



**Registration of a Charge**

Company name: **AVIVA LIFE & PENSIONS UK LIMITED**

Company number: **03253947**



X90A01O1

Received for Electronic Filing: **06/03/2020**

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**Details of Charge**

Date of creation: **27/02/2020**

Charge code: **0325 3947 0073**

Persons entitled: **RGA GLOBAL REINSURANCE COMPANY, LTD.**

Brief description:

**Contains fixed charge(s).**

**Contains floating charge(s) .**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

Certified by:

**PAUL DENHAM**



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

Company number: 3253947

Charge code: 0325 3947 0073

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th February 2020 and created by AVIVA LIFE & PENSIONS UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th March 2020 .

Given at Companies House, Cardiff on 9th March 2020

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

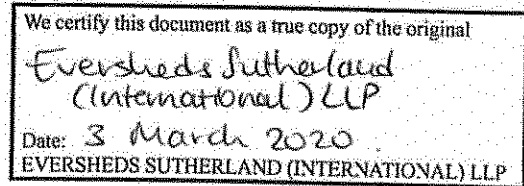


**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

Execution version



CHARGE AND  
SECURITY ASSIGNMENT DEED

dated 27 February 2020

between

AVIVA LIFE & PENSIONS UK LIMITED

as the "Chargor"

RGA GLOBAL REINSURANCE COMPANY, LTD.

as the Chargee

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THIS DEED is dated

27 February 2020 and made between:

- (1) **AVIVA LIFE & PENSIONS UK LIMITED**, a company incorporated under the laws of England and Wales, whose registered office is at Wellington Row, York, YO90 1WR (Registered Number: 03253947) (the "**Chargor**"); and
  - (2) **RGA GLOBAL REINSURANCE COMPANY, LTD.**, a corporation organised under the laws of Bermuda, under number 37662 whose registered office is at Clarendon House, 2 Church Street, Hamilton, Bermuda HM11 (the "**Chargee**"),
- (each a "**Party**" and together, the "**Parties**").

#### **Background**

- (A) The Chargor has agreed to (i) charge the Charged Assets; and (ii) to assign by way of security the Assigned Rights, in each case to the Chargee, to secure the payment and performance of the Liabilities.
- (B) The Chargor is entering into this Deed in connection with the Longevity Reinsurance Agreement.
- (C) The Board of Directors of the Chargor is satisfied that entering into this Deed is for the purposes and to the benefit of the Chargor and its business.
- (D) The Chargee and the Chargor intend this document to take effect as a deed (even though the Chargee only executes it under hand).
- (E) FAL (as defined below) entered into a charge and security assignment deed with the Chargee on 13 May 2010 ("**Original Security Deed**"). On 1 October 2017, the entire long-term business of Friends Life Limited was transferred through an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 ("**Part VII Transfer**") to the Chargor. Under the terms of the Part VII Transfer, the Chargor replaced FAL under the Original Security Deed. The Original Security Deed has been terminated and all of the obligations thereunder have been fully discharged.

IT IS AGREED as follows:

#### **1. DEFINITIONS AND INTERPRETATION**

##### **1.1 Definitions**

In this Deed:

**"Accounts"** means the Cash Account and the Securities Account.

**"Account Control Agreement"** means the account control letter between the Chargor, Chargee and Custodian dated on or about the date of this Agreement, or if a successor custodian is appointed, the account control agreement between the Chargor, such successor custodian and the Chargee.

**"Administrator"** means an administrator appointed under Schedule B1 to the Insolvency Act 1986.

**"Assigned Rights"** means:

- (a) all rights of the Chargor under or in connection with the Custodian Agreement in relation to the Account and the Security;
- (b) all rights of the Chargor under or in connection with the Account Control Agreement (other than any such rights as the Chargor may have under or in respect of such agreement against (or in respect of any act, error or omission of) the Chargee); and
- (c) all present and future rights of whatever nature, including, without limitation, any right of delivery of Securities of the appropriate description, which the Chargor may have or acquire as against the Custodian, any sub-custodian, nominee or agent, any Clearance System or any Settlement System in respect of any of the Securities, the Account and all Cash in whatever currency standing to the credit of the Account or the proceeds thereof pursuant to the Custodian Agreement and the Account Control Agreement.

**"Authorisation"** means any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**"Business Day"** means a day (other than a Saturday or a Sunday) on which banks are open for general business in London and where used herein in relation to any Instruction (as defined in the Account Control Agreement) to be given to the Custodian or a notice given pursuant to the terms of this Deed, shall to the general banking hours on which banks are open in Toronto, Canada and London, the United Kingdom.

**"Cash"** has the meaning given in the Account Control Agreement.

**"Cash Account"** means the account with the account [REDACTED] designated [REDACTED] [REDACTED] opened on the books and records of the Custodian in the name of the Chargor recording all Cash from or on account of the Chargor pursuant to the Custodian Agreement and the Account Control Agreement, or such other replacement or additional account for the same purpose as may be established by the Custodian or any successor custodian appointed in accordance with the terms of this Deed.

**"Charged Assets"** means:

- (a) the Debt Securities held in the Securities Account by the Custodian on behalf of the Chargor or to its order or transferred to or registered in the Securities Account with the Custodian or its nominees, sub-custodian or agent or being attributable to the Account, whether or not held by or in any Clearance System or Settlement Systems (the **"Securities"**);
- (b) all dividends, interest or other distributions and all allotments, accretions, offers, rights and benefits whatsoever at any time accruing, offered or arising in respect of the Securities and the Accounts whether by way of conversion, redemption, bonus, preference, option, substitution or exchange or otherwise; and
- (c) the Accounts and all Cash in whatever currency standing to the credit of the Cash Account from time to time and the debt represented thereby including all interest accrued or other moneys received in respect thereof.

**"Charged Property"** means the Charged Assets and the Assigned Rights.

**"Chargee Instruction"** means the instructions of the Chargee given by the Chargee to the Custodian in accordance with the terms of the Custodian Agreement and the Account Control Agreement and copied to the Chargor.

**"Chargor Instruction"** means the instructions of the Chargor given by the Chargor to the Custodian, and as copied to the Chargee, in accordance with the terms of the Custodian Agreement and the Account Control Agreement.

**"Clearance System"** means Euroclear Bank SA/NV, Clearstream Banking, Société Anonyme, Luxembourg, The Depository Trust & Clearing Corporation and any other person whose business is or includes the provision of clearance services or the provision of security accounts or any nominee or depository for any such person, which system is from time to time used in connection with transactions relating to Securities.

**"CREST"** means the computer-based system and procedures established by EUI to enable title to units of stock to be evidenced and transferred without a written instrument, operating as a relevant system under relevant applicable laws.

**"Currency of Account"** means the currency in which the relevant indebtedness is denominated or, if different, is payable.

**"Custodian"** means HSBC Bank PLC, acting through its London branch whose registered branch office address is 8 Canada Square E14 5HG or a successor custodian appointed by the Chargor pursuant to Clause 5.4(a) (*Replacement of the Custodian*).

**"Custodian Agreement"** means the agreement dated 8 November 2019 or a new custody agreement entered into pursuant entered into Clause 5.4(b)(ii) (*Replacement of the Custodian*) between the Custodian and the Chargor pursuant to which the Custodian is appointed to take custody of the Cash and/or the Securities, which are held in any Clearance System or Settlement System.

**"Debt Securities"** has the meaning given to it in the Longevity Reinsurance Agreement.

**"Delegate"** means a delegate or sub-delegate appointed under Clause 11.2 (*Delegation*).

**"Enforcement Event"** means (i) the Chargor materially fails to pay or discharge the Liabilities (other than a failure to make a payment described in (iii)) within three (3) Business Days of the date for payment or required performance (as applicable) in accordance with the terms of the Longevity Reinsurance Agreement after the expiry of any relevant dispute resolution procedure or grace period; (ii) an Insolvency Event occurs; or (iii) the Chargor fails to pay any Reinsured Final Settlement or Reinsured on Account Payment due in accordance with the terms of the Longevity Reinsurance Agreement.

**"Enforcement Notice"** means a notice, in writing, served by the Chargee on the Custodian in accordance with the term of the Amount Control Agreement (copied to the Chargor), stating that an Enforcement Event has occurred and is continuing.

