as custodian of certain assets of the Chargor, or if a replacement custodian is appointed in accordance with the Insurer-Trustee Collateral Agreement from time to time, the
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account control agreement entered into between the Chargor, the Secured Party and such replacement custodian.

"Charged Account"	has the meaning given to it in the Account Control Agreement, and any account that the Chargor and the Secured Party agree is a substitute or replacement account.
"Custodian"	means The Northern Trust Company or such replacement custodian as may be appointed in accordance with the Insurer-Trustee Collateral Agreement.
"Custody Agreement"	means the master custody agreement entered into between the Chargor and the Custodian dated 18 August 2010, or if a replacement custodian is appointed in accordance with the Insurer-Trustee Collateral Agreement, the custody agreement entered into between the Chargor and such replacement custodian.
"Delegate"	means a delegate, sub-delegate, agent, attorney or other person appointed by the Secured Party or any Receiver.
"Event of Default"	<p>means a failure by the Chargor:</p> <ul style="list-style-type: none">(a) to pay the Gap Risk PV within 15 Business Days of the date such payment is due under the Framework Agreement; or(b) to transfer collateral to the Secured Party within 15 Business Days of the date such transfer is due under clause 5.1(A) of the Insurer-Trustee Collateral Agreement, <p>save that in either case, the period of 15 Business Days shall be treated as zero days if an Insolvency Event is continuing in respect of the Chargor.</p>
"Framework Agreement"	means the Framework Agreement between the Chargor, the Secured Party and the Reinsurer dated on or about the date of this Deed.
"Insolvency Act"	means the Insolvency Act 1986, as amended from time to time.
"Instructing Parties"	has the meaning given to such term in the Account Control Agreement.

"Insurer-Trustee Collateral Agreement"	means the Insurer-Trustee collateral agreement between the Chargor and the Secured Party dated on or about the date of this Deed.
"LPA"	means the Law of Property Act 1925, as varied from time to time.
"Notice of Exclusive Control"	means the notice substantially in the form of Schedule 1 of the Account Control Agreement served on the Custodian pursuant to Clause 3.5 by the Secured Party following a Relevant Event.
"Obligations"	shall have the meaning given to it in the Insurer-Trustee Collateral Agreement.
"Permitted Security Interest"	means any Security Interest existing at any time (a) in favour of the Secured Party; (b) in favour of the Custodian pursuant to the Account Control Agreement which is subordinated in favour of the Secured Party; (c) in favour of any sub-custodian arising by operation of law or with the agreement of the Custodian in accordance with the terms of the Custody Agreement; (d) that is a lien routinely imposed on all securities in a clearing system or central securities depository in which any such Posted Collateral may be held from time to time; or (e) to which the Secured Party gives its prior written consent.
"Quasi-Security Interest"	<p>means any transaction whereby a person:</p> <ul style="list-style-type: none">(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 of 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 Secured Party may specify at any time in any relevant appointment) and that term will include any appointee made under a joint or several appointment.
"Regulations"	means the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended from time to time.

"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 any Security Asset which the Chargor may have now or in the future, including, without limitation, any right to delivery of a security of the appropriate description which arises in connection with (i) any 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;
- (c) any awards or judgments in favour of the Chargor in relation to 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); and
- (d) any rights the Chargor may have against the Custodian in respect of any Security Asset.

"Relevant Event"

has the meaning given to it in Clause 5 (Default).

"Security Assets"

means the assets which, from time to time, are, or are expressed to be, the subject of the Security Interests created by Clauses 2.2 and 2.3 and any part of those assets.

"Security Interest"

means any right or interest arising out of or pursuant to: (i) any mortgage, charge, pledge, lien, hypothecation, assignment, encumbrance or other priority or security interest of any kind, howsoever created or arising; (ii) trust arrangement, rights of set-off, option, restriction, right of first refusal, right of pre-emption, third party right or interest, encumbrance, or security interest of any kind or other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having

similar effect, (iii) any other agreement or arrangement of any kind having the same or a similar commercial or economic effect as security; or (iv) any agreement for any of the foregoing.

- 1.3 For the avoidance of doubt, references to **"transfer"** by the Chargor in this Deed mean, in relation to cash, payment and, in relation to other assets, delivery.
- 1.4 Unless a contrary indication appears, a reference in this Deed to:
 - 1.4.1 a Clause shall be to a clause of this Deed;
 - 1.4.2 a person or party shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - 1.4.3 a contract, document, agreement or instrument is a reference to that contract, document, agreement or instrument as amended, novated, supplemented, extended or restated from time to time;
 - 1.4.4 any statute includes any regulations made under it and any subsequent statutory modification or re-enactment of it or them;
 - 1.4.5 assets includes properties, revenues and rights of every kind, present, future and contingent, and whether tangible or intangible;
 - 1.4.6 indebtedness includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - 1.4.7 the singular includes the plural and vice versa;
 - 1.4.8 variation includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and "vary" and "varied" shall be construed accordingly; and
 - 1.4.9 rights includes all rights, title, benefits, power, privileges, interests, claims, authorities, discretions, remedies and liberties (in each case, of every kind, present, future and contingent).
- 1.5 The words **"including"**, **"include"**, **"in particular"** and words of similar effect shall not be deemed to limit the general effect of the words that precede them.
- 1.6 This Deed is intended to take effect as a deed notwithstanding that the Secured Party may have executed it under hand.

