



Registration of a Charge

Company Name: **TESCO PERSONAL FINANCE PLC**

Company Number: **SC173199**



Received for filing in Electronic Format on the: **26/07/2021**

XA9IRYHC

Details of Charge

Date of creation: **23/07/2021**

Charge code: **SC17 3199 0001**

Persons entitled: **THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **PAY.UK LIMITED**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 173199

Charge code: SC17 3199 0001

The Registrar of Companies for Scotland hereby certifies that a charge dated 23rd July 2021 and created by TESCO PERSONAL FINANCE PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th July 2021 .

Given at Companies House, Edinburgh on 27th July 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**

DCS PARTICIPATION AGREEMENT ACCESSION AGREEMENT

THIS AGREEMENT is dated 23 July 2021

BETWEEN

- (1) **TESCO BANK**, a trading name of Tesco Personal Finance plc, whose registered office is at 2 South Gyle Crescent, Edinburgh, United Kingdom, EH12 9FQ and whose registered number is SC173199, the "**Acceding Participant Party**";
- (2) THE COMPANIES LISTED IN THE SCHEDULE to this Accession Agreement (together the "**Existing Participant Parties**"); and
- (3) **PAY.UK LIMITED** (acting in its capacity as operator of the Faster Payments Service, the "**System Operator**").

BACKGROUND

This agreement is supplemental to the:

- (a) DCS participation agreement ("**DCS Participation Agreement**") dated 1st February 2019 and novated 1st March 2019 between, amongst others, the System Operator and the Existing Participant Parties; and
- (b) FPS Accounts Agreement dated 1st February 2019 and novated 1st March 2019 between, amongst others, the System Operator and the Existing Participant Parties (the "**FPS AA**"); and
- (c) the Deed of Charge dated 1st March 2019 between, amongst others, the System Operator and those Existing Participant Parties that are Bank DCS Participants or DCS (OF) Participants (the "**Deed of Charge**" and together with the FPS AA, the "**Additional Agreements**").

It is intended that this document take effect as a deed notwithstanding the fact that a party might only execute this document under hand.

IT IS AGREED as follows:

1 INTERPRETATION

- 1.1 Unless the context otherwise requires, words and expressions defined in the DCS Participation Agreement shall apply mutatis mutandis to this agreement as if the same were set out in full in this agreement.
- 1.2 The principles of construction set out in clauses 1.2 to 1.7 of the DCS Participation Agreement shall apply mutatis mutandis to this agreement as if the same were set out in full in this agreement.

2 ACCESSION OF ACCEDING PARTICIPANT PARTY

- 2.1 By its execution of this agreement, the Acceding Participant Party unconditionally and irrevocably undertakes to and agrees with each of the other parties to this agreement to observe and be bound by the terms and provisions of the DCS Participation Agreement as a Participant Party with effect on and from the date of this agreement.
- 2.2 Pursuant to clause 14 (Accession) of the DCS Participation Agreement, the System Operator, as agent for the Existing Participant Parties, hereby consents to the accession of the Acceding Participant Party to the DCS Participation Agreement on the terms set out in this agreement and agrees that the DCS Participation Agreement shall hereafter be read and construed as if the Acceding Participant Party had been named in the DCS Participation Agreement as a Participant Party.
- 2.3 Save as amended by this agreement, all terms and conditions of the DCS Participation Agreement shall continue in full force and effect with effect on and from the date of this agreement.

3 DCS PARTICIPATION AGREEMENT

This agreement shall hereafter be read as one with the DCS Participation Agreement so that all references in the DCS Participation Agreement to "**this Agreement**" and similar expressions shall include references to this agreement.

4 THE ADDITIONAL AGREEMENTS

The parties further agree and acknowledge that by executing this agreement, the Acceding Participant Party is also acceding to:

- (a) the FPS AA as a Participant Party, in accordance with the terms of clause 13 (Accession) of that Agreement; and
- (b) the Deed of Charge as a Chargor, in accordance with the terms of clause 13 (Accession) of that Deed.

5 NOTICES

The address of the Acceding Participant Party for notices and demands under the DCS Participation Agreement and the FPS AA are as follows:

Postal Address:

Tesco Bank, EHQ, 2 South Gyle Crescent, Edinburgh, Midlothian, EH12 9FQ

e-mail address: Michael.Mustard@tescobank.com

Sigga.Sigurdardottir@tescobank.com

Attention: Michael Mustard, Company Secretary

Sigga Sigurdardottir, Chief Customer Officer

6 COUNTERPARTS

This agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this agreement by executing a counterpart.

