



**Registration of a Charge**

Company name: **SANTANDER (CF TRUSTEE) LIMITED**  
Company number: **03283088**



XA1J98LV

Received for Electronic Filing: **01/04/2021**

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**Details of Charge**

Date of creation: **25/03/2021**  
Charge code: **0328 3088 0002**  
Persons entitled: **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**  
Brief description:  
**Contains fixed charge(s).**  
**Contains negative pledge.**  
**Chargor acting as a bare trustee for the property.**

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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:

**WILLKIE FARR & GALLAGHER (UK) LLP**



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

Company number: 3283088

Charge code: 0328 3088 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th March 2021 and created by SANTANDER (CF TRUSTEE) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st April 2021 .

Given at Companies House, Cardiff on 7th April 2021

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

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TRUSTEE SECURITY AGREEMENT (ALLIANCE AND LEICESTER SECTION)

Dated as of \_\_\_\_\_ 25 March , 2021

*among*

SANTANDER (CF TRUSTEE) LIMITED

*as trustee of the Santander (UK) Common Investment Fund with respect to the Fund Balance of  
THE ALLIANCE AND LEICESTER SECTION OF THE SANTANDER (UK) GROUP PENSION SCHEME  
as Pledgor*

SANTANDER (UK) GROUP PENSION SCHEME TRUSTEES LIMITED

*as trustee of*

THE ALLIANCE AND LEICESTER SECTION OF THE SANTANDER (UK) GROUP PENSION SCHEME  
*as Scheme Trustee*

*and*

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA,  
*as Secured Party*

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TRUSTEE SECURITY AGREEMENT (ALLIANCE AND LEICESTER SECTION), dated as of 25 March, 2021 (this “**Agreement**”), among Santander (CF Trustee) Limited, a company incorporated in England and Wales with registered number 03283088 whose registered office is at Santander House, 201 Grafton Gate East, Milton Keynes, Buckinghamshire, MK9 1AN, United Kingdom, in its capacity as trustee of the Santander (UK) Common Investment Fund with respect to the Fund Balance of the Section, as pledgor (the “**Pledgor**”), Santander (UK) Group Pension Scheme Trustees Limited, a company incorporated in England and Wales with registered number 03283077, whose registered office is at Santander House, 201 Grafton Gate East, Milton Keynes, Buckinghamshire, MK9 1AN, United Kingdom, in its capacity as trustee for and on behalf of the Alliance and Leicester Section (the “**Scheme Trustee**”), and The Prudential Insurance Company of America, a life insurance company domiciled in the State of New Jersey whose principal place of business is at 751 Broad Street, Newark, New Jersey 07102, as secured party (the “**Secured Party**” and together with the Pledgor and the Scheme Trustee, collectively, the “**Parties**” and each a “**Party**”).

#### RECITALS

- (A) The Santander (UK) Common Investment Fund (“**CIF**”) is a common investment fund established by a Trust Deed dated 1 July 2008 (the “**CIF Trust Deed**”). The Pledgor is the trustee of the CIF and holds the money and assets from time to time comprised in the CIF, and income thereon, upon trust for the participating Holders. The Scheme Trustee in its capacity as trustee for and on behalf of the Section is a participating Holder in the CIF.
- (B) The Scheme Trustee in its capacity as trustee for and on behalf of the Section and Zurich Assurance Ltd. (the “**Insurer**”) have entered into that certain Insurance Agreement (Alliance and Leicester Section) dated the Execution Date (the “**Insurance Agreement**”) pursuant to which the Insurer has agreed to provide to the Scheme Trustee insurance, for the benefit of the Section, against the longevity risk and other demographic risks relating to certain Beneficiaries as further described therein.
- (C) The Insurer and the Secured Party have entered into that certain Reinsurance Agreement (Alliance and Leicester Section) dated the Execution Date (the “**Reinsurance Agreement**”), between the Insurer, as cedant, and the Secured Party, as reinsurer, pursuant to which the Insurer has ceded to the Secured Party its longevity risk and other demographic risks relating to certain Beneficiaries as further described therein.
- (D) The Scheme Trustee, the Pledgor, the Insurer and the Secured Party have entered into that certain Coordination Agreement (Alliance and Leicester Section) dated the Execution Date (the “**Coordination Agreement**”), among such Parties, which agreement sets forth their respective rights and obligations in respect of the operation and administration of the insurance and reinsurance provided under the Insurance Agreement and the Reinsurance Agreement.
- (E) Pursuant to the Coordination Agreement, the Insurer has directed the Scheme Trustee to pay each Termination Payment owing to the Insurer pursuant to the Insurance Agreement directly to the Secured Party, as reinsurer, and has assigned to the Secured Party its rights under the Insurance Agreement to collect and enforce its right to receive payment of any Early Termination Payments pursuant to the Insurer / Reinsurer Security Assignment (Alliance and Leicester Section) dated the Execution Date among the Insurer, as assignor, the Secured Party, as assignee, and the Scheme Trustee (the “**PICA Deed of Assignment**”).
- (F) In consideration of the Scheme Trustee not redeeming or otherwise appropriating the assets held on its behalf by the Pledgor pursuant to the CIF Trust Deed and further to the Scheme Trustee’s

request that they be applied in connection with its obligations under the Transaction Documents and in satisfaction of the Scheme Trustee's obligations to the Insurer under the Insurance Agreement and the corresponding obligations of the Insurer to the Secured Party, as reinsurer, under the Reinsurance Agreement, the Scheme Trustee, in its capacity as trustee for and on behalf of the Section, and as a participating Holder in the CIF, has requested the Pledgor to provide security to the Secured Party on the terms set forth in this Agreement and in the Account Control Agreement to secure the Secured Obligations.

- (G) The board of directors of the Pledgor is satisfied and has passed a resolution to that effect that the grant of a security interest in the Collateral and control over the Collateral Accounts in accordance with and pursuant to this Agreement and the Account Control Agreement, respectively, is in the interests of the Pledgor, and on that basis, the Pledgor desires and has agreed to provide security to the Secured Party on behalf of the Scheme Trustee, as set forth below.
- (F) For and in consideration of the premises and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereby agree as set forth below:

1. INTERPRETATION.

- (a) Each capitalized term used in this Agreement without definition has the respective meaning provided therefor in the Coordination Agreement. Unless otherwise defined in Annex 1, all terms defined in the UCC (defined in Annex 1) and used in this Agreement shall have the same definitions in this Agreement as specified in the UCC. Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meaning given to them in Annex 1.
- (b) In this Agreement unless the context requires otherwise or a contrary intention appears, references to the plural include the singular and to the singular include the plural, the part includes the whole, the term "including" is not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or". The words "hereof," "herein," "hereby," "hereunder" and other similar terms in this Agreement refer to this Agreement as a whole and not exclusively to any particular provision of this Agreement. Section, exhibit and annex references are to this Agreement unless otherwise specified. The preamble, the recitals, Annex 1 and all of the exhibits attached to this Agreement shall be deemed incorporated into this Agreement by reference, be part of this Agreement and be included in any reference to this Agreement. Any reference to this Agreement, or any of the other Transaction Documents includes any and all alterations, amendments, restatements, amendments and restatements, extensions, modifications, renewals, supplements or replacements thereof, as applicable. Any reference to any law, rule or legislation refers to such law, rule or legislation as in effect on the relevant date. The headings are for ease of reference only and do not affect interpretation of any provisions herein. Except as otherwise expressly provided herein, (x) when calculating the period of time "within", "prior to" or "following" (or any synonym of the foregoing) which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is excluded from the calculation and (y) if the last day of any such period is not a Business Day, such period will end on the next Business Day. In this Agreement unless the context requires otherwise or a contrary intention appears: (i) a reference to a time of day shall mean the time in New York; (ii) any reference to writing includes any form of electronic mail sent to the electronic address specified in Section 21.3; (iii) any reference to the Parties' "agreement" of any calculation or report shall include the "deemed agreement" of such calculation or report in accordance

with the applicable terms of this Agreement or any other Transaction Document unless otherwise expressly provided; and (iv) where any statement of the Pledgor, the Scheme Trustee and/or the Secured Party is qualified by the expression “so far as it is aware”, “to the best of its knowledge” or any similar expression, such expression shall mean the actual knowledge of, with respect to the Pledgor, any individual then employed by the Central Pensions Unit of the Scheme Sponsor, (B) with respect to the Scheme Trustee, any individual then employed by the Central Pensions Unit of the Scheme Sponsor, and (C) with respect to the Secured Party, any individual then employed by Prudential Fixed Income Operations.

## 2. PERFECTION OF THE SECURITY INTEREST

To ensure the perfection and first priority (subject to Permitted Liens) of, and the ability of the Secured Party to enforce its security interest in the Collateral, the Pledgor, the Secured Party and the Custodian are concurrently entering into the Account Control Agreement. The Account Control Agreement provides, among other things that, (i) with respect to the Collateral, the Custodian will comply with entitlement orders and disposition instructions originated by the Secured Party without further consent by the Pledgor and (ii) the Pledgor may, in the absence of an Exclusive Control Period, withdraw, substitute, invest and vote Collateral Assets, in each case, in accordance with the terms of the Account Control Agreement and the other Transaction Documents.

## 3. CREATION OF SECURITY INTERESTS

3.1 To secure the prompt payment and performance in full of the Secured Experience Obligations when due, the Pledgor hereby pledges, assigns, conveys and transfers to the Secured Party, and grants to the Secured Party, whether now owned or hereafter acquired or arising, whether governed by Article 9 of the UCC or other law, wherever located, a continuing security interest in, Lien on and right of set-off against all of the Pledgor’s right, title and interest in and to the Experience Collateral.

3.2 To secure the prompt payment and performance in full of the Secured Fee Obligations when due, the Pledgor hereby pledges, assigns, conveys and transfers to the Secured Party, and grants to the Secured Party, whether now owned or hereafter acquired or arising, whether governed by Article 9 of the UCC or other law, wherever located, a continuing security interest in, Lien on and right of set-off against all of the Pledgor’s right, title and interest in and to the Fee Collateral.

## 4. AUTHORIZATION FOR PUBLIC FILINGS.

The Pledgor hereby irrevocably authorizes the Secured Party at any time and from time to time to (i) register this Agreement at Companies House or (ii) file in any UCC jurisdiction financing statements (including amendments and continuations thereto) that (A) indicate the Collateral as being of equal or lesser scope or with greater detail than set forth in this Agreement and (B) contain any other information required for the sufficiency of filing office acceptance of any financing statement or amendment thereto. The Pledgor will furnish any such information to the Secured Party promptly upon the Secured Party’s request.

## 5. TRANSFERS OF COLLATERAL ASSETS

### 5.1 *Credits.*

(a) Pursuant to clause 2.1 of the Coordination Agreement, but subject to clause 2.2 of the Coordination Agreement, on or before the third (3<sup>rd</sup>) Business Day following the Execution

Date, the Scheme Trustee shall Transfer (or shall cause the Pledgor to Transfer) to the Custodian for Credit to the Fee Collateral Account Eligible Investments having an aggregate Collateral Value (as determined at the Valuation Time on March 17, 2021) equal to or greater than the Initial Fee Collateral Amount.

- (b) If a Daily Collateral Report for any Daily Collateral Review Date lists a Delivery Amount, then the Scheme Trustee shall Transfer (or shall cause the Pledgor to Transfer) to the Custodian for Credit to the Experience Collateral Account (in the case of any Experience Delivery Amount) or the Fee Collateral Account (in the case of any Fee Delivery Amount) Eligible Investments having an aggregate Collateral Value no less than such relevant Delivery Amount together with a Credit Instruction in accordance with the Account Control Agreement, in each case, no later than one (1) Business Day after the later of (i) the delivery of such Daily Collateral Report and (ii) the correction, in accordance with paragraph 4 of Part B of Schedule 7 of the Coordination Agreement, of any manifest error in calculation of the Delivery Amount given in such Daily Collateral Report; provided that such one (1) Business Day period shall be extended to three (3) Business Days (subject to practices customary in the jurisdiction or market where the transaction occurs) in the case of any Delivery Amount or portion thereof that both (x) exceeds fifteen million GBP (£15 million) and (y) has arisen solely due to a failure of one or more Collateral Assets to meet any applicable Issuer Limit or Eligibility Criteria.