2. SECURITY

Covenant to Perform

- 2.1 The Chargor covenants with the Secured Party that it will perform or discharge the Obligations in the manner and at the times provided in the Insurer-Trustee Collateral Agreement and this Deed (as applicable).

Security

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

- 2.2.1 the Posted Collateral from time to time;
- 2.2.2 all Related Rights in relation to the Posted Collateral;
- 2.2.3 the Charged Account and any amounts and securities standing from time to time to the credit of the Charged Account; and
- 2.2.4 all Related Rights in relation to the Charged Account.

- 2.3 The Chargor, with full title guarantee (subject to any Permitted Security Interest), as continuing security for the performance of the Obligations, hereby assigns absolutely by way of security and charges by way of first fixed charge in favour of the Secured Party all of the Chargor's rights, title and interest under the Account Control Agreement to the extent that the same relate to the Security Assets.

Preservation of Security

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

Right of Appropriation

- 2.5 The Secured Party may, on or at any time after the occurrence of a Relevant Event, by notice in writing to the Chargor and the Custodian appropriate with immediate effect any and all Security Assets comprising financial collateral (as defined in the Regulations) which is subject to a security financial collateral arrangement (within the meaning of the

Regulations) and apply it in or towards the discharge of the Obligations of the Chargor in such manner as it may determine, whether such Security Asset is held by the Secured Party or otherwise.

- 2.6 The value of any Security Asset appropriated under Clause 2.5 (Right of Appropriation) shall be:

2.6.1 in the case of cash, the face amount thereof; and

2.6.2 in the case of a financial instrument (within the meaning of the Regulations), the current value of the cash payment which the Secured Party reasonably determines would be received on a sale or other disposal, on an arm's length basis, of such asset effected for payment as soon as reasonably possible after the time of exercise of the right of appropriation,

and the Parties agree that the method of valuation provided for in this Clause 2.6 shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

- 2.7 The Secured Party shall account to the Chargor for any amount by which the value of the appropriated Posted Collateral exceeds the Obligations of the Chargor then due and the Chargor shall remain liable to the Secured Party for any amount by which the value of the appropriated Posted Collateral is less than the Obligations of the Chargor then due.

Waiver of Defences

- 2.8 The obligations of the Chargor under this Deed and the security created or intended to be created pursuant to this Deed shall not be affected by any act, omission or circumstance which, but for this provision, might operate to release or otherwise exonerate the Chargor from its obligations under this Deed or affect, reduce or prejudice any such obligations or the Security Interests created or intended to be created pursuant to this Deed including (but without limitation) and whether or not known to the Chargor or the Secured Party:

2.8.1 any time, waiver, consent, release or indulgence granted to or composition with the Chargor or any other person;

2.8.2 the taking, variation, extension, compromise, exchange, renewal or release of (whether under the terms of any composition or arrangement with any creditor of the Chargor or any other person otherwise), or refusal or neglect to take up, perfect or enforce, any terms of the Insurer-Trustee Collateral Agreement, the Account Control Agreement or any other agreement, or any rights or remedies against, or any security granted by, the Chargor or any other person;

2.8.3 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 or unenforceability of any obligations of the Chargor or any other person under the Insurer-Trustee Collateral Agreement or any other

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 or the security created or intended to be created by or pursuant to this Deed to the intent that the Chargor's obligations under this Deed and the security created or intended to be created by or pursuant to this Deed shall remain in full force and this Deed shall be construed accordingly as if there were no such irregularity, unenforceability, invalidity, law or order;

2.8.4 any legal limitation, disability, incapacity, lack of power, authority or legal personality or other circumstance relating to the Chargor, any guarantor or any other person or any amendment to or variation of the terms of the Insurer-Trustee Collateral Agreement or any other document or security; or

2.8.5 any dissolution, insolvency or similar proceedings in respect of the Chargor.

2.9 Without prejudice to the generality of Clause 2.8 above, the Chargor expressly confirms that it intends that the security constituted, created or intended to be created by or pursuant to this Deed shall extend from time to time to any variation, increase, extension or addition of or to: (i) any of the Obligations; and/or (ii) the Custody Agreement or any of the documents evidencing the terms of, or relating to, the Obligations (however fundamental).