7 THIRD PARTY RIGHTS

Subject to:

- (a) clause 4.7, clause 2.3(b) and paragraph 5 of Schedule 2 of the DCS Participation Agreement;
- (b) clause 11.7(b) of the FPS AA; and
- (c) clause 15(b) of the Deed of Charge,

a person who is not a party to this agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This paragraph does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to such legislation.

8 GOVERNING LAW AND JURISDICTION

The provisions of clause 15 of the DCS Participation Agreement shall apply mutatis mutandis to this agreement as if the same were set out in full in this agreement.

IN WITNESS whereof this agreement is entered into as a deed and delivered by the parties on the date stated at the beginning of this agreement.

SIGNED BY:

DocuSigned by:

Kathy Lennon

0679498G87C44AD...

(Signature)

Kathy Lennon

(Print name) Head of On boarding & Assurance

ON BEHALF OF **PAY.UK LIMITED**
as the System Operator

SIGNED BY:

DocuSigned by:

Kathy Lennon

0670498G87C44AD...

(Signature)

Kathy Lennon

(Print name) Head of On boarding & Assurance

ON BEHALF OF **PAY.UK LIMITED**
as agent for the Existing Participant Parties

EXECUTED as a DEED by

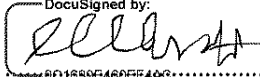
TESCO PERSONAL FINANCE PLC trading as **TESCO BANK**
acting by

signature of: Sigga Sigurdardottir

DocuSigned by:

741AED000DEB44B.....
Director- Chief Customer Officer

signature of: Michael Mustard

DocuSigned by:

8D1889E48DEF4AC.....
Company Secretary

SCHEDULE

(TO THE ACCESSION AGREEMENT)

The Existing Participant Parties

1. ATOM BANK PLC, whose registered office is at The Rivergreen Centre, Aykley Heads, Durham DH1 5TS and whose registered number is 08632552;
2. BARCLAYS BANK PLC, whose registered office is at 1 Churchill Place, London E14 5HP and whose registered number is 01026167;
3. BARCLAYS BANK UK PLC, whose registered office is at 1 Churchill Place, London E14 5HP and whose registered number is 09740322;
4. BFC BANK LIMITED, whose registered office is at 9th Floor South Quay Plaza, 77 Marsh Wall, London E14 9SH and whose registered number is 04797759;
5. CITIBANK N.A., LONDON BRANCH, whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, with registered number BR001018;
6. CLEARBANK LIMITED, whose registered office is at 133 Houndsditch, London, England, EC3A 7BX and whose registered number is 09736376;
7. CLYDESDALE BANK PLC, whose registered office is at 30 St. Vincent Place, Glasgow G1 2HL and whose registered number is SC001111;
8. CREDEC LIMITED, whose registered office is at 31 Hill Street, London W1J 5LS and whose registered number is 10821006;
9. ELAVON FINANCIAL SERVICES DAC, whose registered office is at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland and whose registered number in the UK is FC027535 and whose registered number in Ireland is 418442;
10. HSBC BANK PLC, whose registered office is at 8 Canada Square, London E14 5HQ and whose registered number is 00014259;
11. HSBC UK BANK PLC, whose registered office is at 1 Centenary Square, Birmingham B1 1HQ and whose registered number is 09928412;
12. LHV, LONDON BRANCH, whose registered office is at 1 Old Street Yard, London, EC1Y 8AF and whose registered number is BR020302;
13. LLOYDS BANK PLC, whose registered office is at 25 Gresham Street, London EC2V 7HN and whose registered number is 00002065;
14. METRO BANK PLC, whose registered office is at One Southampton Row, London WC1B 5HA and whose registered number is 06419578;
15. MODULR FS LIMITED, whose registered office is at Scale Space, 58 Wood Lane, London, United Kingdom, W12 7RZ and whose registered number is 09897919;
16. MONZO BANK LIMITED, whose registered office is at Broadwalk House, 5 Appold Street, London, EC2A 2AG and whose registered number is 09446231;
17. NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY, whose registered office is at 250 Bishopsgate, London EC2M 4AA and whose registered number is 00929027;

18. NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY, trading as Mettle, whose registered office is at 250 Bishopsgate, London EC2M 4AA and whose registered number is 00929027;
19. NATIONWIDE BUILDING SOCIETY, whose principal office is at Pipers Way, Swindon SN38 1NW and whose registered number is OC313878;
20. NORTHERN BANK LIMITED, whose registered office is at Donegall Square West, Belfast, BT1 6JS and whose registered number is R0000568;
21. PAYRNET LIMITED, whose registered office is at Kemp House, 152 City Road, London, United Kingdom, EC1V 2NX and whose registered number is 09883437;
22. PREPAID FINANCIAL SERVICES LIMITED, whose registered office is at Langham House 5th Floor, 12 Little Portland Street, Marylebone, London, W1W 8BJ and whose registered number is 06337638;
23. SANTANDER UK PLC, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN and whose registered number is 02294747;
24. SPECTRUM PAYMENT SERVICES LIMITED, whose registered office is at 3rd Floor Vintners Place, 68 Upper Thames Street, London, United Kingdom, EC4V 3BJ and whose registered number is 06268340;
25. SQUAREUP EUROPE LIMITED whose registered office is at 6th Floor One London Wall, London, EC2Y 5EB and whose registered number is 08957689;
26. STARLING BANK LIMITED, whose registered office is at 3rd Floor, 2 Finsbury Avenue, London EC2M 2PP and whose registered number is 09092149;
27. TANDEM BANK LIMITED, whose registered office is at 40 Bernard Street, London, England, WC1N 1LE and whose registered number is 00955491;
28. TESCO PERSONAL FINANCE PLC, trading as Tesco Bank, whose registered office is at 2 South Gyle Crescent, Edinburgh, United Kingdom, EH12 9FQ and whose registered number is SC173199;
29. THE ACCESS BANK UK LIMITED, whose registered office is at 4 Royal Court, Gadbrook Way, Gadbrook Park, Northwich, Cheshire CW9 7UT and whose registered number is 06365062;
30. THE CO-OPERATIVE BANK P.L.C., whose registered office is at PO Box 101, 1 Balloon Street, Manchester M60 4EP and whose registered number is 00990937;
31. TRANSFERWISE LTD, whose registered office is at 6th Floor, Tea Building, 56 Shoreditch High Street, London E1 6JJ and whose registered number is 07209813;
32. TSB BANK PLC, whose registered office is at Henry Duncan House, 120 George Street, Edinburgh EH2 4LH and whose registered number is SC095237;
33. TURKISH BANK (UK) LIMITED, whose registered office is at 84-86 Borough High Street, London SE1 1LN and whose registered number is 02643004; and
34. VIRGIN MONEY PLC, whose registered office is at Jubilee House, Gosforth, Newcastle Upon Tyne NE3 4PL and whose registered number is 06952311.

DEED OF CHARGE

DATED 1 MARCH 2019

BETWEEN THE

CHARGORS

AND

**THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND
as the Security Trustee**

**ENTERED INTO IN CONNECTION WITH THE FPS ACCOUNTS AGREEMENT DATED
~~JANUARY~~ 2019 AND NOVATED ON OR AROUND THE DATE OF THIS DEED
1 FEBRUARY**

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THIS DEED is dated 1 MARCH 2019

BETWEEN:

- (1) **THE CHARGORS** as set out in Schedule 1 to this Deed, as amended from time to time (each a "Chargor"); and
- (2) **THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND** of Threadneedle Street, London, EC2R 8AH as security trustee for the Security Beneficiaries (the "Security Trustee").

BACKGROUND:

- (A) Each Chargor enters into this Deed in connection with the FPS Rules and the FPS Accounts Agreement (each as defined below).
- (B) It is intended that this document take effect as a deed notwithstanding the fact that a Party might only execute this document under hand.
- (C) It is intended that this Security (as interpreted below) shall take effect at 00:01 hrs on the Effective Date.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

"Acceding DCS Participant"

means a person which is admitted to participation in FPS as a Bank DCS Participant or a DCS (OF) Participant on or after the Effective Date and which has executed an Accession Agreement.