**"EUI"** means Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited), incorporated in England and Wales under number 2878738, and includes any successor acting as operator of CREST.



"**FAL**" means Undershaft FAL Limited, a company incorporated in England and Wales with registered office at Pixham End, Dorking RH4 1QA (registered number 06363657).

"**Indemnity**" has the meaning given to it at Clause 6.7(c).

"**Independent Actuary**" has the meaning given to it in the Longevity Reinsurance Agreement.

"**Insolvency Act**" means the Insolvency Act 1986.

"**Insolvency Event**" shall occur with respect to the Chargor if it:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails, or admits in writing its inability generally, to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors generally;
- (d) either:
  - (i) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation by it or such regulator, supervisor or other official; or
  - (ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in Paragraph (d)(i) above and either:
    - (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
    - (B) is not dismissed, discharged, stayed or restrained in each case within fifteen (15) days of the institution or presentation thereof;
- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains

possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen (15) days thereafter;

- (h) causes or is subject to any event with respect to it, which, under the applicable laws of any jurisdiction with competent authority in respect of the Chargor, has an analogous effect to any of the events specified in paragraphs (a) to (g) (inclusive);
- (i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**"Liabilities"** means, in relation to the Chargor or, as the case may be, its successors pursuant to clause 10 of the Longevity Reinsurance Agreement, (i) its payment obligations to the Chargee under the Longevity Reinsurance Agreement; and (ii) its obligations to the Chargee under clause 8 of the Longevity Reinsurance Agreement.

**"Longevity Reinsurance Agreement"** means the contract entitled "Longevity Reinsurance Agreement" entered into between *inter alia* FAL (as reinsured) and the Chargee dated 28 January 2009 (as amended by (i) an addendum dated 28 January 2009, (ii) amendment agreements dated 30 June 2009 and 30 July 2009; and (iii) a supplemental agreement dated 13 May 2010) and as novated pursuant to the Novation.

**"LPA"** means the Law of Property Act 1925.

**"Matching-Instruction Deadline"** means (a) if the relevant Chargor Instruction is given by 2:00pm, London time on the relevant Business Day, within one Business Day of such Chargor Instruction being made; and (b) if the relevant Chargor Instruction is given after 2:00pm, London time on the relevant Business Day, by 10:00am on the second Business Day following the Business Day on which the Chargor Instruction is given.

**"Minimum Required Rating"** means a long-term credit rating of the higher of A- assigned by Standard & Poor's and assigned A3 by Moody's.

**"Moody's"** means Moody's Investor Services Limited or any successor to its ratings business.

**"Novation"** means the novation of the Longevity Reinsurance Agreement on 17 September 2015, whereby FAL was replaced by the Chargor (formerly Friends Life Limited) as the reinsured under the Longevity Reinsurance Agreement with effect from 1 October 2015.

**"Original Posted Collateral"** has the meaning given to it at Clause 6.7(b)(i).

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

**"Perfection Requirements"** means the making of the appropriate registration of this Deed with the Registrar of Companies for England and Wales, to register the Security granted by this Deed.

**"Permitted Amendment"** means any an amendment, supplement, extension or waiver that is administrative and mechanical in nature or relates to the fees payable by the Chargor to the Custodian from time to time and in either case does not give rise to a conflict with any provision of this Deed, the Longevity Reinsurance Agreement or the Account Control Agreement.

**"Permitted Custodian"** means a custodian assigned the Minimum Required Rating or higher and authorised and regulated by a UK Regulator.

**"Permitted Security"** means:

- (a) any Security Interest arising in favour of the Chargee hereunder;
- (b) any Security Interest arising in accordance with or contemplated by any Transaction Document;
- (c) any Security Interest arising by operation of law and routinely imposed on all securities in a clearing system or central securities depository in which any Debt Securities may be held from time to time;
- (d) any Security Interest created with the consent of the Chargee;
- (e) any Security Interest listed in the table below but only to the extent that it creates a floating charge over the Charged Property (or any part of them) that, as at the date of this Deed, has not crystallised:

In favour of	Created	Assets charged
Utmost Ireland Designated Activity Company (formerly Harcourt Life International Designated Activity Company)	2 September 2016, as amended on 19 June 2018	The assets of the Chargor from time to time and includes any part of them
Aviva International Insurance Limited	8 August 2014	All assets of Chargor the subject of any security created by the relevant deed, excluding any assets released from the security
Aviva Investors Pensions Limited	20 January 2016	The long-term insurance assets of the Chargor from time to time, and includes any part of them
Aviva International Insurance Limited	29 April 2016	All assets of Chargor the subject of any security created by the deed excluding any assets released from the security
Aviva International Insurance Limited	5 August 2016	All assets of Chargor the subject of any security created by the deed, excluding any assets released from the security

- (f) any 'Moss Charge' granted by the Chargor after the date of this Deed, being a floating charge granted in the Chargor's capacity as Reinsurer under a unit-linked fund link agreement, the intended effect of such charge being to allow the chargeholder to recover an amount of assets in the event of the Chargor's insolvency that is equal to that which the chargeholder would have been able to recover if it had been a directly insured policyholder of the Chargor, and which is stated to crystallise only in the event that a liquidator or similar person takes any step to distribute a dividend to creditors; and
- (g) any Security Interest granted after the date of this deed which provides that, unless and until all insurance debts (and other debts given substantially equivalent ranking to insurance debts by virtue of a 'Moss Charge' or similar instrument), have been discharged, the amount recoverable pursuant to that Security Interest shall not exceed the Security Interest holder's pro rata share of the aggregate amount that would have been available for distribution to ordinary unsecured creditors in a winding-up of the Chargor (after meeting all insurance debts, debts given substantially equivalent ranking by virtue of a 'Moss Charge' or similar instrument, preferential debts and other secured claims), had the Security Interest not been effected such Security Interest being subordinated at all times to the Security Interest created under this Deed.

**"Permitted Transfer"** means, in relation to the Chargor, any novation, transfer or assignment of its rights under the Custodian Agreement and the Account Control Agreement that occurs as the result of the consolidation, amalgamation or merger or transfer of all or substantially all of its assets or reorganisation, reincorporation, reconstitution into another entity provided that (i) the resulting, surviving or transferee entity assumes all of the obligations of the Chargor under the Transaction Documents; and (ii) the Security continues to be valid and enforceable.

**"Posted Collateral"** means all Cash, Securities, distributions, interest and all proceeds of any such Cash, Securities, distributions or interest that have been accrued, transferred to or received by the Custodian under the Account Control Agreement and the Custodian Agreement into the Accounts (or are held or recorded in or standing to the credit of the Account at such time, including, for the avoidance of doubt, any such assets which do not satisfy the Eligibility Criteria) and which have not been transferred to the Chargor, or released on behalf of the Chargee, in each pursuant to the terms of this Deed.

**"Receiver"** means a receiver and manager, or other receiver appointed in respect of the Charged Property under the LPA or under the terms of this Deed and shall, if allowed by law, include an administrative receiver.

**"Recoverable Liabilities"** any direct losses, liabilities, damages and expenses that the Chargor suffers or incurs.

**"Regulations"** means the Financial Collateral Arrangements (No.2) Regulations 2003, as amended, supplemented or varied from time to time.

**"Reinsured Final Settlement"** has the meaning given to it in the Longevity Reinsurance Agreement.

**"Reinsured on Account Payment"** has the meaning given to it in the Longevity Reinsurance Agreement.

**"Securities"** has the meaning given to it in the Account Control Agreement.

**"Securities Account"** means the account with the account [REDACTED] designated [REDACTED] [REDACTED] opened on the books and records of the Custodian in the name of the Chargor recording all Securities from or on account of the Chargor pursuant to the Custodian Agreement and the Account Control Agreement, or such other replacement or additional account for the same purpose as may be established by the Custodian or any successor custodian appointed in accordance with the terms of this Deed.

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

**"Security Interest"** means a mortgage, charge, encumbrance, pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Security Release Notice"** means the notice set out in Schedule 3 (*Form of Security Release*).

**"Settlement System"**, and a **"nominee of a Settlement System"** includes CREST and any other such settlement systems and nominees thereof wherever located which are from time to time used in connection with transactions relating to the Securities.