Immediate Recourse

2.10 Without prejudice to clause 5.2 of the Insurer-Trustee Collateral Agreement, the Chargor waives any right it may have of first requiring the Secured Party (or any nominee or assignee or any other person) to proceed against or claim payment from any other person or enforce any right, guarantee or security before enforcing this Deed. This waiver applies irrespective of any law or provision to the contrary.

Reinstatement

2.11 Where any release, settlement or discharge (whether in respect of the Obligations, the security constituted by this Deed, any other security, guarantee, indemnity or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition, transaction or arrangement which is avoided, invalidated or reduced or any amount paid pursuant to any such release, settlement, discharge or arrangement must be repaid on bankruptcy, liquidation or otherwise without limitation, the security constituted by this Deed and the liability of the Chargor under this Deed shall continue as if there had been no such release, settlement, discharge or arrangement.

Dual Control over the Charged Account

2.12 Until the Secured Party delivers a Notice of Exclusive Control to the Custodian, with a copy to the Chargor, the Charged Account shall be operated by way of joint instructions of the Chargor and the Secured Party in accordance with the terms of the Account Control Agreement.

Posted Collateral Release

- 2.13 Upon the transfer by the Insurer Collateral Custodian, following the giving of instructions in accordance with the terms of the Account Control Agreement, to the Chargor (or as otherwise directed in such instructions) of any Posted Collateral, the Security Interests granted under this Deed in respect of that Posted Collateral and all Related Rights in respect of that Posted Collateral will be released immediately without any further action by either Party.

3. HOLDING POSTED COLLATERAL

Care of Posted Collateral

- 3.1 The Chargor has appointed the Custodian to hold the Posted Collateral in accordance with and subject to the terms of the Custody Agreement and the Account Control Agreement.

Eligibility to Hold Posted Collateral; Custodians

- 3.2 If the Northern Trust Company (or any successor appointed in accordance with the terms hereof) at any times ceases to be the Custodian for the Chargor, and the assets held in the Charged Account are transferred to a replacement account, then the replacement account will form part of the Security Assets.

Negative Pledge and No Disposals

- 3.3 Except as permitted by this Deed or the Insurer-Trustee Collateral Agreement, the Chargor shall not (and the Chargor shall not instruct the Custodian to):
- (a) enter into a single transaction or a series of transactions (whether related or not) and whether voluntarily or involuntarily, to sell, assign, lend, transfer or otherwise dispose of the whole or any part of the Security Assets;
 - (b) remove or permit the withdrawal of any Security Asset from the Charged Account;
 - (c) create or permit to subsist any Security Interest (except for any Permitted Security Interest) on any part of a Security Asset or otherwise deal with any part of a Security Asset, in each case save as may be permitted under this Deed, under the Insurer-Trustee Collateral Agreement or the Account Control Agreement or which the Secured Party has expressly approved in writing for this purpose.

Rights Accompanying Posted Collateral

3.4 Distributions and Voting Rights

- 3.4.1 Prior to the delivery of a Notice of Exclusive Control by the Secured Party in accordance with clause 3.2 (Control of the Charged Portfolio) of the Account Control Agreement, any voting rights attached to any of the Posted Collateral shall be exercised jointly by the Chargor and the Secured Party, as Instructing Parties, by the giving of written instructions to the Custodian to exercise, or directing the Custodian to exercise, any such voting rights (provided that, if any expense would be incurred by the Custodian in doing so, only to the extent that the Chargor paid to the Custodian in advance of any such exercise an amount sufficient to cover that expense).
- 3.4.2 On and following the delivery of a Notice of Exclusive Control by the Secured Party in accordance with clause 3.2 (Control of the Charged Portfolio) of the Account Control Agreement:
 - (a) the Chargor may not exercise any voting rights attached to any of the Posted Collateral; and
 - (b) any such voting rights may be exercised solely by the Secured Party by the giving of written instructions to the Custodian in accordance with the terms of the Account Control Agreement to exercise, or directing the Custodian to exercise, any such voting rights.

3.5 Exercise by Secured Party

- 3.5.1 At any time after the occurrence of a Relevant Event and without any further consent or authority on the part of the Chargor, the Secured Party may deliver to the Custodian a Notice of Exclusive Control (copied to the Chargor) and, following delivery of such Notice of Exclusive Control, may exercise any and all of its rights which it has under the Account Control Agreement in relation to the Posted Collateral, subject to Clause 6.1 (Secured Party's Rights) below.
- 3.5.2 Following the delivery by the Secured Party to the Custodian of a Notice of Exclusive Control, if the Relevant Event has been remedied (if capable of being remedied) and is no longer continuing, the Secured Party shall, as soon as reasonably practicable, revoke the Notice of Exclusive Control and give notice to the Custodian of such revocation (copied to the Chargor), and the Chargor and the Secured Party may exercise any and all of its rights under the Account Control Agreement in relation to the Posted Collateral as if such Notice of Exclusive Control had not been served.