"Accession Agreement"

means an accession agreement supplemental to this Deed which is in the form:

- (a) as set out in Schedule 1 to the DCS Participation Agreement; or
- (b) as may be directed by the System Operator under clause 14.4 of that Agreement; or
- (c) as may otherwise be directed by the System Operator.

"Accession Date"

has the meaning set out in clause 13 (*Accession*).

"Act"

means the Law of Property Act 1925.

"Bank DCS Participant"

has the meaning given to that term in the FPS Rules.

"Bank DCS (SCA) Participant"

has the meaning given to that term in the FPS Rules.

"Bank of England"

means the Governor and Company of the Bank of England of Threadneedle Street, London EC2R 8AH.

"Beneficiary"

means in relation to a Chargor which is a Non-Paying DCS Participant, each other DCS Participant that has a Single Claim that has not been settled in full.

"Credit Balance"

means, in respect of a Chargor, the credit balance from time to time on that Chargor's Reserves Collateralisation Account or Settlement Collateralisation Account, as the case may be.

"DCS (OF) Participant"

has the meaning given to that term in the FPS Rules.

"DCS Participant"

has the meaning given to that term in the FPS Rules.

"DCS Participation Agreement"

means the DCS Participation Agreement dated on or about the date of this Deed between the System Operator and the DCS Participants who have executed or acceded to the Agreement as Participant Parties.

"DCS (RF) Participant"

has the meaning given to that term in the FPS Rules.

"Effective Date"

means the date of this Deed, or such later date as may be notified by the System Operator to the Chargors and the Security Trustee.

"FPS"

has the meaning given to that term in the FPS Rules.

"FPS Accounts Agreement"

means the FPS Accounts Agreement dated ^{1 FEBRUARY} January 2019 between the System Operator, the Bank of England (in its separate capacities as Security Trustee and Settlement Service Provider) and the DCS Participants who have executed or acceded to the Agreement as Participant Parties.

"FPS Rules"

means the FPS Rules published by the System Operator from time to time.

"Non-Paying DCS Participant"

has the meaning given to that term in the FPS Accounts Agreement.

"Non-Paying DCS Participant Shortfall"

has the meaning given to that term in the FPS Accounts Agreement.

"Party"

means a party to this Deed.

"Payment Request"

has the meaning given to that term in the FPS Rules.

"Reserves Collateralisation Account"

has the meaning given to that term in clause 5.1 (*Reserves Collateralisation Accounts*).

"Secured Liabilities"

means, in respect of a Chargor, all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of that Chargor to:

- (a) any Beneficiary in relation to that Chargor under clause 6 (*Indemnity*) of the FPS Accounts Agreement; and
- (b) the Security Trustee and/or the Settlement Service Provider under this Deed, the FPS Rules, the FPS Accounts Agreement and any other Security Document.

"Security Assets"

means, in respect of a Chargor, all assets of that Chargor that are the subject of this Security.

"Security Beneficiaries"

means each Beneficiary, the Settlement Service Provider and the Security Trustee.

"Security Document"

has the meaning given to that term in the FPS Accounts Agreement.

"Security Interest"

means a mortgage, pledge, lien, charge, assignment by way of security, retention of title and any other encumbrance or security interest whatsoever created or arising under relevant law, as well as any other agreement or arrangement having the effect, or performing the economic function, of conferring security howsoever created or arising.

"Security Period"

means, in respect of a Chargor:

- (a) the period beginning on (i) the Effective Date or (ii) if the Chargor is an Acceding DCS Participant, its Accession Date; and
- (b) ending on the date on which all of its Secured Liabilities have been unconditionally and irrevocably paid and discharged in full by that Chargor and no further Secured Liabilities can arise.

"Settlement Collateralisation Account"

has the meaning given to that term in in clause 5.2 (*Settlement Collateralisation Accounts*).

"Settlement Cycle"

has the meaning given to that term in the FPS Rules.

"Settlement Service Provider"

means the Bank of England, as settlement service provider for the System.

"Single Claim"

has the meaning given to that term in the FPS Rules.

"System"

has the meaning given to that term in the FPS Rules.

"System Operator"

means Pay.UK Limited (acting in its capacity as operator of FPS).

"Working Day"

has the meaning given to that term in the FPS Rules.