## 5.2 *Withdrawals.*

- (a) If (i) a Daily Collateral Report for any Daily Collateral Review Date lists a Return Amount or (ii) the Valuation Report delivered by the Valuation Agent in respect of the Daily Collateral Review Date to which such Daily Collateral Report relates identifies any Collateral Asset, or portion thereof, Credited to the Collateral Account that is a Non-Eligible Collateral Asset, the Scheme Trustee may instruct the Pledgor to and the Pledgor may, subject to Section 5.4, deliver a fully authenticated Withdrawal Instruction to the Custodian in accordance with the Account Control Agreement, directing the Custodian to Transfer as specified therein (i) the relevant Non-Eligible Collateral Asset or (ii) Collateral Assets having an aggregate Collateral Value (as set forth in the most recently delivered Valuation Report) no greater than such Return Amount.
- (b) If, on any Business Day in respect of which no Delivery Amount is due from the Pledgor, Interest Income is Credited to a Collateral Account, the Pledgor may:
- (i) request the Withdrawal from such Collateral Account of Cash having an aggregate Collateral Value no greater than such Interest Income (the “**Interest Income Withdrawal Amount**”) by delivering to Secured Party an Interest Income Withdrawal Instruction and, together therewith, a report, in such form as the Parties may agree from time to time, setting forth the details of such Interest Income (an “**Interest Income Report**”); and
  - (ii) deliver such Interest Income Withdrawal Instruction authenticated by the Pledgor and the Secured Party (or, subject to Section 5.4, solely by Pledgor), to the Custodian directing it to Transfer such Interest Income Withdrawal Amount as set forth therein.
- (c) If the Account Control Agreement ceases to perfect the security interest granted in the Collateral to the Secured Party hereunder by control (a “**Perfection Impairment Event**”),

then, so long as an Exclusive Control Event has not occurred and is continuing, the Pledgor shall be permitted to deliver to the Custodian a Fee Collateral Transfer Instruction directing the Custodian to Transfer all Fee Collateral Assets to the PICA Restricted Collateral Account; provided if the Fee Collateral Assets are Credited to the PICA Restricted Collateral Account they shall not be subject to withdrawal or substitution, except as provided by the PICA Security Agreement and PICA Account Control Agreement, and upon their withdrawal from the PICA Restricted Collateral Account by the Secured Party, such Fee Collateral Assets shall only be available to satisfy the Secured Fee Obligations, as defined in the PICA Security Agreement, in accordance with the terms thereof, the PICA Account Control Agreement and the other applicable Transaction Documents.

### 5.3 *Substitutions.*

- (a) Subject to Section 5.4, the Pledgor may substitute any Collateral Asset for Substitute Collateral by concurrently (i) delivering to the Custodian a fully authenticated Substitution Instruction in accordance with the Account Control Agreement and (ii) causing to be Transferred to the Custodian Substitute Collateral having an aggregate Collateral Value at the time of Transfer to the Custodian that is no less than the aggregate Collateral Value of the applicable Prior Collateral, as set forth in the most recently delivered Valuation Report.
- (b) If (i) a Transaction Suspension Period occurs and at such time a Rehypothecation Suspension Trigger Event has occurred and is continuing, or (ii) an Exclusive Control Period has occurred, then on or before the fifth (5th) Business Day following the Pledgor's receipt of notice from the Secured Party to liquidate certain Corporate Bonds (which notice may be given on one or more occasions at any time during such period), the Pledgor may Credit any Eligible Investment (other than Corporate Bonds) to the Experience Collateral Account (in the case of a Transaction Suspension Period) or to the Fee Collateral Account (in the case of an Exclusive Control Period) to effect a Substitution of any Corporate Bond then Credited to such Collateral Account. If, immediately following the end of such five (5) Business Day period, any Corporate Bond remains Credited to such Collateral Account (a "Substitution Failure"), then the Secured Party may unilaterally deliver to the Custodian:
  - (i) where such Substitution Failure occurs during a Transaction Suspension Period and at such time a Rehypothecation Suspension Trigger Event has occurred and is continuing, a Notice of Termination of Rehypothecation Suspension; or
  - (ii) where such Substitution Failure occurs during an Exclusive Control Period, a Corporate Bond Liquidation Instruction.

### 5.4 *The Secured Party's Consent to Withdrawals and Substitutions.*

- (a) With the exception of any Fee Collateral Transfer Instruction delivered pursuant to Section 5.2(c), the Withdrawal of any Collateral Asset by the Pledgor pursuant to Section 5.2 (and not, for the avoidance of doubt, any Withdrawal made pursuant to Section 15), and the Substitution of any Collateral Asset by the Pledgor pursuant to Section 5.3, is subject to the consent of the Secured Party, which consent (1) shall not be unreasonably withheld or delayed and will be provided or refused within three (3) Business Days (the "Consent Deadline") of receipt by the Secured Party of a Withdrawal Instruction, Interest Income Withdrawal Instruction or Substitution Instruction authenticated by the Pledgor, and (2) shall be deemed to be given upon:

- (i) the Secured Party's authentication of the relevant Withdrawal Instruction, Interest Income Withdrawal Instruction or Substitution Instruction and return of the same to the Pledgor; or
- (ii) in the case of any Interest Income Withdrawal Instruction, the failure of the Secured Party by the Consent Deadline, subject to Section 5.4(b), either:
  - (A) to authenticate and return such Interest Income Withdrawal Instruction to the Pledgor; or
  - (B) to deliver to the Pledgor notice (an "Interest Income Withdrawal Dispute") disputing such proposed Withdrawal (and setting forth the details of such dispute),

in which case the Pledgor shall be permitted to unilaterally deliver the Interest Income Withdrawal Instruction to the Custodian in accordance with the Account Control Agreement.

- (b) Where the Secured Party consents to such Withdrawal or Substitution in accordance with Section 5.4(a) above, the Secured Party shall authenticate such Withdrawal Instruction, Interest Income Withdrawal Instruction or Substitution Instruction and deliver it to the Pledgor by the Consent Deadline. It shall be reasonable for the Secured Party to withhold or delay consent to a Withdrawal or Substitution from the Collateral Accounts if:
  - (i) an Early Termination Date has occurred;
  - (ii) an Exclusive Control Period has occurred and is continuing;
  - (iii) there is an outstanding Delivery Amount;
  - (iv) either the relevant Daily Collateral Report or the Valuation Report delivered therewith contains a manifest error that adversely affects the applicable Collateral Requirement or the Collateral Value of the Collateral Assets or the relevant Prior Collateral;
  - (v) with respect to a Withdrawal, the requirements of Section 5.2 are not satisfied, and the relevant Withdrawal Instruction or Interest Income Withdrawal Instruction contains a manifest error that adversely affects the Collateral Value of the remaining Collateral Assets Credited to the Experience Collateral Account or the Fee Collateral Account (as applicable) or the relevant Prior Collateral, or is made and in accordance with the resolution of a Reposting Dispute; or
  - (vi) with respect to a Substitution, the requirements of Section 5.3 are not satisfied, and the relevant Substitution Instruction contains a manifest error that adversely affects the Collateral Value of the Substitute Collateral or the relevant Prior Collateral.

#### 5.5 *Interest Income Withdrawal Disputes.*

If the Secured Party disputes an Interest Income Withdrawal Instruction (or the Interest Income Report delivered therewith), such dispute shall be resolved pursuant to section 5 of the Investment Guidelines Agreements (to the extent such dispute is a Valuation Dispute) or pursuant paragraphs

1 (*Referral to Expert*), paragraph 3 (*Collateral Expert*) and paragraph 6 (*Common Expert Provisions*) of Part B of Schedule 4 of the Coordination Agreement as though such provisions were set forth in full in this Agreement, *mutatis mutandis*; provided that for such purposes the “Cooperation Period” (as such term is used in such paragraph 1) shall be three (3) Business Days, and notwithstanding anything to the contrary in such paragraphs or any other provision of the Coordination Agreement or the Investment Guidelines Agreement applicable thereto, such dispute shall constitute a dispute under this Agreement, and Section 24 hereof shall apply thereto.

6. REHYPOTHECATION

6.1 *Secured Party's Right to Rehypothecate.*

- (a) The Parties agree that the Secured Party shall (i) have the right to unilaterally rehypothecate any Experience Collateral Assets, as provided in, and upon the terms of, this Agreement and (ii) not have the right to rehypothecate any Fee Collateral Asset Credited to the Fee Collateral Account.
- (b) Subject to Section 6.3, the Secured Party may unilaterally rehypothecate any Experience Collateral Assets held in or Credited to the Experience Collateral Account in accordance with, and subject to, this Section 6.1 (and each Experience Collateral Asset rehypothecated by the Secured Party shall be a Rehypothecated Collateral Asset, whether or not such Collateral Asset constitutes an Eligible Investment).
- (c) Each rehypothecation by the Secured Party pursuant to this Section 6.1 shall be consistent with customary market practices in New York. To exercise such rehypothecation right, the Secured Party, shall deliver to the Custodian a Rehypothecation Instruction in accordance with the Account Control Agreement, which notice shall identify the Experience Collateral Assets to be rehypothecated.
- (d) Subject to the Secured Party's obligations in respect of the Rehypothecated Collateral Assets under the terms of the Transaction Documents, the Secured Party may create a security interest in, invest or otherwise deal with any Rehypothecated Collateral Asset it controls, free from any claim or right of any nature of the Pledgor other than the claims and rights provided to the under this Agreement, the other Transaction Documents and Applicable Law.
- (e) The Parties represent and agree that for the purpose of this Agreement and all other Transaction Documents, as between the Parties, Collateral Assets that are Credited to the Experience Collateral Account include all Rehypothecated Collateral Assets that have been rehypothecated from the Experience Collateral Account.

6.2 *Conversion or Redenomination of Rehypothecated Collateral Assets.*

If any event or series of events occurs with respect to any Rehypothecated Collateral Asset, as a result of which such Rehypothecated Collateral Asset has been redenominated, converted, subdivided, consolidated, exercised, exchanged, the subject of a takeover or any other similar event, or constitutes solely the right to receive any other assets (including cash), the Secured Party shall promptly deliver to the Pledgor and the Valuation Agent a written notice, describing the relevant event and identifying such Rehypothecated Collateral Asset and the proceeds thereof.

6.3 *Limitations on the Secured Party's Right to Rehypothecation.*

Notwithstanding anything to the contrary in this Agreement or any other Transaction Document:

- (a) the Secured Party shall not rehypothecate or deliver any Rehypothecation Instruction to the Custodian in respect of:
  - (i) any Collateral Assets held in or Credited to the Fee Collateral Account; and
  - (ii) any Experience Collateral Assets held in or Credited to the Experience Collateral Account upon the occurrence and during the continuation of a Rehypothecation Suspension Trigger Event; and
  - (iii) any Experience Collateral Assets held in or Credited to the Experience Collateral Account following the Final Rehypothecation Date; and
- (b) the Secured Party shall not rehypothecate any Unrehypothecated Collateral Asset that is Credited to or held in the Experience Collateral Account that is the subject of any outstanding Withdrawal Instruction, Interest Income Withdrawal Instruction, Substitution Instruction, Investment Instruction or Corporate Instruction, in each case originated by the Pledgor (or as applicable Asset Manager), if a copy of such Instruction has been delivered to the Secured Party (unless, in the case of any Corporate Instruction, the Secured Party, acting reasonably, determines in good faith that the rehypothecation of such Unrehypothecated Collateral Asset contemplated by such Rehypothecation Instruction will not interfere with the execution of such Corporate Instruction).

