

MR01

Particulars of a charge



Companies House

017701/13

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☐ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

WEDNESDAY



A2Z45WEP

A07

08/01/2014

#363

COMPANIES HOUSE

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery

☒ You must enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record

1 Company details

Company number 00093792

Company name in full Royal and Sun Alliance Insurance PLC

For official use
117

→ Filing in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 3 0 1 2 2 0 1 3

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Harworth Insurance Company Limited

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

None

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☐ Yes

☒ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☐ Yes

☒ No

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8

Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

¹ This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X Clyde & Co LLP as legal counsel X
representing the chargee (Harworth
Insurance Company Limited)

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name
Jennifer Yao

Company name
Clyde & Co LLP

Address
Clyde & Co LLP

The St Botolph Building

138 Houndsditch

Post town
London

County/Region

Postcode
E C 3 A 7 A R

Country
United Kingdom

DX
160030 Lime Street 5

Telephone
+44 (0) 20 7876 5000



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 93792

Charge code. 0009 3792 0017

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th December 2013 and created by ROYAL & SUN ALLIANCE INSURANCE PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th January 2014.

12x

Given at Companies House, Cardiff on 13th January 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

We hereby certify that this is a true and accurate copy of the original

Clyde & Co LLP
CLYDE & CO LLP JENMAER YAO (Fee earner)
1311186 (matter number)

CLYDE & CO

07.01 2013
DATE

ROYAL AND SUN ALLIANCE INSURANCE PLC

and

HARWORTH INSURANCE COMPANY LIMITED

SECURITY DEED

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THIS DEED is dated 30 December 2013 and is made

BETWEEN

- (1) **ROYAL AND SUN ALLIANCE INSURANCE PLC**, a company incorporated under the laws of England and Wales with registered number 00093792 whose registered office is at St Marks Court, Chart Way, Horsham, West Sussex, RH12 1XL (the **Chargor**), and
- (2) **HARWORTH INSURANCE COMPANY LIMITED** a company incorporated in England and Wales with registered number 0307834 whose registered office is at The Grange, Bishops Cleeve, Cheltenham, GL52 8YQ (the **Secured Party**)

BACKGROUND

- (A) The Chargor enters into this Deed in connection with the Reinsurance (as defined below)
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand

IT IS AGREED as follows

1. INTERPRETATION

1.1 Definitions

In this Deed

Accounts means the Escrow Account and the Security Account

Act means the Law of Property Act 1925

Bank means HSBC Bank Plc with a place of business at Level 24, 8 Canada Square, London E14 5HQ

Collateral Cash means the debt owed by the Bank or any of its Delegates to the Chargor represented by the credit balance from time to time on the Escrow Account

Collateral Securities means such right, title and interest as the Chargor has in and to all the stocks, shares, gilts, instruments, warrants, units and entitlements in or relating to open or closed trusts, funds or schemes and other securities, entitlements and intangible rights of any kind title to or possession of which is held in the Security Account and which are not subject to Critical Transfer Restrictions

Contract Rights means all powers, rights, claims, discretions, title, interest and benefit whatsoever whether now or in the future which the Chargor has under or otherwise in connection with the Escrow Agreement (or any other agreement from time to time entered into between the Chargor and the Bank by way of replacement or substitution thereof) including without limitation all and any right of the Chargor to require the Bank to deliver or redeliver, or where the Custody Assets are held by any Delegate of the Bank, to procure that such Delegate delivers or redelivers to the Chargor or as the Chargor may direct (whether pursuant to contract or as trustee or

otherwise howsoever) title to and possession of any or all of the Custody Assets, and all monies assured by or to become payable under the same and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same and the documents relating thereto

Critical Transfer Restriction means, with respect to any Sub-Fund Shares or proceeds thereof, a term in a Sub-Fund Agreement relating to such Sub-Fund Shares or proceeds that (a) provides that the assignment or transfer thereof, or the creation, attachment, perfection, or enforcement of a security interest or encumbrance therein, may give rise to a default, breach, right of recoupment, claim, defence, termination, right of termination, or remedy under the Sub-Fund Agreements relating to such Sub-Fund Shares or such proceeds, and (b) is enforceable under the laws applicable thereto

Custody Assets means any and all property held for or to the order of the Chargor by the Bank or any of its Delegates (in each case pursuant to the Escrow Agreement) including, without limitation (a) the Collateral Securities, (b) the Collateral Cash, (c) the Related Rights

Delegate means, in relation to the Bank, any sub-Bank, nominee, agent or other delegate appointed for the purposes of the Escrow Agreement

Effective Date means the date on which the Bank receives a Secured Party Notice from the Secured Party at the address specified in clause 4 1(g) of this Deed

Encumbrance means (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person, (b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person or (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect

Endorsement means the endorsement to the Reinsurance Agreements made between the Chargor and the secured Party and dated on or about the date of this Deed,

Endorsement Premium Refund has the meaning given to that term in the Endorsement,

Enforcement Event means the occurrence of any of the following

- (a) a failure by the Chargor either (i) to make a material payment to the Secured Party in respect of a claim in accordance with the terms of the Reinsurance or (ii) to pay the Endorsement Premium Refund in accordance with the terms of the Endorsement or (iii) to pay the VWF Contractor Claims Refund in accordance with the terms of the Endorsement which failure is not being disputed in good faith by the Chargor, where such failure to pay remains outstanding 40 Business Days after the relevant due date and which is not remedied within 7 days of a notice to the Chargor from the Secured Party requiring such remedy, and

(b) the Chargor

- (i) makes an arrangement or composition with or for the benefit of its creditors, other than a solvent scheme of arrangement or reorganisation procedure,
- (ii) has a receiver appointed over any material part of its assets,
- (iii) has a liquidator appointed or passes a resolution for the appointment of a liquidator (other than (in either case) in connection with a voluntary winding-up for the purposes of solvent amalgamation or reconstruction),
- (iv) is the subject of an order for the appointment of an administrator or the Chargor, its directors or a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 of the Insolvency Act 1986) give(s) notice of intention to appoint an administrator,
- (v) has a secured party take possession of all or substantially all its assets or any of the Security Assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets or any of the Security Assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter,
- (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (i) to (v) above (inclusive)

Escrow Account means the cash account maintained by or on behalf of the Bank for the account of the Chargor under the Escrow Agreement as specified in Schedule 1, Part 2, including any sub-accounts thereof from time to time, and together with all sums deposited therein or standing to the credit thereof (including any renewed or substituted deposits)

Escrow Agreement means an escrow agreement entered into on or about the date of this Deed between the Chargor, the Secured Party and the Bank

Instructions has the meaning given to that term in the Escrow Agreement

Investments means the Collateral Securities and all Related Rights

Non-Critical Transfer Restriction means, with respect to any Sub-Fund Shares or proceeds thereof, a term in a Sub-Fund Agreement relating to such Sub-Fund Shares or proceeds that (a) prohibits, restricts or requires the consent of the issuer (or investment advisor, administrator or similar person) of such Sub-Fund Shares to the assignment or transfer of, or the creation, attachment, perfection or enforcement of a security interest or encumbrance in, such Sub-Fund Shares or such proceeds, and (b) is enforceable under the laws applicable thereto

Party means a party to this Deed

Receiver means a receiver and manager or a receiver, in each case, appointed under this Deed

Reinsurance means the Reinsurance Agreements as amended by the Endorsement,

Reinsurance Agreements means the reinsurance agreements made between the Chargor and the Secured Party between 1996 and 2013

Related Rights means

- (a) any dividend, interest or other distribution paid or payable in relation to any Collateral Securities, and
- (b) any right, money or property accruing or offered at any time in relation to any Collateral Securities by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise

Secured Liabilities means all present and future obligations and liabilities of the Chargor to the Secured Party under the Reinsurance and the Endorsement

Securities Account means the securities account maintained by or on behalf of the Bank for the account of the Chargor under the Escrow Agreement as specified in Schedule 1, Part 2, including any sub-accounts thereof from time to time

Security means any Encumbrance created, evidenced or conferred by or under this Deed

Security Assets means those assets of the Chargor which are the subject of any security created by this Deed

Secured Party Notice means a notice in the form set out in Schedule 2 of this Deed notifying the Bank that an Enforcement Event has occurred and is continuing, with a copy to be provided to the Chargor (provided that failure to provide a copy to the Chargor shall not derogate from the effectiveness of the service of a Secured Party Notice on the Bank)

Security Period means the period beginning on the date of this Deed and ending on the earlier of (a) the date on which the Transfer becomes effective (b) the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and (c) the date on which the Endorsement having been validly terminated in accordance with its terms the Reinsured receives the Endorsement Premium Refund

Sub-Fund means each hedge fund or investment fund, including each special purpose vehicle or managed account, in which the Chargor holds shares, partnership interests, units of equity or other ownership interests

Sub-Fund Agreement means the constituent documents or offering documents of a Sub-Fund or the subscription agreement between the Chargor and a Sub-Fund, or any other document governing Sub Fund Shares

Sub-Fund Shares means any Collateral Securities that are shares, partnership interests, units of equity or other ownership interests in any hedge fund or investment fund

Transfer means the transfer by the Secured Party to the Chargor of the insurance business which is the subject of the Reinsurance pursuant to Part VII of the Financial Services and Markets Act 2000