1.2 Construction

- (a) The provisions of clause 1.2 (*Construction*) of the FPS Accounts Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the FPS Accounts Agreement will be construed as references to this Deed. The provisions of clauses 10 (*Security Trustee and Settlement Service Provider*) and 11 (*Limitation of Liability*) of the FPS Accounts Agreement apply to this Deed as though they were set out in full in this Deed.
- (b) The term **this Security** means any security created by this Deed.
- (c) Any covenant of a Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (d) If the Security Trustee considers that an amount paid to a Security Beneficiary under the FPS Rules or any Security Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (e) Notwithstanding any other provision of the FPS Accounts Agreement, any Security Document or this Deed, any discretion of the Security Trustee shall be exercised by it in good faith and in a commercially reasonable manner.
- (f) The provisions of this Deed (other than those contained in this clause 1.2(f) (*Construction*)) shall not have effect until the Effective Date.
- (g) The Parties acknowledge that either or both of The Access Bank UK Limited and Virgin Money PLC (which are named as Chargors in Schedule 1) may not have been admitted to participation in FPS before the Effective Date. In this event, any such person shall not execute and be a Party to this Deed as at the Effective Date (a "**Non-Executing Institution**"). The remaining Parties agree that their respective rights, powers and obligations under this Deed are not conditional upon a Non-Executing Institution being a Party to this Deed as at the Effective Date. The System Operator shall notify the remaining Parties of the identity of any Non-Executing Institution.

2. CREATION OF SECURITY

2.1 General

- (a) This Security:
 - (i) Is created in favour of the Security Trustee;
 - (ii) Is created over present and future assets of each Chargor (as described in clause 2.2 (*Charge*));
 - (iii) Is security for the payment of all the Secured Liabilities; and
 - (iv) Is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

- (b) The Security Trustee holds the benefit of each Security Interest created by a Chargor under this Deed on trust for the Security Beneficiaries from time to time in relation to that Chargor.

2.2 Charge

Each Chargor charges by way of a first fixed charge the Credit Balance together with all other rights and benefits accruing to, or arising in connection with, the Credit Balance (including, but not limited to, entitlements to interest).

3. REPRESENTATIONS

3.1 Representations

Each Chargor makes the following representations in this clause 3 (*Representations*) to each Beneficiary and the Security Trustee on each day during the Security Period, by reference to the circumstances then prevailing.

3.2 Power and authority

It has the power to execute and deliver, and to perform its obligations under this Deed and has taken all necessary action to authorise the execution, delivery and performance of this Deed and the transactions contemplated by this Deed.

3.3 Legal validity

This Deed constitutes its legal, valid and binding obligation enforceable in accordance with its terms and creates the Security Interest it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

3.4 Authorisations

All authorisations required or advisable in connection with the entry into, performance, validity and enforceability of this Deed and the transactions contemplated by this Deed have been obtained or effected and are in full force and effect.

3.5 Non-conflict

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not:

- (a) conflict with any law or regulation or judicial or official order;
- (b) conflict with its constitutional documents; or
- (c) conflict with any document or restriction which is binding upon it or any of its assets.

3.6 Good title

- (a) It is the sole beneficial owner of all amounts standing to the credit of, and the entitlements and debts represented by, its Reserves Collateralisation Account or Settlement Collateralisation Account, as the case may be.

- (b) All amounts standing to the credit of, and the entitlements and debts represented by, its Reserves Collateralisation Account or Settlement Collateralisation Account, as the case may be, are free from:
 - (i) any Security Interest (other than any Security Interest created by the Chargor under this Deed); and
 - (ii) any interests or claims of third parties.

4. RESTRICTIONS ON DEALINGS

No Chargor may:

- (a) create, or permit to subsist, any Security Interest over its rights and interest in respect of its Credit Balance; or
- (b) withdraw, transfer or otherwise deal or purport to deal with (including by way of assignment, charge or declaration of trust) any part of its rights and interest in respect of its Credit Balance,

except as expressly permitted or contemplated under this Deed or the FPS Accounts Agreement.

5. ACCOUNTS

5.1 Reserves Collateralisation Accounts

The Security Trustee (acting in its capacity as Settlement Service Provider) shall, in respect of each Chargor which is a Bank DCS Participant (other than a Bank DCS (SCA) Participant), create and maintain within its records dedicated accounts, sub-accounts or other entries in the name of, or otherwise sufficient to identify, such Chargor and to which cash shall be recorded (each a "**Reserves Collateralisation Account**"). Each Reserves Collateralisation Account and the relevant Chargor's entitlement to the Credit Balance represented by the credits to such account, shall be governed by, and construed in accordance with, the laws of England and Wales.