6.4 *Return of Rehypothecated Collateral Assets and Rehypothecation Suspension Trigger Event*

- (a) At any time the Secured Party may cause any Rehypothecated Collateral Asset (or an Equivalent Asset) to be Transferred to the Experience Collateral Account.
- (b) If a Rehypothecation Suspension Trigger Event occurs and is continuing, the Secured Party shall, no later than five (5) Business Days following the occurrence of the relevant Rehypothecation Suspension Trigger Event, cause all Rehypothecated Collateral Assets (or Equivalent Assets) to be Transferred to the Custodian for Credit to the Experience Collateral Account.
- (c) If a Rehypothecated Collateral Asset is identified in any Withdrawal Instruction, Interest Income Withdrawal Instruction or Substitution Instruction, the Secured Party shall cause such Rehypothecated Collateral Asset (or an Equivalent Asset) to be Transferred to the Custodian for Credit to the Experience Collateral Account as soon as reasonably practicable, and subject to practices customary in the jurisdiction or market where the transaction occurs, within three (3) Business Days following the receipt by the Secured Party, of the applicable Withdrawal Instruction or Substitution Instruction.
- (d) Any Rehypothecated Collateral Asset (or an Equivalent Asset) that the Secured Party causes to be Transferred for Credit to the Experience Collateral Account pursuant to Sections 6.4(a), 6.4(b) or 6.4(c) shall be free and clear of all Liens other than any Permitted Liens (except any Permitted Lien described in limb (f) of the definition of "Permitted Lien", which Lien shall also be removed upon the Credit of such asset to the Experience Collateral Account); and

- (e) If the Secured Party causes an Equivalent Asset to be Transferred to the Custodian for Credit to the Experience Collateral Account, upon such Transfer, the original Rehypothecated Collateral Asset will:
  - (i) automatically without any action by any Party or other person, be released from the Lien granted to the Secured Party under this Agreement; and
  - (ii) cease to be either a Rehypothecated Collateral Asset or a Collateral Asset for the purposes of this Agreement and the other Transaction Documents, and the Secured Party, shall have the right to sell, pledge, assign, invest, commingle, or otherwise dispose of or use in its business, free from any claim or right of any nature of the Pledgor or the Scheme Trustee, including any equity or right of redemption of the Pledgor, the Scheme Trustee or any other person.

#### 6.5 *Reposting Disputes.*

If the Pledgor reasonably and in good faith believes that any Rehypothecated Collateral Asset (or Equivalent Asset) that is returned to the Collateral Account pursuant to Section 6.4 is not the relevant Rehypothecated Collateral Asset or an Equivalent Asset (such asset, the “Disputed Asset”), it may deliver a notice (the “Reposting Dispute Notice”) to the Secured Party describing such dispute (the “Reposting Dispute”). The Pledgor and the Secured Party agree that:

- (a) such Reposting Dispute shall be resolved pursuant to the provisions of paragraphs 1 (*Referral to Expert*), paragraph 3 (*Collateral Expert*) and paragraph 6 (*Common Expert Provisions*) of Part B of Schedule 4 of the Coordination Agreement as though such provisions were set forth in full in this Agreement, *mutatis mutandis*; provided that for such purposes the “Cooperation Period” (as such term is used in such paragraph 1) shall be three (3) Business Days, and notwithstanding anything to the contrary in such paragraphs or any other provision of the Coordination Agreement applicable thereto, such dispute shall constitute a dispute under this Agreement, and Section 24 hereof shall apply thereto;
- (b) such Disputed Asset shall be treated as a Collateral Asset (and, subject to the applicable Portfolio Criteria, an Eligible Investment) unless and until otherwise determined by the resolution of such Reposting Dispute; and
- (c) upon the resolution of such Reposting Dispute, the Pledgor or the Secured Party shall make such Credits or be permitted, subject to Section 5.4(a)(ii), to make such Withdrawals in accordance with the Account Control Agreement as may be required pursuant to such resolution.

#### 6.6 *Interest on Rehypothecated Collateral Assets.*

Unless an Enforcement Event has occurred and is continuing, all Rehypothecated Collateral Assets consisting of Cash shall accrue interest at a compounded rate of return on a daily basis no less than the Federal Funds Effective Rate (in the case of any such Cash denominated in USD) or Sterling Overnight Index Average (in the case of any such cash denominated in GBP). Such interest shall comprise Interest Income and may be withdrawn by the Pledgor pursuant to and in accordance with Section 5.2(b).

7. REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 *Representations, warranties and covenants of the Pledgor.*

- (a) The Pledgor represents and warrants to the Secured Party, that on the date hereof and on each date on which it Transfers Collateral Assets to the Custodian for Credit to the Collateral Account:
- (i) it is the absolute beneficial owner of the Collateral Assets (other than, with respect to any Repledged PICA Collateral Asset, any rights of the Secured Party to demand the return of such Repledged PICA Collateral Asset pursuant to and in accordance with the PICA Security Agreement) Credited to the Collateral Accounts and it has the rights and power to transfer ownership or rights in its securities entitlements with respect to such Collateral Assets in favor of the Secured Party under this Agreement;
  - (ii) as far as it is aware, no Collateral Asset is the subject of any claim, assertion, infringement, right, action or other restriction or arrangement of whatever nature which impinges, or may impinge, upon the validity of such Collateral Asset or upon the beneficial ownership, enforceability, enjoyment or utilization of the Collateral Asset;
  - (iii) as far as it is aware, all Collateral Assets Transferred to the Custodian have been Transferred in compliance with the CIF Trust Deed; and
  - (iv) it has not agreed to create any Lien (other than any Permitted Lien) over any of the Collateral.

The Pledgor covenants to the Secured Party that it shall not change its name, type of organization or other legal structure, jurisdiction of organization or the location of its chief executive office (or place of business if only one place of business), without giving written notice to the Secured Party within thirty (30) Business Days of any such change.

*Representations and warranties of the Scheme Trustee.*

The Scheme Trustee represents and warrants to the Secured Party, that on the date hereof and on each date on which it Transfers Collateral Assets to the Custodian for Credit to the Collateral Account:

as far as it is aware, the Pledgor will be the absolute beneficial owner of such Collateral Assets (other than any Repledged PICA Collateral Assets) when Credited to the Collateral Accounts and have the rights and power to transfer ownership or rights in its securities entitlements with respect to such Collateral Assets in favor of the Secured Party under this Agreement;

as far as it is aware, no such Collateral Asset is the subject of any claim, assertion, infringement, right, action or other restriction or arrangement of whatever nature which impinges, or may impinge, upon the validity of such Collateral Asset or upon the beneficial ownership, enforceability, enjoyment or utilization of the Collateral Asset;

- (c) as far as it is aware, all Collateral Assets Transferred by it to the Custodian have been Transferred in compliance with the Scheme Trust Deed;

it has not agreed to create any Lien (other than any Permitted Lien) over any of the Collateral.

*Covenants of the Pledgor and the Scheme Trustee.*

The Pledgor and the Scheme Trustee each severally covenants to the Secured Party that:

it shall defend the Collateral Assets (or cause them to be defended) against all claims and demands, to the extent made against it, of all persons at any time claiming the Collateral Assets or any interests therein materially adverse to the Secured Party or the Scheme Trustee, other than any person claiming a Permitted Lien;

except (i) as otherwise permitted pursuant to the Transaction Documents or (ii) with the prior written consent of the Secured Party, it shall not:

- (i) create, grant or permit to exist any Lien, other than a Permitted Lien, over all or any part of the Collateral;
  - (ii) allow the Secured Party's security interest in the Collateral to cease to be perfected by control;
  - (iii) sell or otherwise dispose of any right, title or interest in and to any Collateral Asset; or
  - (iv) withdraw any Collateral Asset from the Collateral Account or effect any Substitution (including any sale or disposition of any Collateral Asset);
- (c) it shall use its commercially reasonable efforts to ensure that the Asset Manager (if any) manages the Collateral Assets in a manner consistent with the terms of the Transaction Documents; and

it will give prompt notice to the Secured Party of any judgment or other lien or enforcement action of which it is aware, in each case that is reasonably foreseeable to give rise to an attachment, charging order or other Lien with respect to the Collateral.

*Additional Covenants of the Pledgor.*

The Pledgor covenants to the Secured Party that:

it shall promptly pay or cause to be paid when due all taxes, assessments, governmental charges and levies upon the Collateral Assets or incurred in connection with the Collateral Assets or this Agreement, except taxes that are being contested in good faith by appropriate proceedings and for which the Pledgor has set aside on its books adequate reserves;

it shall instruct the Custodian to deliver a copy to the Secured Party, of each confirmation that the Custodian sends to the Pledgor, with respect to the Collateral Account and use its commercially reasonable efforts to ensure that the Custodian complies with such instruction;

- (c) it shall appear in and defend any action or proceeding that is reasonably foreseen to adversely affect the Pledgor's title to, or the security interests of the Secured Party in the Collateral;
- (d) it shall not compromise or otherwise settle any such action or proceeding in a manner that impairs the Pledgor's title to or security interests of the Secured Party in the Collateral without the prior written consent of the Secured Party;
- (e) except as otherwise permitted by the Transaction Documents, it shall not (1) permit legal title to the Collateral Assets to be conferred on any person other than the Custodian, any Subcustodian or any Nominee of either the Custodian or the Subcustodian, or (2) permit such Collateral Assets to be held other than in accordance with the Account Control Agreement;

except as otherwise permitted by the Transaction Documents, it shall not close, or permit the closure of, the Collateral Account without the prior written consent of the Secured Party;

it shall use commercially reasonable efforts to ensure that all distributions on and proceeds of any Unrehypothecated Collateral Assets are paid directly into the applicable Collateral Account and, if it receives any proceeds of the Collateral other than into the applicable Collateral Account, it shall hold such amount for the account of the Secured Party, and shall immediately on becoming aware of receipt of such amounts, pay such amounts into the applicable Collateral Account;

it shall not transmit or initiate an Automated Instruction to the Custodian for any purpose other than to effect a Unilateral Instruction in accordance with the Account Control Agreement; and

following the delivery to the Custodian of a Notice of Exclusive Control, neither the Pledgor, the Asset Manager (if any), any Authorized Person of the Pledgor, nor any other person acting on the Pledgor's behalf will, prior to the earlier to occur of (i) the withdrawal of the Notice of Exclusive Control in accordance with Section 10.3 and (ii) the occurrence of the Security Termination, give any Instructions to the Custodian in respect of the Collateral other than a Credit Instruction.

*7.5 Representations, warranties and covenants of the Secured Party.*

- (a) The Secured Party represents and warrants to the Scheme Trustee and the Pledgor on each date on which it Transfers any Rehypothecated Collateral Asset (or Equivalent Asset) for Credit to the Experience Collateral Account, that:
  - (i) the Secured Party is the absolute beneficial owner of (i) the Rehypothecated Collateral Asset (other than any rights of the Pledgor for the return of such Rehypothecated Collateral Asset pursuant to and in accordance with this Agreement) or (ii) the Equivalent Asset to be Credited to the Experience Collateral Account and has the rights and power to transfer ownership or rights in its securities entitlements with respect to such Rehypothecated Collateral Asset or Equivalent Asset;

- (ii) as far as it is aware, such Rehypothecated Collateral Asset (or Equivalent Asset) is not the subject of any claim, assertion, infringement, right, action or other restriction or arrangement of whatever nature which impinges, or may impinge, upon the validity of such Rehypothecated Collateral Asset (or Equivalent Asset) or upon the beneficial ownership, enforceability, enjoyment or utilization of the Rehypothecated Collateral Asset (or Equivalent Asset) which, with respect to any Rehypothecated Collateral Asset, did not exist prior to the Secured Party's Withdrawal of such Rehypothecated Collateral Asset; and
- (iii) there is no Lien, other than any Permitted Lien (except any Permitted Lien described in limb (f) of the definition of "Permitted Lien", which Lien shall also be removed upon the Credit of such asset to the Experience Collateral Account), over such Rehypothecated Collateral Asset (or Equivalent Asset).

The Secured Party covenants to the Scheme Trustee and the Pledgor, that it will only deliver a Notice of Termination of Rehypothecation Suspension to the Custodian if no Rehypothecation Suspension Trigger Event has occurred and is continuing.