**"Standard & Poor's"** means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc. or any successor to its rating business.

**"Substitute Eligible Credit Support"** has the meaning given to it at Clause 6.7(b)(i).

**"Substitution"** means the transfer into, or the crediting of, the Accounts (or any of them) of Cash and/or Debt Securities satisfying the Eligibility Criteria and the subsequent transfer out of the Accounts of the applicable Charged Assets then held in the Accounts.

**"Tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**"Transaction Document"** means:

- (a) this Deed;
- (b) the Longevity Reinsurance Agreement;
- (c) the Custodian Agreement;
- (d) the Account Control Agreement; and
- (e) any other document designated as such by the Chargee and the Chargor.

**"UK Regulator"** means the Financial Conduct Authority and/or the Prudential Regulation Authority, or any successor governmental statutory or other authority or authorities that subsequently carry out the functions of the Financial Conduct Authority or the Prudential Regulation Authority as of the date of this Deed.

**"Value"** means the mid-market price notified by the Custodian to the Chargor pursuant to the terms of the Custodian Agreement as at the first Business Day of each month in pounds sterling.

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Deed to:
- a) "assets" includes present and future properties, revenues and rights of every description;
  - b) the "Chargor", the "Chargee" or any "Party" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - c) a "Transaction Document" or any other agreement or instrument is a reference to that Transaction Document or other agreement or instrument as amended, restated, replaced or novated;
  - d) "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;
  - e) a "person" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
  - f) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
  - g) a provision of law or statutory provision is a reference to that provision as amended or re-enacted from time to time and any subordinate legislation made or other thing done under the statutory provision.
- (b) Clause and Schedule headings are for ease of reference only.
- (c) Words in the singular, include the plural and vice versa.
- (d) The words the words "include", "includes" and "including" shall be construed as if they were followed by the words "without limitation".
- (e) Unless a contrary indication appears, a term used in any other Transaction Document or in any notice given under or in connection with any Transaction Document has the same meaning in that Transaction Document or notice as in this Deed.
- (f) An Enforcement Event is "continuing" if it has not been remedied or waived.

## 1.3 Third Party Rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

## 2. WAIVER AND ACKNOWLEDGEMENT

### 2.1 Notwithstanding any provision of the Longevity Reinsurance Agreement:

- a) the Chargee waives all of its rights to serve a notice to terminate the Longevity Reinsurance Agreement pursuant to clause 25.2.3 (*Termination*) of the Longevity Reinsurance Agreement;

- b) the Chargee waives all of its rights to claim any remedies available to it howsoever arising in relation to any breaches by the Chargor of clauses 7B (*AAC's obligation to enter into Security Instruments*), 8 (*Collateral*), 10 (*ASL to become the Reinsured in certain circumstances*), and/or 20.20 (*Covenants*) of the Longevity Reinsurance Agreement; and
- c) the Chargee waives all of its rights to claim any remedies available to it howsoever arising in relation to any breaches by the Chargor of paragraph 1(d) of Schedule 3 Part D (*Specification for Custodian Deed*) of the Longevity Reinsurance Agreement,

in the case of the waivers given pursuant to Clauses 2.1(a) and 2.1(b) only: (i) arising out of or in connection with the Novation; and (ii) arising up to (and including) the date of this Deed and (iii) without prejudice to any rights or remedies the Parties may have following the date of this Deed.

The waivers above shall be without prejudice to any other matters to which this clause does not relate.

**2.2 The Parties each acknowledge and agree that:**

- (a) by entering into this Deed and the relevant Account Control Agreement, they have discharged in full their obligations pursuant to clauses 7B (*AAC's obligation to enter into Security Instruments*), and as applicable, 10 (*ASL to become the Reinsured in certain circumstances*) of the Longevity Reinsurance Agreement; and
- (b) for the purposes of the Longevity Reinsurance Agreement:
  - (i) this Deed shall constitute a "Security Instrument" (as defined in the Longevity Reinsurance Agreement); and
  - (ii) each Account hereunder shall constitute an "Account" (as defined in the Longevity Reinsurance Agreement).

**3. UNDERTAKING TO PAY**

The Chargor covenants with the Chargee that it shall pay or otherwise discharge the Liabilities when due in accordance with the terms of the Longevity Reinsurance Agreement.

**4. SECURITY**

**4.1 Fixed Security over the Charged Assets**

The Chargor, with full title guarantee and free and clear of any other Security Interest, as continuing security for the discharge of all Liabilities charges in favour of the Chargee by way of first ranking fixed charge, all of its present and future right, title and interest in or to the Charged Assets, subject to any Permitted Security.

**4.2 Floating Charge**

The Chargor, with full title guarantee and free and clear of any other Security Interest, as continuing security for the discharge of all Liabilities, charges in favour of the Chargee by way of first ranking floating charge any or all of the assets expressed to be charged by Clause 4.1



(Fixed Charge over Account and Debt Securities) if and to the extent such assets and rights are not or have ceased to be effectively charged by way of fixed charge under Clause 4.1 (Fixed Charge over Account and Debt Securities), subject to any Permitted Security.

#### **4.3 Assignment**

The Chargor, with full title guarantee and free and clear of any other Security Interest, as continuing security for the discharge of all Liabilities, assigns and agrees to assign absolutely by way of first ranking security and charges by way of first fixed charge to the Chargee, all of its present and future rights, title and interest in and to the Assigned Rights, including, without limitation, all moneys payable to the Chargor, and any claims, awards and judgments made in favour of the Chargor at any time after an Enforcement Event has occurred, which is continuing.

#### **4.4 Ranking**

Subject to the Permitted Security, the charges and the assignments by way of security created by the Chargor rank in priority to any other Security Interest over the Charged Property.

#### **4.5 Conversion by notice**

The Chargee may at any time convert any floating charge into a fixed charge (either generally or specifically) by notice in writing to the Chargor specifying the relevant Charged Property, while an Enforcement Event has occurred and is continuing. The conversion shall take effect immediately on the date specified in such notice.

#### **4.6 Automatic conversion**

If:

- (a) the Chargor takes any step to create any Security Interest in breach of Clause 6.1 (Security) over any of the Charged Assets and/or Assigned Rights;
- (b) any person, other than the Chargee, takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of those Charged Assets and/or the Assigned Rights;
- (c) an Insolvency Event occurs; or
- (d) any of the 'Moss Charges' granted by the Chargor falling within sub-paragraphs (e) and/or (f) and/or (g) of the definition of Permitted Security crystallise and convert into fixed charges (either generally or specifically),

the floating charge over the relevant Charged Property shall automatically and immediately be converted into a first fixed charge.

#### **4.7 Separate Security Interests**

The first ranking fixed charges referred to in Clauses 4.1 and 4.3, the assignment by way of security referred to in Clause 4.3 and the first ranking floating charge referred to in Clause 4.2, shall each constitute separate and independent security subject to the terms of this Deed. The failure of any charge or assignment to be valid and enforceable under the laws of any relevant jurisdiction, or the failure of a charge or any particular assignment to constitute a "security financial collateral arrangement" for the purposes of the Regulations as implemented under the laws of any relevant jurisdiction, shall not prejudice the validity and enforceability of such other



charge or assignment, or, as applicable, the eligibility of such other charge or assignment to constitute a "security financial collateral arrangement" for such purposes.