5.2 Settlement Collateralisation Accounts

The Security Trustee (acting in its capacity as Settlement Service Provider) shall, in respect of each Chargor which is a DCS (OF) Participant or a Bank DCS (SCA) Participant, create and maintain within its records dedicated accounts, sub-accounts or other entries in the name of, or otherwise sufficient to identify, such Chargor in respect of such participation and to which cash shall be recorded (each a "**Settlement Collateralisation Account**"). Each Settlement Collateralisation Account and the relevant Chargor's entitlement to the Credit Balance represented by the credits to such account, shall be governed by, and construed in accordance with, the laws of England and Wales.

5.3 Partial Release of Security

If, pursuant to clause 4.3(e) (*Minimum Balance*) of the FPS Accounts Agreement, the Security Trustee makes a transfer from a Reserves Collateralisation Account or a Settlement Collateralisation Account, as the case may be, to the Chargor or, pursuant to clause 5 (*Non-Paying DCS Participant Shortfall*) of the FPS Accounts Agreement, any part of the Credit Balance is applied by the Settlement Service Provider in satisfaction of a Non-Paying DCS Participant Shortfall, that part of the Credit Balance shall thereby be released from the fixed charge created by this Deed, but the release will not prejudice the continuance of the fixed charge created by this Deed in respect of the remainder of the Security Assets.

6. WHEN SECURITY BECOMES ENFORCEABLE

6.1 Enforceability

This Security will become immediately enforceable in respect of a Chargor if:

- (a) there is a Non-Paying DCS Participant Shortfall in respect of such Chargor and such Non-Paying DCS Participant Shortfall has not been discharged (by the carrying out of the irrevocable instruction in clause 5 (*Non-Paying DCS Participant Shortfall*) of the FPS Accounts Agreement or otherwise) by no later than one hour after such Non-Paying DCS Participant Shortfall arose on the Working Day on which the Non-Paying DCS Participant Shortfall arose;
- (b) a demand has been made in accordance with clause 6.1 (*Indemnity by the Non-Paying DCS Participant*) of the FPS Accounts Agreement arising from a Non-Paying DCS Participant Shortfall in relation to the System; and
- (c) the Security Trustee has received instructions from the System Operator that such a demand has been made.

6.2 Discretion

After this Security has become enforceable in respect of a Chargor, the Security Trustee shall enforce all or any part of this Security given by that Chargor in accordance with the FPS Accounts Agreement and in any manner the Security Trustee sees fit.

6.3 Appropriation

Each Chargor authorises the Security Trustee, after this Security has become enforceable in relation to a Chargor, to appropriate (in any manner the Security Trustee sees fit) all or part of the Security Assets in respect of that Chargor and to apply it in or towards discharge of the Secured Liabilities of that Chargor in accordance with this Deed.

7. ENFORCEMENT OF SECURITY

7.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the Effective Date.

- (b) Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

7.2 Privileges

The Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Sections 93 and 103 of the Act do not apply.

8. APPLICATION OF PROCEEDS

After this Deed has become enforceable, and is enforced, by the Security Trustee in relation to a Chargor in accordance with clauses 6 (*When Security Becomes Enforceable*) and 7 (*Enforcement of Security*), the Security Trustee must apply the Security Assets in respect of that Chargor in the following order of priority:

- (a) first (except to the extent that, but for this clause 8(a) (*Application of Proceeds*), completion of settlement of all Payment Requests accepted in a Settlement Cycle in accordance with the FPS Rules would have been able to take place) in or towards payment of, or provision for, those costs and expenses incurred by the Settlement Service Provider and Security Trustee under or in connection with this Deed;
- (b) second, in or towards pro rata payment of, or provision for, that Chargor's Secured Liabilities to each Beneficiary in the following order:
 - (i) first, in or towards payment of the portion of that Chargor's Secured Liabilities to each Beneficiary equal to the amount of any Single Claim (or part thereof) of the relevant Beneficiary that has not been settled; and
 - (ii) thereafter, in or towards pro rata payment of the remainder of that Chargor's Secured Liabilities to each Beneficiary; and
- (c) third, in payment of the surplus (if any) to that Chargor or other person entitled to it.