#### 7.6 *Covenants of the Pledgor and the Secured Party*

The Pledgor and the Secured Party each covenants and agrees, with respect to itself and subject to the applicable terms of the Transaction Documents, that:

- (a) it shall promptly and within the time period required by this Agreement or the Account Control Agreement, authenticate and deliver all Instructions and Notices required to be authenticated and delivered by it under this Agreement and the Account Control Agreement, *provided, that*, it has determined in its good faith discretion, that all conditions precedent to delivering such Instructions or Notices are satisfied; and
- (b) it shall, concurrently with the delivery to the Custodian of any Instruction or Notice, deliver a copy of such Instruction or Notice:
  - (i) to the Pledgor and the Scheme Trustee (in the case of any such delivery by the Secured Party); or
  - (ii) to the Secured Party (in the case of any such delivery by the Pledgor);

*provided, that*, the foregoing shall only apply to an Automated Instruction to the extent the on-line communication service used for such purpose produces a copy of such instruction.

#### 8. CONTINUANCE OF SECURITY AND COVENANTS

Subject to Section 17.1, until the occurrence of the Security Termination, (a) the Pledgor, the Secured Party and the Scheme Trustee hereby agree that the covenants and provisions contained in this Agreement shall remain in force as provided herein, (b) the Pledgor hereby agrees that the security interest granted by the Pledgor pursuant to this Agreement will be a continuing and first priority (subject to Permitted Liens) security interest in favor of the Secured Party to secure the Secured Obligations.

9. FURTHER ASSURANCE

Subject to the other Transaction Documents, the Pledgor shall at its own expense, promptly take all such action as the Secured Party may reasonably require for the purpose of the perfection, protection, maintenance or enforcement of any security interest granted to or intended to be granted to the Secured Party by or pursuant to this Agreement and the other Transaction Documents. In furtherance of the foregoing, the Pledgor and the Secured Party shall deliver any necessary direction to the Custodian (or direct the Custodian to deliver any necessary direction to any Subcustodian or any Nominee of either the Custodian or a relevant Subcustodian).

10. RIGHTS AND OBLIGATIONS OF THE SECURED PARTY

10.1 *Service of Notice of Exclusive Control and Notice of Enforcement Event:*

- (a) The Secured Party shall have all rights under Section 12 at the times specified therein, including the right to serve on the Custodian, in accordance with the Account Control Agreement:
- (i) a Notice of Exclusive Control at any time when an Exclusive Control Event has occurred and is continuing; or
  - (ii) a Notice of Enforcement Event at any time when an Enforcement Event has occurred and is continuing,

provided, that, in each case, such Exclusive Control Event or Enforcement Event has not been waived by the Secured Party or remedied in accordance with the Transaction Documents.

The Secured Party shall not be permitted to deliver a Notice of Exclusive Control or a Notice of Enforcement Event to the Custodian except as provided in Section 10.1(a). If the Secured Party does so when not permitted under Section 10.1(a), the Secured Party, shall, promptly (i) deliver to the Custodian a Notice of Termination of Exclusive Control or a Notice of Termination of Enforcement Event, as applicable, and (ii) reimburse the Pledgor for any Losses incurred by the Pledgor (if any), due to the delivery to the Custodian of such Notice of Exclusive Control or Notice of Enforcement Event, as applicable, or the failure to promptly deliver a Notice of Termination of Exclusive Control or Notice of Termination of Enforcement Event, as applicable, in accordance with Section 10.3.

10.2 *Power to give instructions.*

- (a) Following the delivery to the Custodian of a Notice of Exclusive Control and during an Exclusive Control Period, the Pledgor hereby irrevocably authorizes the Secured Party, to give entitlement orders and other instructions to the Custodian in accordance with the terms of the Account Control Agreement; provided, that, until the occurrence of an Enforcement Event, the Secured Party may not unilaterally deliver a Withdrawal Instruction or Substitution Instruction to the Custodian in respect of any Collateral Asset, and any Collateral Asset withdrawn by the Secured Party during the continuance of any Enforcement Event (and the proceeds thereof) may only be applied to fund or discharge the Secured Obligations that are due and owing (subject to Section 12.2(b)), where applicable), and any surplus after payment in full of the Secured Obligations will be promptly distributed as provided in Section 17.1 or Section 17.2, as applicable.

Following the service by the Secured Party of a Notice of Exclusive Control in accordance with the Account Control Agreement, neither the Pledgor nor the Asset Manager (if any), will cause any Notices or Instructions to be delivered to the Custodian (other than Credit Instructions or fully authenticated Joint Instructions) in respect of the Collateral until the Notice of Exclusive Control is withdrawn by the Secured Party, in accordance with Section 10.3 or the security hereunder is released and discharged in accordance with Section 17.

10.3 *Termination of Notice of Exclusive Control or Notice of Enforcement Event.*

Following (i) the remedy, or waiver by the Secured Party, of all Exclusive Control Events or all Enforcement Events, as applicable, in accordance with the Transaction Documents or (ii) the agreement or determination pursuant to schedule 4 of the Coordination Agreement that no such Exclusive Control Event or Enforcement Event has occurred or is continuing, the Secured Party shall deliver a Notice of Termination of Exclusive Control or a Notice of Termination of Enforcement Event, as applicable, to the Custodian within one (1) Business Day following such satisfaction, waiver, agreement or determination. Each Notice of Termination of Exclusive Control and each Notice of Termination of Enforcement Event shall inform the Custodian that the corresponding Notice of Exclusive Control or Notice of Enforcement Event is thereby revoked and direct the Custodian to act on the instructions of the Pledgor under, in accordance with and to the extent provided by the terms of the Account Control Agreement from the date of such notice. Any termination of a Notice of Exclusive Control or Notice of Enforcement Event pursuant to this Section 10.3 shall not limit the Secured Party's right to serve in accordance with this Agreement another Notice of Exclusive Control or Notice of Enforcement Event if an Exclusive Control Event or Enforcement Event, as applicable shall subsequently occur.

11. POWER OF ATTORNEY

11.1 *Appointment as Attorney-in-Fact.*

The Pledgor hereby irrevocably appoints the Secured Party and any officer or agent thereof with full power of substitution, as its true and lawful attorneys-in-fact with full power and authority in the place of the Pledgor or in the Secured Party's own name unless otherwise required pursuant to this Agreement or any other Transaction Document,

- (a) upon the proper delivery of the Notice of Enforcement Event and continuance of an Enforcement Event:
  - (i) without notice to or assent by the Pledgor or the Scheme Trustee,
    - (A) to authenticate and deliver and otherwise perfect any agreement, assurance, deed, transfer or other document and to take steps to effect the intent of this Agreement and the Account Control Agreement in each case, which the Secured Party may reasonably consider to be necessary for the perfection or preservation of the security intended to be constituted by this Agreement;
    - (B) to do at the expense of the Pledgor, at any time, or from time to time, all acts and things that the Secured Party deems reasonably necessary or advisable to protect and preserve the Collateral in order to effect the intent of this Agreement, all as fully and effectively as the Pledgor or the Scheme Trustee might do;

- (ii) upon prior written notice to the Pledgor, to exercise voting rights with respect to securities, which rights may be exercised, if the Secured Party so elects, with a view to causing the liquidation in a commercially reasonable manner of assets of the issuer of any such securities; and
- (iii) unless otherwise required pursuant to this Agreement or any other Transaction Document, without notice to or assent by the Pledgor or the Scheme Trustee, to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the UCC and as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do at the Pledgor's expense, at any time, or from time to time, all acts and things that the Secured Party deems necessary or advisable to realize upon the Collateral and the Secured Party's security interest therein, in order to effect the intent of this Agreement and the other Transaction Documents, all as fully and effectively as the Pledgor or the Scheme Trustee might do, including giving Withdrawal Instructions to the Custodian and executing, delivering and recording, in connection with any sale or other disposition of any Collateral, endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral.

#### 11.2 *Ratification by the Pledgor and the Scheme Trustee.*

The Pledgor and the Scheme Trustee each hereby ratifies and confirms all things lawfully done in compliance with this Section 11; *provided, that*, the Pledgor, by virtue of such ratification, does not release any claim that the Pledgor may otherwise have against the Secured Party or any officer or agent thereof, for any such acts made or taken by the Secured Party or any officer or agent thereof, through gross negligence or willful misconduct or not in compliance with this Agreement (including this Section 11) and the other Transaction Documents. The power of attorney conferred under this Section 11 is coupled with an interest and is irrevocable until the occurrence of a Security Termination.

#### 11.3 *Power to appoint substitutes.*

The Secured Party may, in connection with the exercise of its rights under this Section 11, appoint substitutes and delegates and may authorize any person appointed as substitute or delegate to make further appointments, but such substitutes and sub-delegates shall act as agent of the Secured Party and the Secured Party shall be solely responsible for their acts.

#### 11.4 *Acts and documents binding on the Pledgor and the Scheme Trustee.*

All acts done and documents executed or signed by the Secured Party or its appointed substitutes, agents and delegates in purported exercise of the power of attorney conferred under this Section 11 shall for all purposes be valid and binding on the Pledgor, the Scheme Trustee and their respective successors and assigns, to the extent that such exercise of the power of attorney was in compliance with this Agreement and the other Transaction Documents.

### 12. REMEDIES

#### 12.1 *Exclusive Control Period.*

During an Exclusive Control Period, the Secured Party, without any other notice to or demand upon the Pledgor or the Scheme Trustee, has the right to exercise control of the Collateral pursuant to

the Account Control Agreement and the other Transaction Documents or, subject to Section 5.3(b), deliver a Corporate Bond Liquidation Instruction to the Custodian; *provided, that* unless an Enforcement Event has occurred and is continuing, the Secured Party shall not unilaterally deliver to the Custodian in respect of any Collateral Asset (i) any Withdrawal Instruction or Substitution Instruction that, in each case, is not a Joint Instruction authenticated by the Pledgor and Secured Party in accordance with the Account Control Agreement or (ii) following the Final Rehypothecation Date, any Rehypothecation Instruction.

## 12.2 *Enforcement Event:*

- (a) Upon the occurrence and during the continuance of any Enforcement Event, the Secured Party, without any other notice to or demand upon the Pledgor or the Scheme Trustee, shall have, in any jurisdiction in which enforcement hereof is sought, all rights and remedies of a secured party under the UCC, other Applicable Law and under the Transaction Documents and in equity, including to the extent permitted under all Applicable Law, the right to:
- (i) exercise exclusive control of the Collateral pursuant to the Account Control Agreement and the other Transaction Documents; and
  - (ii) realize upon the Collateral in any order and in any manner it so elects, in its absolute discretion, in order to satisfy the Secured Obligations as provided in the Coordination Agreement and the other Transaction Documents; *provided, that* it shall not realize upon any Fee Collateral to satisfy any Provisional Early Termination Payment or any Termination Payment Adjustment Amount if the Final Risk Fee Amount is zero GBP (£0).

Except with respect to (i) Repledged PICA Collateral Assets Credited to the Experience Collateral Account pursuant to the PICA Security Agreement, and (ii) Collateral that is of a type that is customarily sold on a recognized market, is perishable or threatens to decline speedily in value, the Secured Party shall give the Pledgor and the Scheme Trustee at least ten (10) days' prior written notice of the date, time and place of any public sale of such Collateral Assets or of the date after which any private sale or any other intended disposition of such Collateral Assets is to be made by or on behalf of the Secured Party in connection with the exercise of its rights and remedies pursuant to Section 12.2(a).

- (c) The Pledgor and the Scheme Trustee each hereby acknowledges that ten (10) days' prior written notice of any sale or other disposition made by or on behalf of the Secured Party in connection with the exercise of its rights and remedies pursuant to Section 12.2(a) is reasonable notice and that any such notice sent in accordance with Section 21.2 is reasonable.