VWF Contractor Claims Refund means the refund of £100,000 of the Endorsement Premium to which the Reinsured is entitled under clause 3.18 of the Endorsement

1.2 Construction

- (a) Words and expressions not otherwise defined in this Deed shall be construed in accordance with the Reinsurance
- (b) References to the Secured Party and the Chargor include their respective successors and permitted assigns (as the case may be)
- (c) In this Deed, unless the context otherwise requires
 - (i) references to a person shall include any body corporate or unincorporate,
 - (ii) words denoting the singular shall include the plural and vice versa,
 - (iii) words denoting a gender shall include the other gender and the neuter and neuter references shall include all genders,
 - (iv) references to Clauses, Paragraphs and Schedules are references to clauses and paragraphs of, and schedules to, this Deed,
 - (v) any reference to enactment or provision of any enactment shall include a reference to any order, ordinance or regulation made under it and any such reference shall be construed as a reference to such enactment or provision of any enactment, order, ordinance or regulation as amended, modified, extended, consolidated, re-enacted or replaced from time to time
- (d) A reference to the Reinsurance or other document includes (without prejudice to any prohibition on amendments) all amendments however fundamental to the Reinsurance or other document, including any amendment providing for any increase in the amount of a facility or any additional facility
- (e) Any covenant of the Chargor under this Deed remains in force during the Security Period and is given for the benefit of the Secured Party
- (f) Clause headings and the index are inserted for convenience only and shall not affect the construction of this Deed
- (g) A person who is not a party to this Deed may not enforce its terms under the Contracts (Rights of Third Parties) Act 1999 or otherwise
- (h) Unless the context otherwise requires, a reference to a Security Asset includes
 - (i) any part of that Security Asset, and
 - (ii) the proceeds of that Security Asset

2 CREATION OF SECURITY

2.1 General

All the security created under this Deed

- (a) is created in favour of the Secured Party,
- (b) is created over the present and future Custody Assets of the Chargor,
- (c) is continuing security for the payment, discharge and performance of all the Secured Liabilities, and
- (d) is made by the Chargor in respect of the Security Assets with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act, 1994

2.2 Floating Charge

- (a) The Chargor charges by way of a floating charge all of its rights, title and interest in and to
 - (i) the Accounts,
 - (ii) the Collateral Securities and all the Related Rights to the extent that they are not subject to Critical Transfer Restrictions, and
 - (iii) the Collateral Cash

For the avoidance of doubt the Security does not extend to, and the Parties do not intend it to extend to, any account other than the Accounts

- (b) If an Enforcement Event is outstanding the Secured Party may by notice to the Chargor convert the floating charge created by Clause 2.2(a) into a fixed charge as regards any of the Chargor's assets that are subject to that floating charge and specified in the notice
- (c) If, at any time, title to any other intangible moveable property belonging to or for the account of the Chargor is transferred to, or any other security is deposited with, the Bank by or for the account of the Chargor under the Escrow Agreement, any such property or other certificate shall, without further notice or agreement, become subject to the provisions of this Deed
- (d) Notwithstanding the Encumbrances created by this Clause 2, at all times prior to the service of a Secured Party Notice the Chargor (and the Bank on its behalf) may continue to dispose of the Custody Assets and issue Instructions under the Escrow Agreement and exercise all the Contract Rights and other rights in respect of the Custody Assets, subject to the terms of the Escrow Agreement

3 FURTHER ASSURANCES

The Chargor must take whatever action the Secured Party may reasonably require for

- (a) creating, perfecting or protecting security over any of its assets intended to be created by or pursuant to this Deed,

- (b) after the occurrence of an Event of Default facilitating the realisation of the Security Assets,
- (c) after the occurrence of an Event of Default facilitating the exercise of any right, power or discretion exercisable by the Secured Party or any of its delegates or sub-delegates in respect of the Security Assets, or
- (d) creating and perfecting security in favour of the Secured Party (equivalent to the security intended to be created by this Deed) over any of its assets located in any jurisdiction outside England and Wales

4 ENFORCEMENT OF SECURITY

4.1 General

- (a) This Security will become immediately enforceable in relation to the Security Assets if an Enforcement Event occurs and for so long as such Enforcement Event is continuing
- (b) If and for so long as this Security has become enforceable, the Secured Party may in its absolute discretion enforce all or any part of it in relation to the Security Assets in any manner it sees fit
- (c) The power of sale and any other powers conferred on a mortgagee by law (including under Section 101 of the Act), as amended by this Deed, will be immediately exercisable at any time if and for so long as this Security has become enforceable
- (d) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed
- (e) Any restriction imposed by law on the power of sale (including under Section 103 of the Act) or the right of a mortgagee to consolidate mortgages (including under Section 93 of the Act) does not apply to this Security
- (f) The Secured Party agrees that it will not be entitled to, and will not, deliver a Secured Party Notice unless an Enforcement Event has occurred and is continuing
- (g) A Secured Party Notice shall be delivered by hand, registered or recorded delivery post facsimile or courier to the following address or facsimile number

Address.