Other Obligations

- 3.6 The Chargor shall, at all times (including after a valid Notice of Exclusive Control has been served or a Relevant Event has occurred), remain liable to observe and perform all

of the other conditions and obligations assumed by it in writing or by effect of law in respect of any of the Security Assets and under the Custody Agreement (subject to the terms of the Account Control Agreement) and its obligations under the Account Control Agreement.

- 3.7 Neither the Secured Party nor any Receiver, Delegate or nominee shall be under any obligation or liability to the Chargor or any other person under or in respect of the Custody Agreement or in respect of the rights or obligations of the Chargor under or in respect of any Security Asset.

4. RIGHTS UNDER CUSTODY AGREEMENT AND ACCOUNT CONTROL AGREEMENT

- 4.1 The Chargor undertakes that during the subsistence of this Deed it shall not:

- 4.1.1 permit or agree to any amendment, supplement, variation, waiver or suspension of any provision of the Custody Agreement and/or the Account Control Agreement; or
- 4.1.2 waive any breach by the Custodian, or consent to any act or omission which would otherwise constitute such a breach;

which in either case adversely affects the Security Assets in a manner that could reasonably be expected to have a material adverse effect on the rights or interests of the Secured Party (as determined by the Secured Party, acting reasonably), or which otherwise has a material adverse effect on the rights or interests of the Secured Party thereunder (as determined by the Secured Party, acting reasonably), and in either case subject to the following:

- (i) the Chargor may do any of these things with the prior written consent of the Secured Party (such consent not to be unreasonably withheld or delayed); and
- (ii) the Chargor may give the Secured Party notice that it wishes to replace Custodian, in which case the process described in clause 7 (Replacement of Custodian) of the Insurer-Trustee Collateral Agreement shall apply, and the Chargor may terminate the Custody Agreement and the Account Control Agreement where permitted by clause 7.5 of the Insurer-Trustee Collateral Agreement.
- 4.2 Without prejudice to the terms of the Custody Agreement or, as the case may be, the Account Control Agreement, the Chargor shall:
- 4.2.1 perform all its obligations under the Custody Agreement or the Account Control Agreement in respect of the Charged Account where a failure to do so would have a material adverse effect on the rights and interests of the Secured Party under this Deed or the Account Control Agreement (as determined by the Secured Party, acting reasonably); and

4.2.2 pay all Custodian fees and charges in accordance with the terms of the Custody Agreement and, to the extent that the Secured Party is required to pay the Custodian under clause 4.2 (*Indemnification*) of the Account Control Agreement in respect of any Losses (as defined in the Account Control Agreement) sustained or incurred by the Custodian prior to the date of delivery of a Notice of Exclusive Control by the Secured Party in accordance with clause 3.2 (*Control of the Charged Portfolio*) of the Account Control Agreement (together the "**Custodian Indemnification Costs**"), indemnify the Secured Party with respect to any such Custodian Indemnification Costs.

4.3 The Chargor shall enforce all its rights (a) under or in connection with the Custody Agreement, in relation to, affecting or in so far as such obligations or rights relate to the Security Assets, and (b) under or in connection with the Account Control Agreement, where a failure to do so would have a material adverse effect on the rights and interests of the Secured Party under this Deed or the Account Control Agreement (as determined by the Secured Party, acting reasonably).

4.4 The Chargor undertakes that during the subsistence of this Deed it shall comply with its obligations under clause 7 (Replacement of Custodian) of the Insurer Trustee Collateral Agreement and that it shall not instruct the Custodian to advance the Custodian's own funds in connection with the settlement of purchases and sales of financial assets in relation to the operation of the Charged Account.

5. **DEFAULT**

For purposes of this Deed, a "Relevant Event" will have occurred if an Event of Default with respect to the Chargor has occurred.

6. **RIGHTS OF ENFORCEMENT**

Secured Party's Rights

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

6.1.1 take possession of, hold, sell or otherwise dispose of all or any of the Security Assets on an arm's length basis at any time upon such terms as the Secured Party shall in its absolute discretion determine;

6.1.2 collect, recover or compromise and to give a good discharge for any moneys payable to the Chargor in respect of any of the Security Assets;

- 6.1.3 apply or appropriate the Security Assets in or towards the payment or discharge of any amounts payable by the Chargor with respect to any Obligations in such order as the Secured Party sees fit;
- 6.1.4 secure and perfect its title to all or any part of the Security Assets (including transferring the same into the name of the Secured Party or its nominee(s)) or otherwise exercise in relation to the Security Assets all the rights of an absolute owner in any manner that the Secured Party determines;
- 6.1.5 appoint one or more persons as a Receiver of any Security Asset;
- 6.1.6 defend against any suit, action or proceeding relating to, or affecting, the Charged Account or the Security Assets (or in each case any of them) in the Chargor's name; and/or
- 6.1.7 whether or not it has appointed a Receiver, exercise all or any of the powers, authorisations and discretions conferred by the LPA (as varied or extended by this Deed) on chargees or mortgagees or by this Deed on any Receiver or otherwise conferred by law on chargees, mortgagees or Receivers,

and for the purposes of this Clause 6.1 the Secured Party shall be entitled:

- 6.1.8 to make any currency conversions or effect any transaction in currencies which it thinks fit, and to do so at the best prevailing rates at such times as it thinks fit,

provided that, in connection with the exercise by the Secured Party of its rights under this Clause 6.1 to the extent applicable, the Secured Party shall not exchange the Security Assets for any cash, securities or assets other than Eligible Security Credit Support.

- 6.2 The Secured Party may redeem any prior Security Interest (other than a Permitted Security Interest) against the Security Assets or procure a transfer of such Security Interest to itself and may agree the accounts of the person entitled to that Security Interest and any accounts so agreed will be binding on the Chargor. Any amount paid in connection with such redemption or transfer (including expenses) shall be paid on demand by the Chargor to the Secured Party and until such payment shall form part of the Obligations.
- 6.3 If the Secured Party, a Receiver or any Delegate of either of them takes possession of any Security Asset it may relinquish such possession at any time.
- 6.4 The rights conferred upon the Secured Party by this Deed shall be supplemental to and in addition to any which may be vested in the Secured Party by applicable law or otherwise.
- 6.5 Without prejudice to the foregoing or to the Secured Party's other rights, the Chargor hereby irrevocably authorises the Secured Party, at any time when a Relevant Event has occurred and is continuing, to give instructions to the Custodian for the transfer of cash out of the Charged Account to the Secured Party for application in or towards discharge

of the Obligations that are then due and payable and, if the cash balance standing to the credit of the Charged Account is not sufficient to discharge the Obligations then due, to give instructions to the Custodian:

- 6.5.1 to sell or otherwise realise all or such part of the assets held in or standing to the credit of the Charged Account, as is necessary to fund such transfer and to apply the proceeds of sale for that purpose; or
 - 6.5.2 to transfer out of the Charged Account to the Secured Party, such assets as may be selected by the Secured Party and whose transfer to the Secured Party is necessary in order to enable a discharge of the Obligations then due (or any part thereof).
- 6.6 At any time when a Relevant Event has occurred and is continuing, if the Chargor receives any moneys under the Custody Agreement in respect of the Security Assets, the Chargor shall hold such moneys on trust for the Secured Party, pending payment to the Secured Party (which it shall promptly do) for application in accordance with Clause 6.7 below.
- 6.7 Subject to any claims having priority to the Security Interests created by or pursuant to this Deed, all amounts from time to time received or recovered by the Secured Party, a Receiver or any Delegate of either of them pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security Interests created by this Deed shall be held by, or for the benefit of, the Secured Party to apply them, to the extent permitted by applicable law, in the following order of priority:
- 6.7.1 in payment of all costs, fees, taxes and expenses incurred by the Receiver or the Secured Party or any of their Delegates in or pursuant to the exercise of the powers set out in this Deed and of all other outgoings properly payable by the Receiver, the Secured Party or such Delegates;
 - 6.7.2 in payment of remuneration to the Receiver or the Secured Party or any of their Delegates;
 - 6.7.3 in or towards the discharge of the Obligations then due and payable in such order as the Secured Party thinks fit;
 - 6.7.4 if the Obligations then due and payable have been irrevocably and unconditionally paid in full, in payment or distribution to any person to whom the Secured Party is obliged by applicable law or binding court order or judgment to pay or distribute in priority to the Chargor; and
 - 6.7.5 the balance, if any, in payment or distribution to the Chargor,

and the Secured Party agrees that, once no Obligations remain due and owing (but, for the avoidance of doubt, notwithstanding the fact that Obligations remain capable of arising thereafter), it will so apply such amounts.