## 12.3 *Standards for Exercising Remedies.*

Any sale or other disposition of the Collateral conducted in conformity with reasonable commercial practices of banks, insurance companies or other financial institutions in the city and state where the Custodian is located in disposing of assets similar to the Collateral shall be deemed to be commercially reasonable; *provided, that*, it is not commercially unreasonable for the Secured Party to decline to provide credit to any potential purchaser of the Collateral in connection with the Secured Party's disposition of the Collateral. The Pledgor acknowledges that other actions or

omissions by the Secured Party shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 12.2(a).

13. MARSHALLING

The Secured Party shall not be required to marshal any present or future collateral security (including, but not limited to, this Agreement and the Collateral) for, or other assurances of payment of the Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, the Pledgor hereby agrees that it will not invoke any law relating to the marshalling of collateral under this Agreement or under any other instrument, and, to the extent that it lawfully may, the Pledgor hereby irrevocably waives the benefits of all such laws and any right to require the marshalling of any of the Collateral.

14. COSTS AND EXPENSES; PROCEEDS OF DISPOSITIONS

14.1 The Pledgor and the Scheme Trustee shall within three (3) Business Days of the Secured Party's written demand, pay to the Secured Party the amount of all reasonable documented costs and expenses (including legal, valuation, accountancy and consultancy fees and disbursements and out of pocket expenses) and any tax (including any value added tax) thereon (if any), reasonably and properly incurred by the Secured Party or its agent, in its own name during the continuance of any Enforcement Event, or in the place of the Pledgor pursuant to the power of attorney granted under Section 11, and prior to such Enforcement Event being cured, waived or otherwise no longer subsisting, in connection with the exercise of any enforcement rights under this Agreement or any other Transaction Document. For the avoidance of doubt, the Pledgor and Scheme Trustee shall not be required to pay the Secured Party any amounts incurred due to the Secured Party's negligence, bad faith, fraud, willful misconduct or breach of any Transaction Document. After deducting all of said expenses, the residue of any proceeds of collection or sale of the Collateral Assets shall be applied, to the extent received in cash:

first, subject to Section 12.2(b), to the payment of the Secured Obligations (other than inchoate contingent indemnification obligations) in such order or preference as provided for in the Coordination Agreement; and

(b) thereafter, provided there are no UCC Section 9-608(a)(1)(c) or 9-615(a)(3) payments due and owing, any excess Collateral Assets shall be returned to the Pledgor.

15. TERMINATION PAYMENTS

15.1 *Payment in Cash.*

In satisfaction of the Scheme Trustee's obligation to pay any relevant Termination Payment under the Insurance Agreement and pursuant to clause 15.4.1(b) or clause 15.7.1(b) of the Coordination Agreement, as applicable, the Pledgor or the Scheme Trustee may within one (1) Business Day of the Termination Notification Date elect to pay such entire amount in Cash to the Secured Party's Bank Account (the "Cash Payment") pursuant to clause 15.4.1(c)(i) or 15.7.1(c)(i) of the Coordination Agreement, as applicable.

## 15.2 *Payment in Kind.*

- (a) If neither Pledgor nor the Scheme Trustee satisfies the relevant Termination Payment in full in accordance with clause 15.4.1(c)(i) or clause 15.7.1(c)(i) of the Coordination Agreement, as applicable, then Pledgor shall satisfy such Termination Payment in accordance with the following; provided that, the Parties agree that the Fee Collateral Assets (and Fee Collateral Assets that have been Transferred to the PICA Restricted Collateral Account pursuant to clause 14.1.5 of the Coordination Agreement) may only be used to satisfy any Termination Payments if the Final Risk Fee Amount is zero GBP (£0) where the Pledgor or the Scheme Trustee agrees to such application:
  - (i) by the application and release to the Secured Party of Rehypothecated Collateral Assets and/or Repledged Collateral Assets and Fee Collateral Assets (if any) Credited to the PICA Restricted Account pursuant to and in accordance with clause 15.4.1(c)(ii) or clause 15.7.1(c)(ii) of the Coordination Agreement; and
  - (ii) if the payment made pursuant to Section 15.2(a)(i) does not satisfy the Termination Payment in full, by the Transfer and release of Unrehypothecated Collateral Assets (other than any Repledged PICA Collateral Assets Credited to the Experience Collateral Account) and/or the payment of Cash to the Secured Party pursuant to and in accordance with clauses 15.4.1(d)(i) or 15.4.1(d)(ii) or clauses 15.7.1(d)(i) or 15.7.1(d)(ii) of the Coordination Agreement, as applicable.
- (b) If any assets are to be withdrawn from any Collateral Account or the PICA Restricted Collateral Account pursuant to Section 15.2(a), the Pledgor shall deliver a notice (a “**Payment in Kind Election Notice**”) specifying the assets that it elects to Transfer and release to the Secured Party for application to the relevant Termination Payment, and the aggregate and individual Market Values of such Collateral Assets as set forth in the relevant Termination Valuation Materials.
- (c) If such Payment in Kind Election Notice specifies any Repledged Collateral Assets that are Rehypothecated Collateral Assets, that, in either case, are to be withdrawn from the PICA Restricted Collateral Account pursuant to Section 15.2(a)(i), then:
  - (i) together with such Payment in Kind Election Notice, the Pledgor shall, in its capacity as secured party under the PICA Account Control Agreement, authenticate and deliver to the Secured Party, in its capacity as pledgor under the PICA Account Control Agreement, a Withdrawal Instruction (as defined therein), which Withdrawal Instruction shall identify the Repledged Collateral Assets (and Fee Collateral Assets (if any)) to be Transferred to the Secured Party from the PICA Restricted Collateral Account; and
  - (ii) the Secured Party, in its capacity as pledgor under the PICA Account Control Agreement, shall promptly authenticate such Withdrawal Instruction and deliver such Withdrawal Instruction to the Custodian pursuant to the PICA Account Control Agreement.
- (d) If such Payment in Kind Election Notice identifies any Collateral Assets to be withdrawn from a Collateral Account pursuant to Section 15.2(a)(ii), then:

- (i) together with such Payment in Kind Election Notice, the Pledgor shall authenticate and deliver to the Secured Party, a Withdrawal Instruction, which Withdrawal Instruction shall identify the Collateral Assets to be Transferred to the Secured Party from such Collateral Account; and
- (ii) the Secured Party shall promptly authenticate such Withdrawal Instruction and deliver such Withdrawal Instruction to the Custodian pursuant to the Account Control Agreement.

15.3 *Pledgor's Rights to Apply Repledged PICA Collateral Assets.*

If any Termination Payment Adjustment Amount is due to the Scheme Trustee and the Secured Party fails to satisfy such Termination Payment Adjustment Amount in full in accordance with section 15.1 or section 15.2 of the PICA Security Agreement, the Pledgor shall be permitted to withdraw and apply against such Termination Payment Adjustment Amount Repledged PICA Collateral Assets that are Credited to the Experience Collateral Account (having an aggregate Market Value no greater than the remaining balance of the Termination Payment Adjustment Amount, after giving effect to each payment made pursuant to section 15.1 or section 15.2 of the PICA Security Agreement).

15.4 *Determinations of Market Value.*

For the purposes of Section 15.2, the Market Value of any:

- (a) Rehypothecated Collateral Asset or Repledged Collateral Asset applied to any Termination Payment shall be the Market Value of such Collateral Asset set forth in the relevant Termination Valuation Report as determined at the applicable Valuation Time in accordance with clause 15.3 or clause 15.6 of the Coordination Agreement, as applicable;

Unrehypothecated Collateral Asset applied to any Termination Payment shall be the Market Value of such Collateral Asset as at the Valuation Time on the Business Day immediately prior to (i) the delivery of such Payment in Kind Election Notice or (ii) if such notice is not delivered and such assets are applied to satisfy the relevant Termination Payment, the date by which such Payment in Kind Election Notice should have been delivered by the Pledgor).

15.5 *Termination of the Pledgor's Rights.*

- (a) Upon transfer to the Secured Party of any Collateral Asset or other asset pursuant to Section 15.2(a)(ii), all of the Pledgor's right, title and interest (and any right or interest of the Scheme Trustee) in such Collateral Assets and other assets shall automatically without any action by any Party or other person, be terminated.

Each Rehypothecated Collateral Asset applied to reduce the unpaid balance of any relevant Termination Payment pursuant to Section 15.2(a)(i) shall automatically without any action by any Party or other person, cease to be either a Rehypothecated Collateral Asset or a Collateral Asset for the purposes of this Agreement and the other Transaction Documents, and the Secured Party shall have the right to sell, pledge, assign, invest, commingle, or otherwise dispose of or use it in its business, free from any claim or right of any nature of the Pledgor or the Scheme Trustee, including any equity or right of redemption of the Pledgor or the Scheme Trustee or any other person.

16. RETURN OF REHYPOTHECATED COLLATERAL ASSETS

16.1 No later than one (1) Business Day following the settlement and discharge in full of the Provisional Early Termination Payment in accordance with clause 15 of the Coordination Agreement, the Secured Party shall Transfer all Rehypothecated Collateral Assets (or Equivalent Assets) to the Custodian for Credit to:

- (a) the PICA Restricted Collateral Account (if the Secured Party is not a Solvency Affected Party), which Rehypothecated Collateral Assets (or the Equivalent Assets) upon being Credited to such PICA Restricted Collateral Account shall, subject to any clawback, cease to be Rehypothecated Collateral Assets for the purposes of this Agreement and shall be “Repledged Collateral Assets”; or
- (b) the Experience Collateral Account (if the Secured Party is a Solvency Affected Party).

16.2 No later than one (1) Business Day following the settlement and discharge in full of all Early Termination Payments pursuant to and accordance with clauses 15.4 and 15.7 of the Coordination Agreement, the Secured Party shall cause all Rehypothecated Collateral Assets (or Equivalent Assets) to be Transferred to the Custodian for Credit to the Experience Collateral Account or, to the extent such assets comprise Repledged Collateral Assets, (i) the Scheme Trustee shall, in its capacity as secured party under the PICA Account Control Agreement, authenticate and deliver to the Secured Party, in its capacity as pledgor under the PICA Account Control Agreement, a “Withdrawal Instruction” (for the purposes of this Section 16.2 as defined therein), which Withdrawal Instruction shall identify the Repledged Collateral Assets to be Transferred to the Scheme Trustee from the PICA Restricted Collateral Account and (ii) the Secured Party, in its capacity as pledgor under the PICA Account Control Agreement, shall promptly authenticate such Withdrawal Instruction and deliver such Withdrawal Instruction to the Custodian pursuant to the PICA Account Control Agreement.

17. SECURITY TERMINATION AND RELEASE

17.1 If an Early Termination Date has occurred as a result of a Default Termination Event in respect of which the Secured Party is the Defaulting Party then on the first (1<sup>st</sup>) Business Day following the latest of:

- (a) the date on which the Provisional Early Termination Payment has been indefeasibly settled and discharged in full in accordance with the applicable Transaction Documents (following the resolution, if applicable, of any dispute in connection therewith in accordance with the Transaction Documents); and
- (b) the Scheme Trustee (in its capacity as secured party under the PICA Security Agreement) delivering to the relevant Custodian all Rehypothecated PICA Collateral Assets (or Equivalent Assets thereto) for Credit to the Experience Collateral Account or the PICA Restricted Collateral Account, as applicable, in accordance with section 16.1(a) of the PICA Security Agreement; and

the Pledgor and the Secured Party shall deliver to the Custodian a Notice of Fee Security Termination pursuant to the Account Control Agreement, authenticated by the Pledgor and the Secured Party, and, where the Fee Collateral Assets have been transferred to the PICA Restricted Collateral Account, the Pledgor and the Secured Party shall deliver to the Custodian a Restricted Collateral Transfer Instruction (as defined in the PICA Account Control Agreement) pursuant to

the PICA Account Control Agreement, authenticated by the Pledgor and the Secured Party at the same time as delivery of a Notice of Fee Security Termination. As soon as reasonably practicable thereafter the Secured Party shall, at the cost of the Pledgor, take such actions as are reasonably necessary to give effect to such release, including the amendment of any UCC filings, filings with the Companies House and other public notices (if any).