This clause 8 (*Application of Proceeds*) is subject to the payment of any claims having priority over this Security. This clause 8 (*Application of Proceeds*) does not prejudice, without limitation, the right of any Beneficiary to recover any Non-Paying DCS Participant Shortfall from the Chargor or any Beneficiary's rights against a Chargor for breach of clause 3.6 (*Good title*).

9. EXPENSES AND INDEMNITY

9.1 Expenses

Each Chargor must:

- (a) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with this Deed (attributable to, or arising as a result of any act or omission of, that Chargor) by any of the relevant Security Beneficiaries, the System Operator or any attorney, manager, agent or other person appointed by the Security

Trustee under this Deed, including any arising from any actual or alleged breach by any person of any law or regulation; and

- (b) keep each of them indemnified against any failure or delay in paying those costs or expenses.

9.2 Maintenance of Accounts

Each Chargor shall, on demand by the Security Trustee, reimburse the Security Trustee for all reasonable charges and expenses incurred by the Security Trustee and directly attributable to that Chargor in connection with the opening, maintenance and operation of a Reserves Collateralisation Account or Settlement Collateralisation Account, as the case may be.

10. FURTHER ASSISTANCE

Each Chargor must, at its own expense, take whatever action the Security Trustee may require for:

- (a) creating, perfecting or protecting any security intended to be created by this Deed;
or
- (b) facilitating the exercise of any right, power or discretion exercisable by the Security Trustee or any of its delegates or sub-delegates in respect of the Security Assets.

This includes:

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Security Trustee or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration, which, in any such case, the Security Trustee may think expedient.

11. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Trustee to be its attorney to take any action which that Chargor is obliged to take under this Deed. Each Chargor ratifies and confirms whatever any attorney does, or purports to do, under its appointment under this clause 11 (*Power of Attorney*).

12. MISCELLANEOUS

12.1 Covenant to Pay

Each Chargor must pay or discharge the Secured Liabilities in the manner provided for in the FPS Accounts Agreement.

12.2 Tacking

Each Beneficiary must perform its obligations under the FPS Rules.

13. ACCESSION

Each Acceding DCS Participant shall become a Chargor and Party for all purposes of this Deed upon and with effect from its execution of an Accession Agreement in accordance with the DCS Participation Agreement or as otherwise directed by the System Operator (the "**Accession Date**"). Such Acceding DCS Participant agrees thereby to be bound by the terms of this Deed and undertakes to perform its obligations as a Chargor under this Deed with effect from the Accession Date. Each Chargor irrevocably authorises the System Operator to agree to, and execute as a deed, any such duly completed Accession Agreement as agent for and on behalf of such Chargor.

14. RELEASE

At the end of the Security Period, the Security Trustee and the other Parties must, at the request and cost of a Chargor, take whatever action is necessary to release the Chargor's rights and interest in respect of its Credit Balance from this Security.

15. RIGHTS OF THIRD PARTIES

- (a) Subject to clause 15(b), a person who is not a Party shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed. This paragraph does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to such legislation.
- (b) Notwithstanding clause 15(a), the Parties agree that:
 - (i) any Beneficiary which is a DCS (RF) Participant from time to time shall have the benefit of, and may enforce, clauses 3 (*Representations*), 8 (*Application of Proceeds*) and 9.1 (*Expenses*) of this Deed;
 - (ii) the System Operator shall have the benefit of, and may enforce, clause 9.1 (*Expenses*) of this Deed; and
 - (iii) any attorney, manager, agent or other person appointed by the Security Trustee under this Deed shall have the benefit of, and may enforce, clause 9.1 (*Expenses*) of this Deed.
- (c) The provisions of this Deed may be rescinded, waived or varied by agreement of the Parties in writing, and this Security may be released in accordance with clause 14 (*Release*) of this Deed, without the consent of any of the third parties identified in clause 15(b).

16. GOVERNING LAW

This Deed and all rights and obligations (including, without limitation, any non-contractual obligations) arising under or in connection with this Deed are governed by the laws of England and Wales.

17. JURISDICTION

17.1 Jurisdiction

The Parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any disputes arising out of, or in connection with, this Deed (including, without limitation, any non-contractual obligations) and the Parties accordingly submit to the exclusive jurisdiction of the courts of England and Wales.