#### 4.8 Financial collateral and Right of Appropriation

- a) Each Party acknowledges to the other Party that, notwithstanding any steps taken to comply with the Perfection Requirements, it intends for the Security created pursuant to this Deed to take effect as a "security financial collateral arrangement" (as defined in the Regulations).
- b) To the extent that any of this Deed and the transactions and arrangements documented under this Deed constitute a "security financial collateral arrangement", within the meaning of the Regulations, the Chargee shall have the benefit of all of the rights of a collateral taker conferred upon it by the Regulations at any such time that an Enforcement Event has occurred, and is continuing, and may, on or during any such time, by notice in writing to the Chargor and the Custodian, appropriate with immediate effect any Charged Asset comprising "financial collateral" which is subject to a "security financial collateral arrangement" (in both cases, within the meaning of the Regulations) and apply it in or towards the discharge of the Liabilities in such manner as it may determine, whether such Charged Asset is held by the Chargee or otherwise.
- c) The value of any Charged Asset appropriated under Clause 4.8(b) shall be:
  - (i) in the case of Cash, the amount of such Cash together with any accrued but unposted interest at the time the right of appropriation is exercised; and
  - (ii) in the case of a "financial instrument" (within the meaning of the Regulations), the current value of the net proceeds which the Chargee reasonably determines and acting in good faith would be received on a sale or other disposal, on an arm's length basis, of such asset (regardless of the Value of such asset) effected for payment as soon as reasonably possible after the time of exercise of the right of appropriation by reference to any relevant information, including, without limitation, one or more of the following pricing sources and methods:
    - (A) available prices for securities with similar maturities, terms and credit characteristics as the financial instrument supplied by one or more third parties;
    - (B) if the financial instruments are listed or traded on a recognised exchange, the value at which they could have been sold on the exchange on the date of appropriation;
    - (C) information consisting of relevant market data in the relevant market supplied by one or more third parties, including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market; or
    - (D) information of the types described in paragraph (A) or (C) above from internal sources if that information is of the same type used by the Chargee in the regular course of its business for the valuation of similar securities.

The Chargee may convert, where necessary, any net proceeds into British pounds sterling (or any other currency agreed by the Parties) at a market rate of exchange prevailing at the time of appropriation or set-off selected by the Chargee (acting reasonably). The Parties agree that the methods of valuation provided for in paragraph c) above shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

- d) The Chargee shall be accountable to the Chargor for any amount by which the value of the appropriated Charged Assets comprising financial collateral exceeds the Liabilities of the Chargor then due, and the Chargor shall remain liable to the Chargee for any amount by which the value of the appropriated Charged Assets comprising financial collateral is less than the Liabilities of the Chargor then due.
- e) The Chargor will pay all amounts payable under this Deed without any set-off, counterclaim or deduction whatsoever unless required by law or the terms of a Transaction Document, in which event the Chargor will pay an additional amount to ensure that the payee receives the amount which would have been payable had no deduction been required to have been made.

## **5. CUSTODIAN**

### **5.1 Appointment of the Custodian**

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

### **5.2 Authority of the Custodian**

Both the Chargor and the Chargee give authority to the Custodian to deal with the Charged Property in accordance with the terms of the Custodian Agreement and the Account Control Agreement.

### **5.3 Dealing with Charged Assets**

- (a) The Chargor shall have no sole rights to deal with the Charged Property and only the Custodian and the Parties acting jointly shall have the ability to deal with the Charged Property in accordance with the terms of this Deed, Custodian Agreement and the Account Control Agreement.
- (b) Following the occurrence of an Enforcement Event which is continuing and without any further consent or authorisation on the part of the Chargor, the Chargee may deliver an Enforcement Notice to the Custodian (copied to the Chargor), provided that a failure on the part of the Chargee to copy such notice to the Chargor shall not invalidate the same and, immediately following delivery of such notice:
  - a) the Chargor shall not be permitted to exercise, and shall not exercise or purport to exercise, any right which relates to the Charged Property; and
  - b) the Chargee shall be entitled at its discretion to exercise all such rights in the name and on behalf of the Chargor including any voting rights and any powers or rights which may

be exercised by the person or persons in whose name or names relevant Charged Assets is registered or who is bearer or holder of them.

- (c) Where an Enforcement Notice is served in respect of any Enforcement Event which is an Insolvency Event, at any time after the service of the relevant Enforcement Notice, the Chargee (without prejudice to any other rights it may have under this Deed, or any of the other Transaction Documents) may without notice to the Chargor, take such steps which it considers reasonable to retain, preserve or otherwise protect the Security.

#### **5.4 Replacement of the Custodian**

- (a) The Chargor may at any time, at its own expense with the prior written consent of the Chargee (such consent not to be unreasonably withheld or delayed), terminate the Custodian Agreement and, pursuant to a new custody agreement between the Chargor and the new custodian, appoint a new custodian, being a Permitted Custodian, and (subject to Clause 5.4(d) below) the Chargor shall procure, to the fullest extent possible, that the Posted Collateral shall be transferred out of the Accounts, to the new custodian, and such custodian shall thereafter be the Custodian and the custody agreement between the Chargor and the new custodian shall thereafter be the Custodian Agreement. It shall not be unreasonable for the Chargee to withhold or delay its consent if, in the reasonable opinion of the Chargee, such proposed termination (and/or subsequent appointment) will result in a deterioration of the Chargee's position as a secured party in relation to the Charged Property (provided that, if the new custodian is a Permitted Custodian, the Chargee may not base any such opinion on grounds related to the rating or financial strength of the new custodian).
- (b) Where the Chargor appoints a new Custodian in accordance with Clause 5.4(a) it shall (subject to Clause 5.4(d) below):
- (i) ensure that all of the Posted Collateral is, on transfer to the new Custodian, deposited into accounts held in England and Wales established by the new Custodian in the name of the Chargor and designated as accounts charged for the benefit of the Chargee (or in any similar manner consistent with the operating systems of the new Custodian), and such accounts shall thereafter be the Accounts;
  - (ii) enter into, and procure that the new Custodian enters into, a replacement Custodian Agreement and Account Control Agreement on terms substantially equivalent to the Custodian Agreement and Account Control Agreement agreed with the previous Custodian (insofar as material to the rights and interests of the Chargee); and
  - (iii) take all such steps as may be necessary to ensure the continuation of the Chargee's Security, or creation of new Security Interests in respect of the Accounts (including, as required, entering into a new security deed on terms substantially equivalent to this Deed (insofar as material to the rights and interests of the Chargee)).

- (c) The Chargor shall (subject to Clause 5.4(d) below) appoint a new Custodian pursuant to Clause 5.4(a) within 90 days of the Custodian ceasing to be assigned at least the Minimum Required Rating or following any termination of the Custodian Agreement and/or the Account Control Agreement, provided that the Chargor shall not be required to appoint a new Custodian under Clause 5.4(a) if no Custodian which is authorised by a UK Regulator and which is assigned the Minimum Required Rating or better is able to act as Custodian in relation to the Charged Assets.
- (d) In connection with any appointment (or proposed or required appointment) of a new Custodian and any associated transfers of assets from the Account, the Chargee shall give all reasonable assistance in connection with the same and shall, without prejudice to the generality of the foregoing, promptly enter into such documentation and give all necessary consents and instructions to as may be reasonably required to give effect to or enable such appointment (or proposed or required appointment) and/or transfers.

## **6. RESTRICTIONS AND FURTHER ASSURANCE**

### **6.1 Security**

The Chargor shall not create or permit to subsist any Security Interest over the Charged Property, except for any Permitted Security.

The Chargor hereby covenants that the creation of the Security over the Charged Property pursuant to this Deed:

- (a) shall not crystallise and convert any of the 'Moss Charges' granted by the Chargor falling within sub-paragraph (e) of the definition of Permitted Security into fixed charges (either generally or specifically); and
- (b) does not breach (i) any of the negative pledge covenants; and/or (ii) any other restriction on the creation of Security Interests, in each case included in any charging document relating to any "Moss Charge" falling within sub-paragraph (e) of the definition of Permitted Security.

### **6.2 Disposal**

The Chargor shall not (nor shall it agree to) (and it shall not instruct the Custodian to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer, assign, make a declaration of trust or otherwise dispose of any legal or equitable interest in or over any Charged Asset and/or Assigned Right, except under or pursuant to or as permitted by a Transaction Document.

### **6.3 Documents**

The Chargor shall promptly execute and/or deliver to the Chargee such documents relating to the Accounts as the Chargee reasonably requires.

### **6.4 Release of any Charged Assets from Security**

Subject to the provisions of Clause 6.6 (*Release Request*), the Chargor will not be able to release any of the Charged Property from the Security created by this Deed until the Chargee has executed a formal release in accordance with Clause 18.1 (*Final Redemption*), and then

shall only be required to pay any balance then remaining after making all withdrawals, debits, applications and set-offs and exercising all other rights which the Chargee is expressed to be entitled to make or exercise under this Deed and in accordance with the other Transaction Documents.