#### 17.2 *Security Termination.*

- (a) Subject to Section 17.1, when the Coordination Agreement, the Insurance Agreement and the Reinsurance Agreement are terminated and any Secured Obligations (as defined in the PICA Security Agreement) and any Secured Obligations have been unconditionally settled and irrevocably discharged in full (other than inchoate contingent indemnification obligations, if any), the Liens granted herein shall automatically terminate and all rights to the Collateral Assets shall revert to the Pledgor (the “Security Termination”), the Secured Party shall promptly deliver a Notice of Security Termination to the Custodian and, at the cost of the Pledgor, perform any such other deeds, acts and things as are reasonably necessary to give effect to such release, including the termination of any UCC filings, filings with the Companies House and other public notices (if any) of the Liens granted under this Agreement. Upon the Security Termination, the Pledgor may withdraw all assets in the Collateral Account free and clear of any Lien of the Secured Party.

The Parties agree that any such Notice of Security Termination delivered to the Custodian constitutes authorization by the Secured Party to the Pledgor or any of its agents, to terminate any (i) UCC financing statement filed against the Pledgor for the benefit of the Secured Party with respect to the Collateral, (ii) filings with the Companies House and (iii) other public notices (if any) of the Liens granted to the Secured Party pursuant to this Agreement.

#### 17.3 *Release.*

Upon any sale, transfer, or other Substitution or Withdrawal of Collateral Assets to any deposit account or securities account other than the Collateral Account, in compliance with the Transaction Documents, the security interest in such Collateral Assets will be automatically without any action by any Party or other person, be released from the Liens granted to the Secured Party under this Agreement and the other Transaction Documents.

#### 17.4 *Release Deemed not to Have Occurred.*

If any amount paid or Credited to the Secured Party is avoided or reduced because of any laws applicable on insolvency or any similar laws, then any redemption, release, discharge or settlement among the Pledgor and the Secured Party shall be deemed not to have occurred and the Secured Party shall be entitled to enforce this Agreement subsequently as if such redemption, release, discharge or settlement had not occurred and any such payment had not been made.

### 18. WAIVER, CUMULATIVE REMEDIES, AMENDMENTS

#### 18.1 *Waiver.*

No failure to exercise and no delay by any Party in exercising any right or remedy under this Agreement and no course of dealing between the Parties shall be construed or operate as a waiver

of that right or remedy, nor shall any single or partial exercise of any right or remedy, preclude any other or further exercise of it or the exercise of any other right or remedy.

18.2 *Cumulative remedies.*

The rights and remedies provided by this Agreement are cumulative and are not exclusive of any others provided by law.

18.3 *Amendments.*

No amendment or modification of any term or provision in this Agreement shall be effective unless made in writing and signed by or on behalf of each Party.

19. SEVERABILITY

If any term of this Agreement is held to be invalid, illegal or unenforceable in any jurisdiction, this Agreement shall be construed and be enforceable in such jurisdiction as if such invalid, illegal or unenforceable term had not been included in this Agreement, and the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. The Parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

20. THIRD PARTY RIGHTS

No person other than a Party to this Agreement shall have any right (express or implied) under this Agreement.

21. DEMANDS, NOTICES, ETC.

21.1 *Demands.*

A Demand, notice, request or other communication made or given by one Party to the other Parties shall be made or given in accordance with Section 21.2 or Section 24.4, as applicable.

21.2 *Notices.*

For the purpose of this Section 21, the authorized address for each Party shall be the address and electronic mail address stated in Section 21.3. Any communication to be given under this Agreement shall be in writing and shall either be delivered personally or sent by pre-paid first class post or electronic mail transmission to the relevant Party's address or electronic mail address stated in Section 21.3 (or such other address or electronic mail address as is notified in writing from time to time by such Party to the other Parties in accordance with the requirements of this Section 21). Any such notice shall be effective upon receipt and shall be deemed to have been received:

- (a) if delivered personally, at the time of delivery;
- (b) if sent by pre-paid first class post, at 5:00 pm on the day following the day of posting and shall be effective even if it is delivered to the wrong address or returned undelivered; and

- (c) if communicated by electronic mail, upon the time stamped as being received by the later of (i) the applicable UK email server and (ii) the applicable US email server,

*provided, that*, where, in the case of delivery by hand or electronic mail, delivery or transmission occurs after 6:00 pm on a Business Day or on a day which is not a Business Day, receipt shall be deemed to occur at 9:00 am on the next following Business Day.

21.3 *Addresses for Service:*

In the case of the Pledgor and the Scheme Trustee:

Attention: Santander UK plc, 1st Floor AHM 151  
Santander House  
201 Grafton Gate East  
Central Milton Keynes, MK9 1AN

Email: Attention: Lee Sullivan, Head of Group Pensions  
[REDACTED]@santander.co.uk  
Mobile: [REDACTED]

In the case of the Secured Party:

For collateral matters:

The Prudential Insurance Company of America  
c/o Prudential Retirement

Attention: PGIM Derivative Ops  
655 Broad St. – 7<sup>th</sup> Floor  
Newark, NJ 07102  
Fax: +1 973-367-8648  
E-mail: pimfiswaps@prudential.com

For all other matters, to the applicable address of set forth in clause 27.1.6 of the Coordination Agreement.

22. SUCCESSORS AND ASSIGNMENT

22.1 *Security to survive amalgamation or merger.*

This Agreement shall remain in effect despite any amalgamation or merger (however effected) relating to the Secured Party, the Scheme Trustee or the Pledgor and references to the Secured Party, the Scheme Trustee or the Pledgor shall be deemed to include any assignee or successor in title thereof and any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations thereof hereunder or to whom under such laws the same have been transferred.

22.2 *No assignment; Agents.*

- (a) No Party shall assign or transfer any of its rights under this Agreement in whole or in part without the express written consent of the other Parties.

Notwithstanding Section 22.2(a), each Party shall have the right to appoint agents (including, in the case of the Pledgor, an Asset Manager) to perform any administrative or ancillary services required to enable it to perform its obligations under this Agreement; provided, that each Party shall exercise due care in selecting and monitoring such agents and shall remain responsible for any aspect of this Agreement or such other Transaction Document in respect which an agent has been appointed.

23. COUNTERPARTS

This Agreement may be executed by each of the Parties hereto in any number of counterparts, and by each of the Parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, in physical or electronic form, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or other electronic communication shall be equally effective as delivery of an original executed counterpart hereof (including electronic signatures complying with the U.S. federal E-SIGN Act of 2000, e.g. DocuSign or a copy of a duly signed document sent via email).

24. GOVERNING LAW AND JURISDICTION; WAIVER OF JURY TRIAL

24.1 *Governing Law.*

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to its conflicts of law provisions (other than sections 5-1401 and 5-1402 of the New York General Obligations Law).

24.2 *Jurisdiction.*

- (a) Each of the Parties agree that any and all actions or proceedings relating to, arising out of or in connection with this Agreement or its subject matter and the rights and obligations arising hereunder, or for recognition and enforcement of any settlement or judgment in respect of this Agreement and the rights and obligations arising hereunder brought by any other Party or its successors or assigns, shall be brought and determined exclusively in the courts of the State of New York located in the Borough of Manhattan, the City of New York or in the courts of the United States of America for the Southern District of New York. Each of the Parties agrees that mailing of process or other papers in connection with any such action (each, a "Demand") in the manner provided in Section 21 or, with respect to the Scheme Trustee or the Pledgor, Section 24.4, or in such other manner as may be permitted by Applicable Law, will be valid and sufficient service thereof.

Each of the Parties hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its assets, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any action or proceeding relating to this Agreement in any court or tribunal other than the aforesaid courts.

- (c) Each of the Parties hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder (i) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve process in accordance with this Agreement, (ii) any claim that it or its assets is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) to the fullest extent permitted by Applicable Law, any claim that (A) the action or proceeding in such court is brought in an inconvenient forum, (B) the venue of such action or proceeding is improper or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

24.3 *Waiver of Jury Trial.*

To the extent permitted by Applicable Law, each Party waives all rights to trial by jury in any action, claim or proceeding (including any counterclaim) of any type arising out of or directly or indirectly relating to this Agreement.

24.4 *Agent for Service of Process:*

- (a) The Scheme Trustee hereby appoints Law Debenture Corporate Services Inc., having an office at 801 2nd Avenue Suite 403 New York NY 10017, as its authorized agent for service of process with respect to any Demand, such appointment to remain effective until such time, if any, as the Scheme Trustee exercises its rights pursuant to the immediately succeeding proviso; *provided, that*, the Scheme Trustee shall have the right, exercisable at any time and at Scheme Trustee's discretion, to irrevocably appoint a new agent within the State of New York as its authorized agent for service of process with respect to any Demand by written notice to the other Parties identifying such agent and its office, including the address thereof. The Scheme Trustee also agrees that service of process mailed by first class mail to the Scheme Trustee in accordance with Section 21 shall be deemed in every respect effective service of process in any Demand. Nothing herein shall affect the right to serve process in any other manner permitted by law.
- (b) The Pledgor hereby appoints Law Debenture Corporate Services Inc., having an office at 801 2nd Avenue Suite 403 New York NY 10017, as its authorized agent for service of process with respect to any Demand, such appointment to remain effective until such time, if any, as the Pledgor exercises its rights pursuant to the immediately succeeding proviso; *provided, that*, the Pledgor shall have the right, exercisable at any time and at the Pledgor's discretion, to irrevocably appoint a new agent within the State of New York as its authorized agent for service of process with respect to any Demand by written notice to the other Parties identifying such agent and its office, including the address thereof. The Pledgor also agrees that service of process mailed by first class mail to the Pledgor in accordance with Section 21 shall be deemed in every respect effective service of process in any Demand. Nothing herein shall affect the right to serve process in any other manner permitted by law.

25. SURETYSHIP WAIVER.

The Pledgor solely in its capacity as surety waives defense solely based on surety, including demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, the Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Secured Obligations and the Collateral, the Pledgor, solely in its capacity as surety assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Secured Party may deem advisable. The Pledgor further waives any and all other suretyship defenses but not any defense it may have arising as a pledgor hereunder that is not a suretyship defense.

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IN WITNESS WHEREOF, THIS AGREEMENT has been executed and delivered on the day and year first above written as follows:

SANTANDER (UK) GROUP PENSION SCHEME TRUSTEES LIMITED, in its capacity as Trustee for and on behalf of the Alliance and Leicester Section, *as Scheme Trustee,*

By:   
Name: David Green  
Title: Director

By:   
Name: susie carpenter  
Title: Director

SANTANDER (CF TRUSTEE) LIMITED, in its capacity as  
Trustee for and on behalf of the Santander (UK) Common  
Investment Fund, *as Pledgor*

By: \_\_\_\_\_  
DocuSigned by:  
[Redacted Signature]  
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Name: Marcelo Ricardo Scenna  
Title: Director

By: \_\_\_\_\_  
DocuSigned by:  
[Redacted Signature]  
18AF7E1E0FD8408...  
Name: Ronald John Amy  
Title: Director

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA,  
*as the Secured Party*

By: \_\_\_\_\_  
Name: David Lang  
Title: Vice President

DocuSigned by:  
[Redacted Signature]

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## ANNEX I

### DEFINITIONS

**Defined Terms.** All terms defined in the UCC (as defined below) and used in this Agreement shall have the same definitions in this Agreement as specified in the UCC. The following capitalized terms have the following meanings:

“**Account Control Agreement**” means the Trustee Account Control Agreement dated as of the Execution Date among the Pledgor, the Secured Party and the Custodian.

“**ACLIC Annual Ratio**” has the meaning given in the Coordination Agreement.

“**ACLIC One-Off Ratio**” has the meaning given in the Coordination Agreement.

“**ACLIC Quarterly Ratio**” has the meaning given in the Coordination Agreement.

“**Agreement**” has the meaning set forth in the preamble.

“**Applicable Law**” has the meaning given in the Coordination Agreement.