17.2 Binding Forum

The Parties:

- (a) waive objection to the courts of England and Wales on grounds of inconvenient forum or otherwise as regards proceedings arising out of or in connection with this Deed; and
- (b) agree that a judgment or order of a court of England and Wales in connection with this Deed is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

18. COUNTERPARTS

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

This Deed has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1

CHARGORS

ATOM BANK PLC, whose registered office is at The Rivergreen Centre, Aykley Heads, Durham DH1 5TS and whose registered number is 08632552;

BARCLAYS BANK PLC, whose registered office is at 1 Churchill Place, London E14 5HP and whose registered number is 01026167;

BARCLAYS BANK UK PLC, whose registered office is at 1 Churchill Place, London E14 5HP and whose registered number is 09740322;

BFC BANK LIMITED, whose registered office is at 9th Floor South Quay Plaza, 189 Marsh Wall, London E14 9SH, and whose registered number is 04797759;

CITIBANK N.A., LONDON BRANCH, whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, with registered number BR001018;

CLEARBANK LIMITED, whose registered office is at Level 29, The Gherkin, 30 St Mary Axe, London EC3A 8EP, and whose registered number is 09736376;

CLYDESDALE BANK PLC, whose registered office is at 30 St. Vincent Place, Glasgow G1 2HL and whose registered number is SC001111;

CREDEC LIMITED, whose registered office is at 31 Hill Street, London, England, W1J 5LS and whose registered number is 10821006;

ELAVON FINANCIAL SERVICES DAC, whose registered office is at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland and whose registered number in the UK is FC027535 and whose registered number in Ireland is 418442;

HSBC BANK PLC, whose registered office is at 8 Canada Square, London E14 5HQ and whose registered number is 00014259;

HSBC UK BANK PLC, whose registered office is at 1 Centenary Square, Birmingham B1 1HQ and whose registered number is 09928412;

IPAGOO LLP, whose registered office is at One Aldgate, Aldgate, London EC3N 1RE and whose registered number is OC377842;

LLOYDS BANK PLC, whose registered office is at 25 Gresham Street, London EC2V 7HN and whose registered number is 00002065;

METRO BANK PLC, whose registered office is at One Southampton Row, London WC1B 5HA and whose registered number is 06419578;

MONZO BANK LIMITED, whose registered office is at 38 Finsbury Square, London, United Kingdom, EC2A 1PX and whose registered number is 09446231;

NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY, whose registered office is at 250 Bishopsgate, London EC2M 4AA and whose registered number is 00929027;

NATIONWIDE BUILDING SOCIETY, whose principal office is at Pipers Way, Swindon, SN38 1NW;

NORTHERN BANK LIMITED, whose registered office is at Donegall Square West, Belfast, BT1 6JS and whose registered number is R0000568;

SANTANDER UK PLC, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN and whose registered number is 02294747;

SPECTRUM PAYMENT SERVICES LIMITED, whose registered office is at 3rd Floor Vintners Place, 68 Upper Thames Street, London, United Kingdom, EC4V 3BJ and whose registered number is 06268340;

STARLING BANK LIMITED, whose registered office is at 3rd Floor, 2 Finsbury Avenue, London EC2M 2PP and whose registered number is 09092149;

THE ACCESS BANK UK LIMITED, whose registered office is at 4 Royal Court, Gadbrook Way, Gadbrook Park, Northwich, Cheshire CW9 7UT and whose registered number is 06365062;

THE CO-OPERATIVE BANK P.L.C., whose registered office is at PO Box 101, 1 Balloon Street, Manchester M60 4EP and whose registered number is 00990937;

TRANSFERWISE LTD, whose registered office is at 6th Floor, Tea Building, 56 Shoreditch High Street, London E1 6JJ and whose registered number is 07209813;

TSB BANK PLC, whose registered office is at Henry Duncan House, 120 George Street, Edinburgh EH2 4LH and whose registered number is SC095237;

TURKISH BANK (UK) LIMITED, whose registered office is at 84-86 Borough High Street, London SE1 1LN and whose registered number is 02643004; and

VIRGIN MONEY PLC, whose registered office is at Jubilee House, Gosforth, Newcastle Upon Tyne NE3 4PL and whose registered number is 06952311.