#### 6.5 Further assurance

The Chargor shall as soon as reasonably practicable do whatever the Chargee reasonably requires:

- (a) to perfect or protect the Security or the priority of the Security; or
- (b) if an Enforcement Event has occurred and is continuing, to facilitate the realisation of the Charged Assets or the exercise of any rights vested in the Chargee or any Delegate or Receiver,

including, without limitation, executing any transfer, conveyance, charge, assignment or assurance of the Charged Assets or Assigned Rights (whether to the Chargee or its nominees or otherwise), making any registration and giving any notice, order or direction.

#### 6.6 Release Request

The Chargor may request the consent of the Chargee to withdraw Posted Collateral from the Accounts, and thereby release such Posted Collateral from the Security created by this Deed in accordance with the provisions of clause 8 (*Collateral*) of the Longevity Reinsurance Agreement.

#### 6.7 Release

- (a) The Chargor shall in respect of any requests made under Clause 6.6 (*Release Request*) provide notice to the Chargee in respect of the withdrawal of any Posted Collateral in compliance with clause 8 (*Collateral*) of the Longevity Reinsurance Agreement. In the case of a notice to withdraw Posted Collateral from the Account the Chargee will promptly give effect to that request to the extent that the Chargor's request is in compliance with clause 8 (*Collateral*) of the Longevity Reinsurance Agreement and the terms of this Deed.
- (b) The Chargee shall, in respect of any requests made under Clause 6.6 (*Release Request*) to give effect to a Substitution, at all times acting reasonably and prior to the Matching-Instruction Deadline, either:
  - (i) agree to any request made by the Chargor pursuant to Clause 6.6 (*Release Request*), which is in compliance with the terms of the Transaction Documents, by submitting the Chargee Instruction to the Custodian required in order to give effect to a relevant Substitution by the transfer of specified Posted Collateral then held in the Account ("**Original Posted Collateral**") following the transfer into the Account (or any of them) of Cash and/or Securities satisfying the Eligibility Criteria ("**Substitute Eligible Credit Support**"), provided always that such Instruction or transfer shall be in respect of the Original Posted Collateral with a Value as at the date of transfer as close as practicable to, but in any event not more than, the Value of the Substitute Eligible Credit Support; or

- (ii) notify the Chargor that the request made by the Chargor pursuant to Clause 6.6 (*Release Request*) is not in compliance with the terms of the Transaction Documents, describing in adequate detail the reasons why the Chargee has made that determination.
- (c) The Chargee agrees to indemnify the Chargor against all Recoverable Liabilities arising out of or in connection with any failure by the Chargee to provide a Chargee Instruction as required by Clause 6.7(b) (the "**Indemnity**").
- (d) Subject to 6.7(e), each indemnity given by the Chargee under this Deed extends to all Recoverable Liabilities that the Chargor has suffered or incurred on the date on which it makes a claim under the Indemnity. There are no limits on the number of times the Chargor may make a claim under the Indemnity.
- (e) A claim under the Indemnity shall not cover the Chargor to the extent that a claim under it is:
  - (A) a reasonably foreseeable consequence of, and arises directly from, the Chargor's breach of a Transaction Document, negligence (provided that any investment decision by the Chargor to acquire, hold or dispose of any Debt Securities shall not be capable of amounting to negligence for the purposes of this Clause 6.7(b)(b)(ii)), fraud or wilful default under, or arising pursuant to, any of the Transaction Documents; and/or
  - (B) in respect of a Chargor Substitution where the Value of the Substitute Eligible Credit Support as at the date of transfer is less than the Value of the Original Posted Collateral as at the same date (the "**Value Condition**").
- (f) Where the Chargee acting reasonably notifies the Chargor that the Value Condition has not been satisfied (including, for the avoidance of doubt, following any Substitution), notwithstanding the terms of this Deed and any of the Transaction Documents, the Chargor shall promptly give an instruction to the Custodian to transfer Cash and/or Securities satisfying the Eligibility Criteria into the Account having a Value as at the date of transfer equal to any shortfall resulting from the Value Condition not being satisfied.
- (g) Nothing in this Clause 6.7 shall restrict or limit (i) the Chargor's general obligation at law to mitigate any loss it may suffer or incur as a result of an event that may give rise to a claim under the Indemnity; and (ii) any other rights of the Chargee under this Deed and the other Transaction Documents and/or under any applicable laws.

## **7. SECURITY ASSIGNMENT OF CUSTODIAN AGREEMENT AND ACCOUNT CONTROL AGREEMENT**

### **7.1 Chargor Still Liable**

The Chargor shall remain liable to perform all its obligations under the Custodian Agreement and the Account Control Agreement. Neither the Chargee nor any Delegate shall be under any obligation or liability to the Chargor or any other person under or in respect of the Custodian Agreement arising prior to delivery of an Enforcement Notice.

## **7.2 No Variation etc.**

Except as permitted by the Transaction Documents, the Chargor shall not, without the prior written consent of the Chargee:

- (a) amend, vary or waive (or agree to amend, vary or waive) any provision of the Custodian Agreement (other than a Permitted Amendment) and/or the Account Control Agreement;
- (b) exercise any right to rescind, cancel or terminate the Custodian Agreement and/or the Account Control Agreement;
- (c) release any counterparty from any obligations under the Custodian Agreement and/or the Account Control Agreement;
- (d) waive any breach by any counterparty or consent to any act or omission which would otherwise constitute such a breach;
- (e) make any claim or bring any litigation against any party under or in connection with the Custodian Agreement and/or the Account Control Agreement in respect of the Account and/or the Security; or
- (f) novate, transfer or assign any of its rights under the Custodian Agreement (other than a Permitted Transfer) and/or the Account Control Agreement.

## **7.3 Breach etc.**

The Chargor shall notify the Chargee of:

- (a) any material breach of or default under the Custodian Agreement and/or the Account Control Agreement by it or the Custodian;
- (b) any right of it or the Custodian arising to terminate or rescind the Custodian Agreement and/or the Account Control Agreement;
- (c) any claim made or threatened to be made by it or against it under or in connection with the Custodian Agreement and/or the Account Control Agreement in respect of the Account and/or the Security other than a claim by the Chargee; and/or
- (d) any 'Moss Charge' granted by the Chargor falling within sub-paragraph (f), or any Security Interest granted by the Chargor falling within sub-paragraph (g), in each case of the definition of Permitted Security granted after the date of this Deed,

promptly, on becoming aware of the same, or of granting the same (as the case may be). The Chargor shall provide the Chargee with reasonable details of any such breach, default, right of termination or rescission, claim or Security Interest and, as applicable, its progress, and notify the Chargee, as soon as practicable upon such breach, default or claim being resolved.

## **7.4 Performance of Obligations**

- (a) The Chargor shall perform all of its obligations under the Custodian Agreement and the Account Control Agreement in relation to the Accounts and the Charged Assets except to the extent that any such failure would not have, or would not reasonably be expected to have, a material adverse effect on the Chargee.



- (b) Without limiting the generality of Clause 7.4(a), if the Custodian makes a deduction from the Posted Collateral in the Account in respect of any unpaid fees or other amounts prior to the delivery of an Enforcement Notice, the Chargor shall, within two (2) Business Days of any such deduction, transfer additional Debt Securities or Cash to the Account of the same Value as such deduction.

#### **7.5 Information**

The Chargor shall as soon as is reasonably practicable provide the Chargee with any information it reasonably requires in relation to the Custodian Agreement and/or the Account Control Agreement.

### **8. GENERAL UNDERTAKINGS**

#### **8.1 Perfection Requirements**

The Chargor shall as soon as is reasonably practicable comply with the Perfection Requirements. The Chargee will perform all actions reasonably requested by the Chargor in order to facilitate the Chargor's compliance with the Perfection Requirements.

#### **8.2 No other prejudicial conduct**

Save as otherwise provided or permitted by the Transaction Documents, the Chargor shall not do, or permit to be done, anything which could prejudice the Security.

#### **8.3 Information**

The Chargor shall notify the Chargee of the occurrence of any Enforcement Event or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Transaction Documents or any combination of the foregoing) be an Enforcement Event (and of the steps, if any, being taken to remedy it) promptly upon becoming aware of it.