“**asset**” means any interest (legal, beneficial or equitable) in real or personal property.

“**Asset Manager**” means such person that the Pledgor may hereafter designate as such from time to time by prior written notice to the Secured Party and the Custodian, and if no such person is designated at the relevant time, then any reference to the “Asset Manager” shall be deemed to be to the “Pledgor”.

“**Authorized Person**” has the meaning given in the Account Control Agreement.

“**Automated Instructions**” has the meaning given in the Account Control Agreement.

“**Automatic PPF Termination Event**” has the meaning given in the Coordination Agreement.

“**Beneficiary**” has the meaning given in the Coordination Agreement.

“**Business Day**” has the meaning given in the Coordination Agreement.

“**Cash**” has the meaning given in the Investment Guidelines Agreement.

“**Cash Payment**” has the meaning given in Section 15.1.

“**CIF**” has the meaning given in Recital (A).

“**CIF Trust Deed**” has the meaning given in Recital (A).

“**Collateral**” means the Experience Collateral or the Fee Collateral, as applicable.

“**Collateral Account**” means the Experience Collateral Account or the Fee Collateral Account, as applicable.

“**Collateral Asset**” means any Experience Collateral Asset or any Fee Collateral Asset, as applicable.

“**Collateral Requirement**” has the meaning given in the Coordination Agreement.

“**Collateral Value**” has the meaning given in the Investment Guidelines Agreement.

“**Companies House**” means the public register in the United Kingdom or any replacement office, where, among other things, particulars of a charge granted by a United Kingdom incorporated company must be registered in order for the charge to be valid against a liquidator, administrator or creditor of such company with respect to the chargee’s security interest in the assets of such company.

“**Consent Deadline**” has the meaning given in Section 5.4(a).

“**Coordination Agreement**” has the meaning given in Recital (D).

“**Corporate Bond**” has the meaning given in the Investment Guidelines Agreement.

“**Corporate Bond Liquidation Instruction**” has the meaning given in the Account Control Agreement.

“**Corporate Instruction**” has the meaning given in the Account Control Agreement.

“**Credit**” or “**Credited**” has the meaning given in the Account Control Agreement.

“**Credit Instruction**” has the meaning given in the Account Control Agreement.

“**CUSIP**” has the meaning given in the Investment Guidelines Agreement.

“**Custodian**” means The Bank of New York Mellon, in its capacity as custodian, securities intermediary and bank under the Account Control Agreement, and any successor in such capacity.

“**Daily Collateral Report**” has the meaning given in the Coordination Agreement.

“**Daily Collateral Review Date**” has the meaning given in the Coordination Agreement.

“**Default Termination Event**” has the meaning given in the Coordination Agreement.

“**Defaulting Party**” has the meaning given in the Coordination Agreement.

“**Delivery Amount**” means any Experience Delivery Amount or any Fee Delivery Amount.

“**Demand**” has the meaning given in Section 24.2(a).

“**Disputed Asset**” has the meaning given in Section 6.5.

“**Early Termination Date**” has the meaning given in the Coordination Agreement.

“**Early Termination Payment**” means, where applicable, any Provisional Early Termination Payment, Provisional Net Early Termination Payment, Termination Payment Adjustment Amount or Net Termination Payment Adjustment Amount.

“**Eligibility Criteria**” has the meaning given in the Investment Guidelines Agreement.

“**Eligible Investment**” has the meaning given in the Investment Guidelines Agreement.

“**Enforcement Event**” means the failure by the Scheme Trustee:

- (i) to pay (or procure the payment of) any Provisional Early Termination Payment or any Termination Payment Adjustment Amount in full when due and payable in accordance with clause 13 of the Insurance Agreement in the manner and at the times specified in clauses 15.4 or 15.7 of the Coordination Agreement by failing to satisfy the Provisional Early Termination Payment or Termination Payment Adjustment Amount by making a Cash

Payment or by delivering a Payment in Kind Election Notice and Withdrawal Instructions, to the extent required, pursuant to and in accordance therewith; or

- (ii) following the Early Termination Date to pay or return any other amount comprising a Secured Obligation:
  - (A) in full when due, to the extent such amount is a non-contingent and liquidated or otherwise readily ascertainable sum; or
  - (B) that is otherwise determined or assessed to be due and payable to the Secured Party by a court of tribunal of competent jurisdiction (including any dispute resolution process) or under any applicable laws (including insolvency or similar laws applicable in any relevant jurisdiction),
    - including any costs, fees and other expenses incurred by the Secured Party in connection with the exercise of its rights under Section 12; or
- (iii) to return any PICA Collateral Asset (or an Equivalent Asset) in accordance with section 16.2 of the PICA Security Agreement, provided that, such failure is not due to the Secured Party's failing to authenticate any relevant Withdrawal Instruction (as defined in the PICA Account Control Agreement) and deliver the same to the Custodian.

“Equivalent Asset” means, with respect to any Rehypothecated Collateral Asset that is not Cash (including distributions in respect of such Rehypothecated Collateral Asset) shown on the most recent Daily Collateral Report or Valuation Report, any security that:

- (a) was issued by the issuer of such Rehypothecated Collateral Asset;
- (b) is part of the same issue as such Rehypothecated Collateral Asset;
- (c) has the same maturity and unpaid principal amount or principal amounts within accepted good delivery standards for the type of security involved;
- (d) has the same Market Value as the Rehypothecated Collateral Asset, such Market Value being determined for each of the relevant security and the Rehypothecated Collateral Asset on the date the proposed Equivalent Asset is delivered to the Custodian in lieu of the corresponding Rehypothecated Collateral Asset; and
- (e) is of an identical form and type, nominal value, description, contractual interest rates and (except where otherwise stated) amount as such Rehypothecated Collateral Asset (including having the identical CUSIP, ISIN or SEDOL number, as applicable);

*provided, that,*

- (i) such securities shall, after Credit to the Experience Collateral Account be “equivalent” to such Rehypothecated Collateral Asset, notwithstanding that such securities are redenominated into GBP or USD or that the nominal value of those securities changes thereafter in connection with a redenomination; and
- (ii) where such securities are converted, subdivided, consolidated, exercised, exchanged, or have become the subject of a takeover or the holders of securities have become entitled to receive or acquire other securities or other assets or the securities have become subject to any similar event after Credit to the Experience Collateral Account other than a distribution, the term “equivalent” shall mean such securities together with or replaced by a sum of money or other securities or other

assets receivable by holders of such original securities resulting from such event, as applicable.

“**Exclusive Control Event**” means the occurrence and continuance of (a) any Default Termination Event in respect of which the Scheme Trustee or the Pledgor is the Defaulting Party, (b) any Automatic PPF Termination Event or (c) any Enforcement Event.

“**Exclusive Control Period**” has the meaning given in the Account Control Agreement.

“**Execution Date**” means the date of this Agreement.

“**Experience Collateral**” means:

- (a) the Experience Collateral Account;
- (b) the Experience Collateral Assets; and
- (c) proceeds of any or all of the foregoing (including all proceeds of any proceeds), regardless of form or location (whether or not in the possession or control of the Custodian, or any third party acting on behalf of the Custodian).

“**Experience Collateral Account**” means a segregated custodial account (including securities account component and deposit account component) established and maintained by the Custodian in the name of the Pledgor pursuant to the Account Control Agreement, having the account name “SANTANDR ORION TR AL EXP FBO PICA” and account number [REDACTED] (as may be renumbered or preplaced), and from time to time, any direct or indirect sub-account thereunder or consolidated therewith, and all replacements or substitutions therefor, including any account resulting from a renumbering or other administrative re-identification thereof.

“**Experience Collateral Asset**” means all financial assets, investment property, cash, funds and other property Credited to the Experience Collateral Account from time to time, including (i) any distributions thereon and other proceeds thereof, (ii) the security entitlements with respect to the financial assets Credited to the Experience Collateral Account; and (iii) for the purposes of determining the amount of Experience Collateral Assets Credited to the Experience Collateral Account, the Rehypothesized Collateral Assets shall be included.

“**Experience Delivery Amount**” means, with respect to any Daily Collateral Review Date, the “Trustee Experience Delivery Amount” specified in the most recent Daily Collateral Report prepared and delivered pursuant to the applicable provisions of the Coordination Agreement in respect of such Daily Collateral Review Date.

“**Experience Return Amount**” means, with respect to any Daily Collateral Review Date, the “Trustee Experience Return Amount” specified in the most recent Daily Collateral Report prepared and delivered pursuant to the applicable provisions of the Coordination Agreement in respect of such Daily Collateral Review Date.

“**Federal Funds Effective Rate**” means for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published on the next succeeding New York Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a New York Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Valuation Agent from three other Federal Reserve Banks.

“**Federal Reserve Bank**” mean any regional bank of the Federal Reserve System.

**“Federal Reserve System”** means the central banking system of the United States.

**“Fee Collateral”** means:

- (a) the Fee Collateral Account;
- (b) the Fee Collateral Assets; and
- (c) proceeds of any or all of the foregoing (including all proceeds of any proceeds), regardless of form or location (whether or not in the possession or control of the Custodian, or any third party acting on behalf of the Custodian).

**“Fee Collateral Account”** means a segregated custodial account (including securities account component and deposit account component) established and maintained by the Custodian in the name of the Pledgor pursuant to the Account Control Agreement, having the account name “SANTANDR ORION TR AL FEE FBO PICA” and account number [REDACTED] (as may be renumbered or preplaced), and from time to time, any direct or indirect sub-account thereunder or consolidated therewith, and all replacements or substitutions therefor, including any account resulting from a renumbering or other administrative re-identification thereof.

**“Fee Collateral Asset”** means all financial assets, investment property, cash, funds and other property Credited to the Fee Collateral Account from time to time, including (i) any distributions thereon and other proceeds thereof and (ii) the security entitlements with respect to the financial assets Credited to the Fee Collateral Account.

**“Fee Collateral Transfer Instruction”** has the meaning given to it in the Account Control Agreement.

**“Fee Delivery Amount”** means, with respect to any Daily Collateral Review Date, the “Trustee Fee Delivery Amount” specified in the most recent Daily Collateral Report prepared and delivered pursuant to the applicable provisions of the Coordination Agreement in respect of such Daily Collateral Review Date.

**“Fee Return Amount”** means, with respect to any Daily Collateral Review Date, the “Trustee Fee Return Amount” specified in the most recent Daily Collateral Report prepared and delivered pursuant to the applicable provisions of the Coordination Agreement in respect of such Daily Collateral Review Date.

**“Final Rehypothecation Date”** means the date falling three (3) Business Days following the date on which the Early Termination Date is notified pursuant to the applicable Transaction Documents.

**“Final Risk Fee Amount”** has the meaning given in the Coordination Agreement.

**“Final Termination Payment Notification Date”** has the meaning given in the Coordination Agreement.

**“Fund Balance”** has the meaning given in the Coordination Agreement.

**“Funded Status of the Section”** has the meaning given in the Coordination Agreement.

**“Holder”** has the meaning given to it in the CIF Trust Deed.

**“Initial Fee Collateral Amount”** has the meaning given in the Coordination Agreement.

**“Instruction”** has the meaning given in the Account Control Agreement.

**“Insurance Agreement”** has the meaning given in Recital (B).

**“Insurer”** has the meaning given in Recital (B).

**“Interest Income”** means all interest (including interest earned on cash Collateral Assets and Rehypothecated Collateral Assets), dividends and other income in the form of cash in respect of any Collateral Asset other than any Repledged PICA Collateral Asset.