Receiver

- 6.8 At any time after the security created by or pursuant to this Deed has become enforceable as provided in Clause 6.1, the Secured Party may by deed or otherwise (acting through an authorised officer of the Secured Party), without prior notice to the Chargor:
- 6.8.1 appoint one or more persons to be a Receiver in respect of the Security Assets on such terms as to remuneration and otherwise as the Secured Party (acting reasonably) thinks fit;
 - 6.8.2 remove (so far as they are lawfully able) any Receiver so appointed; and
 - 6.8.3 appoint another person (or persons) as an additional or replacement Receiver (or Receivers) on such terms as to remuneration and otherwise as the Secured Party (acting reasonably) thinks fit.
- 6.9 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1)) of the LPA) does not apply to this Deed.
- 6.10 Any Receiver may be appointed in respect of the whole or any part of the Security Assets specified in the instrument appointing him and different Receivers may be appointed in respect of different parts of the Security Assets.
- 6.11 The powers of appointment of a Receiver conferred on the Secured Party by this Deed shall be in addition to all statutory and other powers of appointment conferred by the LPA (as extended by this Deed), the Insolvency Act or otherwise and such powers shall remain exercisable from time to time by the Secured Party in respect of any part of the Security Assets.
- 6.12 Each Receiver shall be:
- 6.12.1 entitled to act individually or together with any other person appointed or substituted as Receiver (except as otherwise stated in the instrument of appointment);
 - 6.12.2 deemed for all purposes to be the agent of the Chargor which shall be solely responsible for his relevant acts, contracts, engagements, defaults, omissions, losses and liabilities and for the payment of his remuneration and for costs, fees, taxes and expenses and no Receiver shall at any time act as agent for the Secured Party (provided that in each case the same has resulted from a proper exercise by the Receiver of its powers under this Deed in respect of the Security Assets). The Secured Party will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver for any other reason; and

- 6.12.3 entitled to remuneration for his services at a reasonable rate to be fixed by the Secured Party from time to time (without being limited to the maximum rate specified by the LPA).

Powers of Receiver

- 6.13 A Receiver has all of the rights, powers and discretions set out below in this Clause 6 in addition to those conferred on a receiver or mortgagee in possession by any applicable law, including:

- 6.13.1 all the rights, powers and discretions conferred by the LPA on mortgagees and mortgagees in possession and on receivers appointed under that Act and the Insolvency Act; and

- 6.13.2 all the rights, powers and discretions of an administrative receiver set out in Schedule 1 to the Insolvency Act (whether or not the Receiver is an administrative receiver).

- 6.14 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.

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

- 6.16 A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand relating in any way to any Security Asset.

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

- 6.18 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.

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

- 6.20 A Receiver may:

- 6.20.1 do all other acts and things which it may consider necessary for maintaining the value of any Security Assets or for realising any Security Asset;

- 6.20.2 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

- 6.20.3 use the name of the Chargor for any of the above purposes.

- 6.21 To the fullest extent permitted by applicable law, any right, power or discretion conferred by this Deed (expressly or impliedly) upon a Receiver may, at any time after the security created by or pursuant to this Deed becomes enforceable as provided in Clause 6.1, be exercised by the Secured Party, without prior notice to the Chargor in relation to any Security Asset, irrespective of whether or not it has taken possession of the Security Asset and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

Power of Attorney

- 6.22 Subject to Clause 6.23, the Chargor, by way of security and solely for the purpose of more fully securing the performance of the Obligations, irrevocably appoints the Secured Party, its Delegate, any Receiver and any authorised nominee of any of them to be the attorney of the Chargor on its behalf and in the name of the Chargor or otherwise (as the attorney may decide) to do all acts, and execute, deliver and perfect all documents which the Chargor could itself execute, deliver and perfect in relation to any of the Security Assets or in connection with any of the matters provided for in this Deed, in such manner as the attorney sees fit, including (but without limitation):

- 6.22.1 to execute any transfer, bill of sale or other assurance in respect of the Security Assets;
- 6.22.2 to exercise all the rights and powers of the Chargor in respect of the Security Assets;
- 6.22.3 to ask, require, demand, receive, compound and give a good discharge for any and all moneys and claims for moneys due and to become due under or arising out of any of the Security Assets;
- 6.22.4 to endorse any cheques or other instruments or orders in connection with any of the Security Assets;
- 6.22.5 to make any claims or to take any action or to institute any proceedings which the Secured Party considers to be necessary or advisable to protect or enforce the Security Interests created by this Deed;
- 6.22.6 to do anything which the Chargor is obliged to do in respect of any of the Security Assets under this Deed, the Custody Agreement (in respect of the Security Assets only) or the Account Control Agreement, but has failed to do so (including to do all such acts or execute all such documents, assignments, transfers, mortgages, charges, notices, instructions, filings and registrations as the Secured Party may reasonably specify (and in such form as the Secured Party may reasonably require in favour of the Secured Party or its nominee)); and
- 6.22.7 as may be necessary to enable the Secured Party, its Delegate or any Receiver to exercise any of the rights conferred on the Secured Party, its Delegate or any Receiver in relation to the Security Assets under this Deed, the Account Control Agreement or any applicable law.

- 6.23 The power of attorney under Clause 6.22 may be exercised by the Secured Party, its Delegate, any Receiver and any authorised nominee of any of them only at any time after the security created by or pursuant to this Deed becomes enforceable as provided in Clause 6.1, save that if necessary the Secured Party may exercise the power of attorney to do the things mentioned in Clause 6.22.6 at any time prior to the date when it delivers a Secured Party Release Notice under the Account Control Agreement.
- 6.24 The Chargor ratifies and confirms and agrees to, promptly on the request of the Secured Party, its Delegate or a Receiver, ratify and confirm whatever the Secured Party, its Delegate or any Receiver and any authorised nominee of them (or any of the foregoing) shall do or has done in the proper and lawful exercise of the power of attorney in accordance with Clause 6.22.