#### **8.4 Documents**

- (a) The Chargor must, following the occurrence of an Enforcement Event which is continuing, at the expense of the Chargor, deposit with the Chargee, if requested, all the relevant documents in respect of any of the Charged Property which is subject to the Security.
- (b) Except as contemplated otherwise by the Transaction Documents, the Chargee may retain the documents until the Security is discharged under Clause 18 (*Discharge of Security*).

### **9. REPRESENTATIONS AND WARRANTIES**

The Chargor makes the representations and warranties set out in Clauses 9.1 to 9.8 to the Chargee on the date of this Deed.

#### **9.1 Status**

- (a) It is a company, incorporated with limited liability and existing under the laws of England and Wales, and has the capacity to sue and be sued in its own name.
- (b) It has the power to own its assets and carry on its business as it is currently being conducted.



**9.2 Binding obligations**

Its obligations under the Transaction Documents constitute its legal, valid, binding and enforceable obligations subject, in the event of insolvency or analogous proceedings, to applicable laws relating to creditors' rights or the Perfection Requirements.

**9.3 Non-conflict with other obligations**

The entry into, execution, delivery and performance by it of, and the transactions contemplated by, this Deed do not in any material respect violate or conflict with:

- (a) any law or regulation of England and Wales applicable to it;
- (b) any provision of its constitutional documents;
- (c) any material order or judgment of any court or other agency of government applicable to it or any of its material assets;
- (d) any material contractual restriction binding on or affecting it or any of its assets, which (except for the Security) results in the creation of, or obliges it to create, any Security Interest over any of its assets.

**9.4 Power and authority**

It has full corporate, legal and regulatory authority and power to execute, deliver and perform its obligations hereunder and has taken all necessary action to authorise its entry into, delivery and performance of, this Deed.

**9.5 Validity and admissibility in evidence**

All Authorisations required or reasonably necessary:

- (a) to enable it lawfully to enter into, exercise its rights under and comply with its obligations under this Deed; and
- (b) to make this Deed admissible in evidence in the courts of England,

have been obtained or effected and are in full force and effect save for the Perfection Requirements.

**9.6 No existing Security**

Except for any Permitted Security, no Security exists on or over the Charged Property or any part thereof.

**9.7 Custodian Agreement**

- (a) The Custodian Agreement remains in full force and effect without amendment, supplement or variation, except as permitted by this Deed.
- (b) No material breach caused by the Chargor has occurred and is continuing under the Custodian Agreement.

#### 9.8 No Insolvency Event

It is not the subject of an Insolvency Event, nor (so far as it is aware) is such an event in contemplation or would result from entering into this Deed or any of the other Transaction Documents.

#### 9.9 Repeating Representations and Warranties

The Chargor represents and warrants to the Chargee (with each such representation and warranty being deemed to be repeated as of each date on which the Chargor transfers Cash and/or Debt Securities satisfying the Eligibility Criteria (the "**Transferred Collateral**") into the Accounts in accordance with the terms of this Deed and the Transaction Documents) that:

- (a) it is the sole and absolute beneficial owner of such Transferred Collateral and all other Charged Property, free and clear of any Security Interest (other than any Permitted Security) and no such Charged Property is subject to any prior ranking or pari passu Security Interest other than any Permitted Security;
- (b) it has the power to grant a Security Interest in such Transferred Collateral and in respect of the Charged Property and has taken all necessary actions to authorise the granting of such Security Interest;
- (c) the Chargee has, following such transfer, a valid security interest in such Transferred Collateral and the other Charged Property;
- (d) to the best of its knowledge, the Security Interests created by this Deed are not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise;
- (e) no Security Interests exist or have been granted over the Transferred Collateral other than the Security created pursuant to this Deed and (if applicable) any Permitted Security; and
- (f) the performance by it of its obligations under this Deed and under the Transaction Documents will not result in the creation of any Security Interest, in or on any Charged Assets or Charged Property other than the Security or any Permitted Security.

#### 9.10 The Parties acknowledge and agree that it is their intention that:

- (a) the Posted Collateral constitutes "financial collateral" as defined in, and for the purposes of, the Regulations;
- (b) this Deed and the obligations of the Chargor hereunder constitute a "security financial collateral arrangement" as defined in, and for the purposes of, the Regulations; and
- (c) the right to appropriate pursuant to this Deed is in accordance with Regulation 17 of the Regulations applies.

### 10. ENFORCEMENT

#### 10.1 Chargee's Rights

If at any time an Enforcement Event has occurred and is continuing, the security hereby created in favour of the Chargee shall become immediately enforceable and the Chargee shall be entitled to put into force and to exercise immediately or as and when it may see fit, for the purposes of discharging the Liabilities then due, any and every power possessed by the Chargee

by virtue of this Deed or available to a secured creditor (so that section 93 and section 103 of the LPA shall not apply to this Deed) and in particular (but without limitation) the Chargee shall, immediately or at any subsequent time and without prior notice to the Chargor, have power in respect of the Charged Property:

- (a) to enforce all or any part of the security created by this Deed (at the times, in the manner and on the terms it thinks fit);
- (b) apply or appropriate the Charged Assets in or towards the payment or discharge of any amounts payable by the Chargor with respect to any Liabilities then due in such order as the Chargee sees fit;
- (c) to hold, sell or otherwise dispose of all or any of the Charged Property on an arm's length basis at any time and in a commercially reasonable manner upon such terms as the Chargee shall in its absolute discretion determine (and the Chargee shall be entitled to apply the proceeds of such sale or other disposal in paying the costs (provided they are properly incurred) of that sale or disposal and in or towards the discharge of the Liabilities and to treat any Charged Assets that is in the form of Cash as if it were the proceeds of such sale or other disposal);
- (d) to collect, recover or compromise and to give a good discharge for any moneys payable to the Chargor in respect of any of the Charged Property;
- (e) secure and perfect its title to all or any part of the Charged Property (including transferring the same into the name of the Chargee or its nominee(s)) or otherwise exercise in relation to the Charged Property all the rights of an absolute owner;
- (f) 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 mortgagees or chargees and by this Deed on any Receiver or otherwise conferred by law on mortgagees, chargees or Receivers;
- (g) to exercise all the rights, powers and remedies possessed by it according to law as assignee of the rights of the Chargor under any of the Transaction Documents that have been assigned, by way of security, to the Chargee under this Deed; or
- (h) to set off all or any part of any amount payable by the Chargor with respect to any Liability against any obligation of the Chargee to pay any amount to the Chargor in respect of the Posted Collateral,

and for the purposes of this Clause 10.1, the Chargee shall be entitled to make any currency conversions at a market rate of exchange or effect any transaction in currencies, acting reasonably, which it thinks fit and to do so at a market rate of exchange at such times as it thinks fit.

Notwithstanding any other provisions of this Deed, the Liabilities shall be deemed for the purposes of section 101 of the LPA to have become due within the meaning of section 101 of the LPA and the power of sale and other powers conferred on mortgagees by the LPA as varied or extended by this Deed including the power to appoint a Receiver shall arise, immediately on

execution of this Deed (but shall only be exercisable at such time that an Enforcement Event is continuing).

## **11. CHARGEES RIGHTS**

### **11.1 Rights of Chargee**

Any rights conferred by any Transaction Document or by law upon a Receiver may be exercised by the Chargee, or to the extent permitted by law, an Administrator after the Security becomes enforceable, whether or not the Chargee shall have taken possession or appointed a Receiver of the Charged Assets or the Assigned Rights.

### **11.2 Delegation**

The Chargee may delegate in any manner to any person any rights exercisable by the Chargee under any Transaction Document. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Chargee thinks fit.

## **12. POWER OF ATTORNEY**

### **12.1 Appointment**

The Chargor, by way of security and solely for the purpose of more fully securing the performance of the Liabilities, irrevocably appoints the Chargee and any Receiver and any Delegate (or such person as the Chargee, such Receiver or such Delegate may nominate), with full powers of substitution and delegation, the attorney of the Chargor on its behalf and in the name of the Chargor or the Chargee (as the attorney may decide), to do all acts, and execute, seal, deliver and perfect all documents which the Chargee may reasonably consider to be necessary or expedient and which the Chargor could itself execute, in relation to any of the Charged Property or in connection with any of the matters provided for in this Deed, including (but without limitation):

- (a) to do anything which the Chargor is or may be obliged to do (but has not done) under this Deed; and
- (b) generally to exercise all or any of the rights conferred on the Chargee in relation to the Charged Assets or the Assigned Rights under or in connection with this Deed or any of the Transaction Documents.