**“Interest Income Report”** has the meaning given in Section 5.4(a)(ii).

**“Interest Income Withdrawal Amount”** has the meaning given in Section 5.2(b)(i).

**“Interest Income Withdrawal Dispute”** has the meaning given in Section 5.4(a)(ii)(B).

**“Interest Income Withdrawal Instruction”** has the meaning given in the Account Control Agreement.

**“Investment Guidelines Agreement”** has the meaning given in the Coordination Agreement.

**“Investment Instruction”** has the meaning given in the Account Control Agreement.

**“ISIN”** has the meaning given in the Investment Guidelines Agreement.

**“Issuer Limit”** has the meaning given in the Investment Guidelines Agreement.

**“Joint Instruction”** has the meaning given in the Account Control Agreement.

**“Lien”** has the meaning given in the Account Control Agreement.

**“Losses”** has the meaning given in the Account Control Agreement.

**“Market Value”** has the meaning given in the Investment Guidelines Agreement.

**“Net Partial Termination Payment Adjustment Amount”** has the meaning given in the Coordination Agreement.

**“Net Termination Payment Adjustment Amount”** has the meaning given in the Coordination Agreement.

**“New York Business Day”** means a day (excluding Saturdays and Sundays) on which banks are open in New York for the transaction of normal banking business.

**“Nominee”** means any bank or other financial institution engaged directly or indirectly by the Custodian, in each case, in compliance with the Transaction Documents, to act in place of the Custodian or any Subcustodian for the purpose of holding Collateral Assets.

**“Non-Eligible Collateral Asset”** has the meaning given in the Investment Guidelines Agreement.

**“Notice”** has the meaning given in the Account Control Agreement.

**“Notice of Enforcement Event”** has the meaning given in the Account Control Agreement.

**“Notice of Exclusive Control”** has the meaning given in the Account Control Agreement.

**“Notice of Fee Security Termination”** has the meaning given in the Account Control Agreement.

**“Notice of Security Termination”** has the meaning given in the Account Control Agreement.

**“Notice of Termination of Enforcement Event”** has the meaning given in the Account Control Agreement.

**“Notice of Termination of Exclusive Control”** has the meaning given in the Account Control Agreement.

**“Notice of Termination of Rehypothecation Suspension”** has the meaning given in the Account Control Agreement.

**“Partial Termination Payment”** means, for the purposes of this Agreement and the Account Control Agreement, any Provisional Partial Termination Payment, any Provisional Net Partial Termination Payment, any Partial Termination Payment Adjustment Amount and any Net Partial Termination Payment Adjustment Amount, as applicable.

**“Partial Termination Payment Adjustment Amount”** has the meaning given in the Coordination Agreement.

**“Party”** has the meaning in the preamble.

**“Payment in Kind Election Notice”** has the meaning given in Section 15.2(b).

**“Perfection Impairment Event”** has the meaning given to in Section 5.2(c).

**“Permitted Lien”** means any Lien (a) arising in favor of the Secured Party created by this Agreement; (b) arising pursuant to or disclosed in the Account Control Agreement; (c) created with the prior written consent of the Secured Party; (d) arising as a matter of law in favor of the Custodian or Subcustodian appointed and those agreements entered into pursuant to the Account Control Agreement; (e) imposed on the Collateral Assets by a clearing corporation or bank; or (f) on any Rehypothecated Collateral Asset.

**“PICA Account Control Agreement”** has the meaning given to it in the Coordination Agreement.

**“PICA Collateral Asset”** means a PICA Experience Collateral Asset, a Rehypothecated PICA Collateral Asset, or a Repledged PICA Collateral Asset, as applicable.

**“PICA Deed of Assignment”** has the meaning given in Recital (E).

**“PICA Experience Collateral Asset”** has the meaning given to “Experience Collateral Asset” in the PICA Security Agreement.

**“PICA Restricted Collateral Account”** has the meaning given to “Restricted Collateral Account” in the PICA Security Agreement.

**“PICA Security Agreement”** has the meaning given in the Coordination Agreement.

**“Pledgor”** has the meaning given in the preamble.

**“Portfolio Criteria”** has the meaning given in the Investment Guidelines Agreement.

**“Prior Collateral”** means Collateral Assets that are to be Transferred from the Collateral Account pursuant to a Substitution Instruction or a Withdrawal Instruction to a securities account or deposit account that is not subject to the Account Control Agreement or any other Transaction Document in accordance with Section 5.2 or 5.2(b).

**“Provisional Early Termination Payment”** has the meaning given in the Coordination Agreement.

**“Provisional Early Termination Notification Date”** has the meaning given in the Coordination Agreement.

**“Provisional Early Termination Payment”** has the meaning given in the Coordination Agreement.

**“Provisional Net Early Termination Payment”** has the meaning given in the Coordination Agreement.

“Provisional Net Partial Termination Payment” has the meaning given in the Coordination Agreement.

“Provisional Partial Termination Payment” has the meaning given in the Coordination Agreement.

“Rehypothecated Collateral Asset” has the meaning given in the Account Control Agreement.

“Rehypothecated PICA Collateral Asset” has the meaning given to “Rehypothecated Collateral Asset” in the PICA Account Control Agreement.

“Rehypothecation Instruction” has the meaning given in the Account Control Agreement.

“Rehypothecation Suspension Trigger Event” means any date on which the Secured Party is a Solvency Affected Party and none of the following have occurred and is continuing on such day: (i) the Scheme Trustee is also a Solvency Affected Party, (ii) an Exclusive Control Event has occurred and is continuing, or (iii) if such day occurs during a Transaction Suspension Period, a Substitution Failure has occurred.

“Reinsurance Agreement” has the meaning given in Recital (C).

“Repledged Collateral Assets” has the meaning given in Section 16.1(a).

“Repledged PICA Collateral Assets” has the meaning given to “Repledged Collateral Assets” in the PICA Security Agreement.

“Reposting Dispute” has the meaning given in Section 6.5.

“Reposting Dispute Notice” has the meaning given in Section 6.5.

“Return Amount” means an Experience Return Amount or a Fee Return Amount.

“Scheme Trust Deed” has the meaning given in the Coordination Agreement.

“Scheme Trustee” has the meaning given in the preamble.

“Scheme Sponsor” has the meaning given in the Coordination Agreement.

“Secured Experience Obligations” means, all indebtedness, obligations, liabilities and undertakings of the Scheme Trustee or the Pledgor (as to its obligations under this Agreement) or the Insurer (in respect of any Termination Payment payable under the Reinsurance Agreement) to the Secured Party, arising pursuant to the Transaction Documents, individually or collectively, direct or indirect, joint or several, absolute or contingent, due or to become due, voluntary or involuntary, now existing or hereafter arising:

- (a) to pay, without duplication, any Termination Payment (or any component thereof) when due and payable (i) under the Insurance Agreement, which right to payment the Insurer, as assignor, has assigned to the Secured Party, as assignee, in accordance with the terms of the PICA Deed of Assignment or (ii) by the Insurer, under the Reinsurance Agreement;
- (b) to return all PICA Collateral Assets;
- (c) to pay all other amounts owed in connection with or arising from the foregoing by law or otherwise accruing before and after any petition in bankruptcy or the commencement of any insolvency, reorganization or like proceeding relating to the Scheme Trustee or the Pledgor; and
- (d) to make all payments (including all interest, reasonable and documented fees (including attorneys’ fees), costs and expenses that the Scheme Trustee is required to pay pursuant to the

Transaction Documents, by law or otherwise accruing before and after any petition in bankruptcy or the commencement of any insolvency, reorganization or like proceeding relating to the Scheme Trustee or the Pledgor, whether or not a claim for post-petition interest fees or expenses is allowed in such proceeding), when due and payable in connection with (x) the Secured Party maintaining the Experience Collateral, including due to any clawback of any payment paid to the Secured Party or any third party preference claim or (y) enforcing the Reinsurance Agreement, the PICA Deed of Assignment, this Agreement or the Account Control Agreement to satisfy or collect payment of any or all of the foregoing.

“Secured Fee Obligations” means all indebtedness, obligations, liabilities and undertakings of the Scheme Trustee or the Insurer (in respect of any Termination Payment payable under the Reinsurance Agreement) to the Secured Party arising pursuant to the Transaction Documents, individually or collectively, direct or indirect, joint or several, absolute or contingent, due or to become due, voluntary or involuntary, now existing or hereafter arising:

- (a) to pay, without duplication, any Termination Payment, (or any component thereof) when due and payable (i) under the Insurance Agreement, which right to payment the Insurer, as assignor, has assigned to the Secured Party, as assignee, in accordance with the terms of the PICA Deed of Assignment or (ii) by the Insurer, under the Reinsurance Agreement;
- (b) to pay all other amounts owed in connection with or arising from the foregoing by law or otherwise accruing before and after any petition in bankruptcy or the commencement of any insolvency, reorganization or like proceeding relating to the Scheme Trustee or the Pledgor; and
- (c) to make all payments (including all interest, reasonable and documented fees (including attorneys’ fees), costs and expenses that the Scheme Trustee is required to pay pursuant to the Transaction Documents, by law or otherwise accruing before and after any petition in bankruptcy or the commencement of any insolvency, reorganization or like proceeding relating to the Scheme Trustee or the Pledgor, whether or not a claim for post-petition interest fees or expenses is allowed in such proceeding), when due and payable in connection with (x) the Secured Party maintaining the Fee Collateral, including due to any clawback of any payment paid to the Secured Party or any third party preference claim or (y) enforcing the Reinsurance Agreement, the PICA Deed of Assignment, this Agreement or the Account Control Agreement to satisfy or collect payment of any or all of the foregoing.

“Secured Obligations” means the Secured Experience Obligations or the Secured Fee Obligations, as applicable.

“Secured Party” has the meaning given in the preamble.

“Secured Party’s Bank Account” means the “Reinsurer’s Bank Account”, as defined in the Coordination Agreement.

“Security Termination” has the meaning given in Section 17.2.

“SEDOL” has the meaning given in the Investment Guidelines Agreement.

“Solvency Affected Party” means, with respect to any date of determination:

- (a) the Secured Party, if, on such date of determination, the ACLC Annual Ratio, ACLC Quarterly Ratio or ACLC One-Off Ratio most recently reported by the Secured Party pursuant to clause 18.4.7 of the Coordination Agreement) is at or below 250%; or

- (b) the Scheme Trustee, if, on such date of determination, the Funded Status of the Section most recently reported by the Scheme Trustee pursuant to clause 18.1.16 of the Coordination Agreement is at or below 50%.

“Subcustodian” has the meaning given in the Account Control Agreement.

“Substitute Collateral” has the meaning given in the Account Control Agreement.

“Substitution” has the meaning given in the Account Control Agreement.

“Substitution Failure” has the meaning given in Section 5.3(b).

“Substitution Instruction” has the meaning given in the Account Control Agreement.

“Termination Notification Date” means (i) with respect to any Provisional Early Termination Payment or, as applicable, the Provisional Partial Termination Payment, the Provisional Early Termination Notification Date and (ii) with respect to any Termination Payment Adjustment Amount or, as applicable, the Partial Termination Payment Adjustment Amount, the Final Termination Payment Notification Date.

“Termination Payment” means each Early Termination Payment and each Partial Termination Payment.

“Termination Payment Adjustment Amount” has the meaning given in the Coordination Agreement.

“Termination Valuation Report” means has the meaning in the Investment Guidelines Agreement.

“Transaction Documents” has the meaning given in the Coordination Agreement.

“Transaction Suspension Period” has the meaning given in the Coordination Agreement.

“Transfer” or “Transferred” has the meaning given in the Account Control Agreement.

“UCC” means the Uniform Commercial Code as in effect in the State of New York from time to time; *provided, however*, that, at any time, if by reason of mandatory provisions of law any or all of the perfection or priority of a Secured Party’s security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions relating to such perfection or priority and for purposes of definitions relating to such provisions.

“Unilateral Instruction” has the meaning given in the Account Control Agreement.

“Unrehypothecated Collateral Asset” has the meaning given in the Account Control Agreement.

“Valuation Agent” has the meaning given in the Investment Guidelines Agreement.

“Valuation Dispute” has the meaning given in the Investment Guidelines Agreement.

“Valuation Report” has the meaning given in the Investment Guidelines Agreement.

“Valuation Time” has the meaning given in the Investment Guidelines Agreement.

“Withdrawal” has the meaning given in the Account Control Agreement.

“Withdrawal Instruction” has the meaning given in the Account Control Agreement.