Protection of Purchaser

- 6.25 No purchaser or other person dealing with the Secured Party or with its attorney or agent or with a Receiver or any Delegate of the foregoing shall be concerned to enquire (1) whether any power exercised or purported to be exercised by the Secured Party or Receiver or any other person has become exercisable, (2) whether any Obligations remain due or owing, (3) as to the propriety or regularity of any of the actions of the Secured Party or any Receiver or any other person or (4) as to the application of any money paid to the Secured Party or any Receiver or any such other person.
- 6.26 In the absence of bad faith on the part of such purchaser or other person, such dealings shall be deemed, so far as regards the safety and protection of such purchaser or other person, to be within the powers conferred by this Deed and to be valid accordingly. The receipt by the Secured Party or any Receiver shall be a conclusive discharge to any purchaser of the Security Assets.
- 6.27 All the protection afforded to purchasers contained in Sections 104, 107 and 109 of the LPA, Section 42(3) of the Insolvency Act (where a Receiver is an administrative receiver) or in any other applicable legislation shall apply to any person purchasing from or dealing with the Secured Party or any Receiver.

Deficiencies and Excess Proceeds

- 6.28 The Secured Party (or the Custodian acting on its behalf upon receipt of an instruction) will transfer to the Chargor (to the extent not already in the Charged Account), any proceeds and Security Assets remaining after liquidation, set-off and/or application under Clause 6.1 (Secured Party's Rights) and after satisfaction in full of all amounts payable by the Chargor with respect to any Obligations; the Chargor in all events will remain liable for any amounts remaining unpaid after any liquidation, set-off and/or application under Clause 6.1 (Secured Party's Rights).

Final Returns

- 6.29 Following the date when all Obligations have been discharged in full and/or no amounts are, are capable of or may become payable by the Chargor with respect to or which

constitute any Obligations, the Secured Party will, as soon as reasonably practicable, procure that the Custodian (upon receipt of an instruction from the Secured Party) transfer to the order of the Chargor all Security Assets and Security Interest Amounts remaining in the Charged Account, if any.

No Liability

6.30 Any liberty or power which may be exercised, or any determination which may be made, under this Deed by the Secured Party or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

6.31 None of the Secured Party, any Receiver or any of their respective officers, employees, agents, attorneys or any other person appointed by the Secured Party pursuant to this Deed shall be liable to the Chargor or any other person 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 by reason of:

6.31.1 taking any action permitted by this Deed;

6.31.2 taking possession of or realising all or any part of the Security Assets;

6.31.3 any neglect, default or omission in connection with the Security Assets; or

6.31.4 the exercise, or the attempted or purported exercise, of, or the failure to exercise, any of the rights, powers and remedies of the Secured Party or any Receiver (as applicable) provided by this Deed or by applicable law,

in each case, except in the case of fraud, gross negligence or wilful default on its part or a breach by it of the terms of this Deed.

6.32 Without limiting Clause 6.31, entry into or taking possession of all or any part of the Security Assets shall not render the Secured Party or any Receiver liable to account as a mortgagee in possession or otherwise and, if and whenever the Secured Party or any Receiver enters into or takes possession of the Security Assets, it shall be entitled at any time at its discretion to go out of such possession.

6.33 It is acknowledged and agreed that the Chargor shall not have any right or claim against the Secured Party, a Receiver or any Delegate in respect of any loss arising out of any sale or other realisation of any Security Asset permitted by this Deed howsoever such loss may have been caused and whether or not a better price could or might have been obtained on the sale of that Security Asset or realisation thereof by either deferring or advancing the date of such sale or other realisation or otherwise unless such loss is directly caused by the Secured Party's or such other person's fraud, gross negligence or wilful default or a breach by it of the terms of this Deed.

7. REPRESENTATIONS AND WARRANTIES

7.1 The Chargor represents and warrants to the Secured Party on the date of this Deed (which representations and warranties will be deemed to be repeated as of each date on which the Chargor transfers Eligible Security Credit Support to the Charged Account in accordance with the terms of the Insurer-Trustee Collateral Agreement) that:

- 7.1.1 it has the power to grant a Security Interest in any Eligible Security Credit Support it transfers to the Charged Account under this Deed and under the Insurer-Trustee Collateral Agreement and has taken all necessary actions to authorise the granting of that Security Interest;
- 7.1.2 it is the sole beneficial owner of all Eligible Security Credit Support it transfers to the Charged Account under this Deed and under the Insurer-Trustee Collateral Agreement and such assets are free and clear of any Security Interest, Quasi-Security Interest or other interest or restriction other than any Permitted Security Interest;
- 7.1.3 subject to the provisos of Clause 7.1.5, upon the transfer of any Eligible Security Credit Support by it to the Charged Account under the terms of this Deed and under the Insurer-Trustee Collateral Agreement, the Secured Party will have a valid Security Interest in such Eligible Security Credit;
- 7.1.4 the performance by it of its obligations under this Deed and under the Insurer-Trustee Collateral Agreement will not result in the creation of any Security Interest or Quasi-Security Interest in or on any Security Asset other than any Permitted Security Interest; and
- 7.1.5 subject to (i) the registration of a certified copy of this Deed at Companies House under section 859A of the Companies Act 2006 and payment of associated fees and (ii) 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), this Deed creates (or, once entered into by the Secured Party, will create) the Security Interests which it purports to create and such Security Interests are lawful, legally binding, valid, effective and enforceable under its governing law and have the ranking in priority which they are expressed to have in this Deed.

8. EXPENSES

General

8.1 Except as otherwise provided in Clauses 8.2 to 8.4, each Party will pay its own costs and expenses (including any stamp, transfer or similar transaction tax or duty payable on any transfer it is required to make under this Deed and under the Insurer-Trustee Collateral Agreement) in connection with performing its obligations under this Deed and neither Party will be liable for any such costs and expenses incurred by the other Party.

Security Assets

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

Enforcement costs

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

Liabilities

- 8.4 The Chargor will, as soon as reasonably practicable upon demand, pay to the Secured Party or its Delegate (as applicable) (each a "**Protected Party**") an amount equal to any cost, loss, liability or expense reasonably incurred by such Protected Party as a result of any (i) judicial or arbitral proceedings initiated against such Protected Party and (ii) any cost awarded against such Protected Party (together in this Clause 8.4, the "**Costs**") the subject matter of which is any Security Asset and/or the Security Interests or the rights created by this Deed other than to the extent that such Costs have been incurred as a result of:

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

9. OTHER PROVISIONS

Further Assurances

- 9.1 Promptly following a demand made by the Secured Party, the Chargor will at its own expense execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by the Secured Party in relation to any Security Asset, to create, preserve, perfect or validate any Security Interest granted under Clause 2 (Security) (and in such form and substance as the Secured Party may reasonably require), to enable the Secured Party to exercise or enforce its rights under this Deed with respect to any Security Asset or a Security Interest Amount or to effect or document a release of a Security Interest on any Security Asset or a Security Interest Amount.

Further Protection

- 9.2 The Chargor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves any Security Asset transferred by the Chargor or that could adversely affect the Security Interest granted by it under Clause 2 (Security).

Registration

- 9.3 The Parties acknowledge the Secured Party shall arrange for the charge created by Clause 2 (Security) to be registered with Companies House.

Financial Collateral

- 9.4 Each Party acknowledges to the other Party that, notwithstanding any steps taken to register the security at Companies House pursuant to Clause 9.3 (Registration) above, it intends for this Deed and the Insurer-Trustee Collateral Agreement to take effect as a "security financial collateral arrangement" (as defined in the Regulations).

Severability

- 9.5 If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

Release

- 9.6 In the event that the Secured Party delivers a Secured Party Release Notice under the Account Control Agreement, the security under this Deed will immediately be released and this Deed shall terminate with immediate effect.

Waiver

- 9.7 No failure to exercise, nor any 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.

Successors in title

- 9.8 This Deed is binding on the successors in title and assigns of the Chargor.

Receipt by Chargor of money or property due to the Secured Party

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

10. THIRD PARTY RIGHTS

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from the Third Parties Act.

11. NOTICES

All notices and communications to be made or delivered under or in connection with this Deed shall be made, and shall be deemed delivered and effective, in accordance with clause 18 of the Insurer-Trustee Collateral Agreement.

12. GOVERNING LAW

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

13. JURISDICTION

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

14. COUNTERPARTS

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

IN WITNESS whereof this Deed has been executed as a deed by the Chargor and the Secured Party and delivered on the date first stated on page 1.

EXECUTION PAGE

The Chargor

EXECUTED and delivered as a DEED by)
ZURICH ASSURANCE LTD)
acting by)
Alex Koslowski (CEO and Director))
)
and) CEO and Director
)
)
)
Cindy Sweeney)
) On behalf of the Corporate Secretary
duly authorised by Zurich Corporate)
Secretary (UK) Limited to sign on its behalf)
as secretary of ZURICH ASSURANCE LTD)

The Secured Party

EXECUTED and delivered as a DEED by)
NATIONWIDE PENSION FUND TRUSTEE)
LIMITED)
acting in its capacity as trustee for and on)
behalf of the Nationwide Section of the)
Nationwide Pension Fund)

acting by:

Name of Director	Signature of Director
Rob Goldspink	
Name of Director	Signature of Director
Sarah Garrett	