### **12.2 Ratification**

The Chargor covenants to ratify and confirm whatever any attorney shall do or purport to do in the exercise or purported exercise of the power of attorney in Clause 12.1 (*Appointment*).

## **13. APPOINTMENT AND RIGHTS OF RECEIVERS**

### **13.1 Appointment of Receivers**

If:

- (a) requested by the Chargor;
- (b) any corporate action, legal proceedings or other procedure or step is taken in relation to the administration of the Chargor; or

- (c) an Enforcement Event is continuing (whether or not the Chargee has taken possession of the Charged Assets),

without any notice or further notice, the Chargee may, by deed, or otherwise in writing signed by any officer or manager of the Chargee or any person authorised for this purpose by the Chargee, appoint one or more persons to be a Receiver in respect of the Charged Assets or Assigned Rights or any part thereof. The Chargee may similarly remove any Receiver and appoint any person instead of any Receiver. If the Chargee appoints more than one person as Receiver, the Chargee may give those persons power to act either jointly or severally.

### **13.2 Scope of appointment**

Any Receiver may be appointed Receiver of all of the Charged Property or Receiver of a part of the Charged Property specified in the appointment. In the latter case, the rights conferred on a Receiver as set out in Schedule 1 (*Rights of Receivers*) shall have effect as though every reference in that Schedule to any Charged Property were a reference to the part of those assets so specified or any part of those assets.

### **13.3 Rights of Receivers**

Any Receiver appointed pursuant to this Clause 13 shall have the rights, powers, privileges and immunities conferred by the Insolvency Act on administrative or other receivers duly appointed under the Insolvency Act, any additional statutory powers and shall also have the rights set out in Schedule 1 (*Rights of Receivers*).

### **13.4 Agent of Chargor**

Any Receiver shall be the agent of the Chargor for all purposes. The Chargor alone shall be responsible for the Receiver's contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by the Receiver.

### **13.5 Remuneration**

The Chargee may determine the remuneration of any Receiver and direct payment of that remuneration out of moneys he receives as Receiver. The Chargor alone shall be liable for the remuneration and all other costs, losses, liabilities and expenses of the Receiver.

## **14. ORDER OF DISTRIBUTIONS**

### **14.1 Application of proceeds**

All amounts received or recovered by the Chargee or any Receiver or Delegate in exercise of their rights under this Deed shall, subject to the rights of any creditors having priority, be applied in the order provided in Clause 14.2 (*Order of distributions*).

### **14.2 Order of distributions**

The order referred to in Clause 14.1 (*Application of proceeds*) is:

- (a) in or towards the payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver or any Delegate and the exercise of any of his rights, including his remuneration and all outgoings paid by him;
- (b) in or towards the payment of the Liabilities in such order as the Chargee thinks fit; and

(c) in payment of any surplus to the Chargor or other person entitled to it.

## **15. LIABILITY OF CHARGEES, RECEIVERS AND DELEGATES**

### **15.1 Possession**

If the Chargee, any Receiver or any Delegate takes possession of the Charged Property, it or he may at any time relinquish possession. Without prejudice to Clause 15.2 (*Chargee's liability*), the Chargee shall not be liable as a mortgagee in possession by reason of viewing or repairing any of the present or future assets of the Chargor.

### **15.2 Chargee's liability**

Neither the Chargee nor any Receiver or Delegate shall (either by reason of taking possession of the Charged Property or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Chargor or any other person for any costs, losses, liabilities or expenses relating to the realisation of any Charged Property or from any act, default, omission or misconduct of the Chargee, any Receiver or Delegate or their respective officers, employees or agents in relation to the Charged Property or in connection with the Transaction Documents except to the extent caused by its or his own gross negligence, fraud or wilful default or misconduct.

## **16. PROTECTION OF THIRD PARTIES**

### **16.1 No duty to enquire**

No person dealing with the Chargee, the Receiver or any Delegate shall be concerned to enquire:

- (a) whether the rights conferred by or pursuant to any Transaction Document are exercisable;
- (b) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;
- (c) otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such rights; or
- (d) as to the application of any money borrowed or raised.

### **16.2 Protection to purchasers**

All the protection to purchasers contained in Sections 104, 107 and 109 (4) of the LPA, Section 42(3) of the Insolvency Act or in any other applicable legislation shall apply to any person purchasing from or dealing with the Chargee, any Receiver or any Delegate.

## **17. SAVING PROVISIONS**

### **17.1 Continuing Security**

Subject to Clause 18 (*Discharge of Security*), the Security constituted by this Deed shall be a continuing security, shall remain in full force and effect as a continuing security and shall not be satisfied by any intermediate payment or satisfaction of the whole or any part of the Liabilities, but shall secure the ultimate balance of the Liabilities. If for any reason this Security ceases to be

a continuing security, the Chargee may direct that the Chargor open a new account with the Custodian or continue the existing Accounts and the liability of the Chargor in respect of the Liabilities 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 or guarantee now or subsequently held by the Chargee for all or any of the Liabilities.

#### **17.2 Reinstatement**

Where:

- (a) any discharge in respect of the Security constituted by this Deed is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or any amount paid pursuant to any such discharge or arrangement must be repaid on bankruptcy, liquidation or otherwise without limitation, the Security constituted by this Deed and the liability of the Chargor under this Deed and in relation to the Liabilities shall continue as if there had been no such discharge or arrangement; and
- (b) the Chargee (acting reasonably and in good faith) considers that any amount paid or discharged under or in relation to the Liabilities is likely to be avoided or set aside in accordance with any applicable laws, that amount shall not be considered to have been paid or discharged for the purposes of determining whether all Liabilities have been irrevocably paid until such time as the Chargee (acting reasonably and in good faith) is satisfied that such amount paid or discharged will not be avoided or set aside in accordance with any applicable laws.

#### **17.3 Appropriations and Insolvency and Subsequent Interests**

- (a) Until all amounts which may be or become payable by the Chargor under or in connection with the Liabilities have been irrevocably paid in full, the Chargee may:
  - (i) refrain from applying or enforcing any other moneys, security or rights held or received by it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
  - (ii) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed or in relation to the Liabilities.
- (b) At any time after the Chargee has received or is deemed to have received notice of:
  - (i) any subsequent Security Interest (which is not Permitted Security) affecting all or any part of the Charged Assets; or
  - (ii) an Insolvency Event,then the Chargee may open a new account in the name of the Chargor (whether or not it permits any existing account to continue). If the Chargee does not open such a new



account, it shall be treated as if it had done so when the relevant notice was received or deemed to have been received and as from that time all payments made by or on behalf of the Chargor to the Chargee shall be credited or be treated as having been credited to the relevant new account and not as having been applied in reduction of the Liabilities as at the time the relevant notice was received or deemed to have been received.

- (c) Until all amounts which may be or become payable by the Chargor under or in connection with this Deed or the Liabilities have been irrevocably paid in full and unless the Chargee otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of the Liabilities:
- (i) to be indemnified by any person with respect to the Liabilities (or, as applicable, the relevant Liabilities);
  - (ii) to claim any contribution from any other provider of security for or guarantor of the Chargor's obligations with respect to the Liabilities (or, as applicable, the relevant Liabilities); and/or
  - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Chargee against the Custodian;

(any such rights being, for the purposes of this Clause 17.3, "**Chargor Rights**").

- (d) If the Chargor receives any benefit, payment or distribution in relation to Chargor Rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Chargee by the Chargor under or in connection with the Liabilities to be repaid in full on trust for the Chargee and shall promptly pay or transfer the same to the Chargee or as the Chargee may direct.

#### **17.4 Waiver of defences**

Neither the obligations of the Chargor under this Deed nor the Security will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under any Transaction Document or any of the Security including (but without limitation) and whether or not known to the Chargor or the Chargee:

- (a) any time, waiver or consent granted to, or composition with, the Chargor or any other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor of the Chargor or any such person;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or security over assets of, the Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;



- (e) any amendment (however fundamental) or replacement of a Transaction Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or security; or
- (g) any insolvency or similar proceedings.

Without prejudice to the above, the Chargor expressly confirms that it intends the Security shall extend from time to time to any variation, increase, extension or addition of or to the Liabilities.

#### **17.5 Immediate Recourse**

The Chargor waives any right it may have of first requiring the Chargee to proceed against or claim payment from any other person or enforce any guarantee or security before enforcing this Deed. This waiver applies irrespective of any law or any provision of any of the Transaction Documents or any other document to the contrary.

### **18. DISCHARGE OF SECURITY**

#### **18.1 Final redemption**

If the Chargee is satisfied (acting reasonably) that all of the Liabilities have unconditionally and irrevocably paid or discharged in full, the Chargee shall immediately release, reassign or discharge (as appropriate) the Charged Property from the Security and deliver on that date to the Chargor and the Custodian a Security Release Notice.

### **19. PAYMENTS**

#### **19.1 Payments**

All payments by the Chargor under this Deed (including damages for its breach) shall be made in the Currency of Account and to such account, with such financial institution and in such other manner as the Chargee may direct.

### **20. RIGHTS, AMENDMENTS, WAIVERS AND DETERMINATIONS**

#### **20.1 Ambiguity**

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

#### **20.2 Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of the Chargee, Receiver or Delegate any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law, including the right to appoint an Administrator under the Insolvency Act.

#### **20.3 Amendments and waivers**

Any term of this Deed may be amended or waived only with the consent of the Chargee and the Chargor.

#### 20.4 Certificates and determinations

Any certification or determination by the Chargee or any Receiver or any Delegate under this Deed is, in the absence of manifest error, prima facie evidence of the matters to which it relates.

#### 21. PARTIAL INVALIDITY

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 nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

#### 22. NOTICES

##### 22.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax, letter or telex.

##### 22.2 Addresses

The address, fax number and telex number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below, or any substitute address, fax number, telex number or department or officer as the Party may notify to the other by not less than five (5) Business Days' notice.

##### The Chargor

Address: Aviva Life & Pensions UK Limited  
Wellington Row  
York  
North Yorkshire  
England  
YO90 1WR

Attention: Nick Rowley, [REDACTED]

Email: [REDACTED]

Fax: Not applicable

Telex: Not applicable

##### The Chargee

Address: Reinsurance Group of America  
77 King Street West  
Toronto, ON  
Canada  
Attention: GFS Risk Management

Email:

Fax: Not applicable

Telex: Not applicable

### 22.3 Delivery

(a) Any communication or document made or delivered to the Chargor under or in connection with this Deed will only be effective:

- a) if by way of fax, when received in legible form; or
- b) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;
- c) if by way of telex, when despatched, but only if, at the time of transmission, the correct answerback appears at the start and at the end of the sender's copy of the notice; or
- d) if by way of e mail, on the date that it is delivered.

and, if a particular department or officer is specified as part of its address details provided under Clause 22.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Chargee will be effective only when actually received by the Chargee and then only if it is expressly marked for the attention of the department or officer identified with the Chargee's signature below (or any substitute department or officer as the Chargee's shall specify for this purpose).

### 23. COUNTERPARTS

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

### 24. GOVERNING LAW

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

### 25. JURISDICTION

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a "**Dispute**"). The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary or take any proceedings relating to a Dispute in any jurisdiction other than England.

### 26. COSTS AND EXPENSES

#### 26.1 Costs Indemnity by the Chargor

The Chargor shall indemnify the Chargee on demand against all reasonable costs, charges, losses, liabilities, expenses and other sums (including legal, accountants' and other professional

fees) ("**Costs**") (excluding any stamp duty, documentary or similar Taxes) expended, paid, incurred or debited on account by the Chargee:

- (a) in considering and responding to any request from the Chargor for a waiver or consent to any variation, amendment, extension or modification of, or supplement to, this Deed (for the avoidance of doubt, excluding any waiver given pursuant to the terms of this Deed); or
- (b) in enforcing, protecting, preserving or realising, or attempting to enforce, protect, preserve or realise, the Chargee's rights under this Deed (including in relation to the Security) following any Enforcement Event or any breach of any Transaction Document by the Chargor.

#### **26.2 Reimbursement by the Chargee**

Notwithstanding Clause 26.1, the Chargee shall repay to the Chargor any amounts paid by the Chargor to the Chargee under Clause 26.1(b) if, and to the extent:

- (i) an order or direction is made against the Chargee or in favour of the Chargor (including by an Independent Actuary) in relation to the substance of the Chargee's actions falling within the scope of Clause 26.1(b); or
- (ii) the Chargee agrees to cease its actions falling within the scope of Clause 26.1(b), unless it does so pursuant to a payment, admission or undertaking from the Chargor.

### **27. STAMP DUTIES**

#### **27.1 Payment of Stamp Duties**

The Chargor shall pay all stamp, documentary and similar Taxes, if any, payable in connection with the perfection of the Security created hereunder or the enforcement of such Security together with any interest and penalties thereon (except to the extent attributable to the unreasonable delay or default of the Chargee in paying or accounting for such Taxes).

#### **27.2 Due Date for Payment**

The Chargor shall pay sums due under this Clause 27:

- (a) in the case of assessable Taxes, no later than the date on which penalties for late payment of such Taxes would otherwise arise; or
- (b) in the case of Taxes which are not assessable (including United Kingdom stamp duty), no later than 5 Business Days after the date (if any) on which the Chargee, acting reasonably, determines that it needs to present any instrument perfecting the Security created hereunder, or any instrument which is necessary to enforce such Security, for registration or to any Tax or other authority or in judicial or arbitration proceedings in the United Kingdom and that presentation of a certified copy in such circumstances would not suffice.

**This Deed has been executed and delivered on the date stated at the beginning of this Deed.**

**SCHEDULE 1**  
**RIGHTS OF RECEIVERS**

The Receiver shall have the right, either in his own name or in the name of the Chargor or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person:

(a) **Enter into possession**

to take possession of, get in and collect the Charged Property, and to require payment to it of revenues deriving therefrom;

(b) **Custodian Agreement and Account Control Agreement**

to perform, repudiate, rescind or vary the Custodian Agreement and/or the Account Control Agreement;

(c) **Deal with Charged Assets**

to sell, transfer, assign, exchange or otherwise dispose of or realise the Charged Property to any person either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments spread over a period or deferred);

(d) **Borrow money**

to borrow or raise money either unsecured or on the security of the Charged Property (either in priority to the Security or otherwise);

(e) **Rights of ownership**

to manage and use the Charged Property and to exercise and do (or permit the Receiver or any nominee of it to exercise and do) all such rights and things as the Receiver would be capable of exercising or doing if he were the absolute beneficial owner of the Charged Property;

(f) **Claims**

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to the Charged Property;

(g) **Legal actions**

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Charged Property or any business of the Chargor;

(h) **Redemption of Security**

to redeem any Security Interest (whether or not having priority to the Security) over the Charged Property and to settle the accounts of any person with an interest in the Charged Property;

(i) **Other powers**

to do anything else it may think fit for the realisation of the Charged Property or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Transaction Document to which the Chargor is party, the LPA or the Insolvency Act.

EXECUTED as a DEED by AVIVA LIFE & PENSIONS UK LIMITED acting by

EMILY FIELD

~~Director AUTHORIZED SIGNATORY~~ as a attorney for Aviva Life & Pensions UK Limited under a power of attorney dated 16 December 2019.

in the presence of:

Name:

JINFEI DONG

Address:

WELLINGTON ROAD, YORK, YO90 1WR

EXECUTED as a DEED by RGA GLOBAL REINSURANCE COMPANY, LTD.

a company incorporated in Bermuda acting by

and

being persons who, in accordance with the laws of that territory, are acting under the authority of that company

EXECUTED as a DEED by AVIVA LIFE &  
PENSIONS UK LIMITED acting by

Director

in the presence of:

Name:

Address:

EXECUTED as a DEED by RGA GLOBAL  
REINSURANCE COMPANY, LTD.

a company incorporated in Bermuda acting by

Steve Pinner, SVP

and TONI D. GREENIDGE, ALTERNATE DIRECTOR

being persons who, in accordance with the  
laws of that territory, are acting under the  
authority of that company

Miss Watson-Roberts

Power House, 7 Pargilla Rd  
Hamilton HM 11, Bermuda