HSBC Bank plc
 Corporate Trust & Loan Agency, Europe
 HSBC Securities Services
 Level 24, 8 Canada Square
 London
 E14 5HQ

Facsimile: +44 845 587 0429 marked for the attention of The Senior Manager, CT Client Services, Corporate Trust and Loan Agency

or to such other address as the Bank may from time to time designate by notice duly given in accordance with Clause 32 of the Escrow Agreement

- (h) A Secured Party Notice shall be deemed to have been received
 - (i) if delivered by hand, at the time of delivery if it is delivered during the normal business hours of the addressee on a Business Day and if not, on the next following Business Day,
 - (ii) if delivered by facsimile, at the time it is sent and the sender has obtained a confirmed receipt if it is delivered during the normal business hours of the addressee on a Business Day and if not, on the next following Business Day, and
 - (iii) if delivered by post or courier, when the addressee signs to take delivery

4 2 No liability as mortgagee in possession

Neither the Secured Party nor any Receiver will be liable by reason of entering into possession of a Security Asset to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable

4 3 Privileges

Each Receiver and the Secured Party is entitled to all the rights, powers, privileges and immunities conferred by law (including the Act) on mortgagees and receivers duly appointed under any law (including the Act), except that Section 103 of the Act does not apply

4 4 Applying Collateral Cash

The Secured Party may at any time after the Effective Date require the Bank or any of its respective Delegates to pay the Collateral Cash to the Secured Party or as the Secured Party may direct and the Secured Party may apply all or any part of such Collateral Cash against all or any part of the Secured Liabilities

4 5 Redemption of Custody Assets

The Secured Party may at any time after the Effective Date redeem such numbers of Collateral Securities held pursuant to the Escrow Agreement as may be specified by the Secured Party and pay the proceeds of such redemptions to the Secured Party upon receipt thereof

4 6 Protection of third parties

No person (including a purchaser) dealing with the Secured Party or a Receiver or its or his agents will be concerned to enquire

- (a) whether the Secured Liabilities have become payable,
- (b) whether any power which the Secured Party or a Receiver is purporting to exercise has become exercisable or is being properly exercised,
- (c) whether any money remains due under the Reinsurance or the Endorsement, or

- (d) how any money paid to the Secured Party or to that Receiver is to be applied

4 7 Redemption of prior mortgages

- (a) For so long as this Security is enforceable, the Secured Party may
 - (i) redeem any prior Encumbrance against any Security Asset,
 - (ii) procure the transfer of that Encumbrance to itself, and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer, any accounts so settled and passed will be, in the absence of demonstrable error, conclusive and binding on the Chargor
- (b) The Chargor must pay to the Secured Party, within 3 Business Days of demand, the costs and expenses incurred by the Secured Party in connection with any such redemption and/or transfer, including the payment of any principal or interest in relation to it

4 8 Contingencies

If this Security is enforced at a time when no amount is due by or on account of the Chargor in respect of the Secured Liabilities but at a time when amounts may or will become due, the Secured Party (or the Receiver) may pay the proceeds of any recoveries effected by it into such number of interest bearing suspense accounts as it considers appropriate

5 RECEIVER

5 1 Appointment of Receiver

- (a) Except as provided below, the Secured Party may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if and for so long as this Security has become enforceable
- (b) Any appointment under Clause 6 1(a) above may be by deed, under seal or in writing under its hand
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed

5 2 Removal

The Secured Party may by writing under its hand remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated

5 3 Remuneration

The Secured Party may fix the remuneration of any Receiver appointed by it and any maximum rate imposed by law (including under section 109(6) of the Act) will not apply

5 4 Agent of the Chargor

- (a) A Receiver appointed will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor is solely responsible for the contracts, engagements, acts, omissions, defaults and losses of such Receiver and for liabilities incurred by such Receiver.
- (b) The Secured Party will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

5 5 Relationship with Secured Party

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Secured Party in relation to any Security Asset without first appointing a Receiver or notwithstanding the appointment of a Receiver.

6 POWERS OF RECEIVER

6 1 General

- (a) A Receiver has all the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law. This includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act, 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

6 2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

6 3 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit.

6 4 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

6 5 Legal actions

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

6 6 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper for realising any Security Asset

6 7 Delegation

A Receiver may delegate the powers granted to it pursuant to this Deed

6 8 Other powers

A Receiver may

- (a) do all other acts and things which he may consider necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law,
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset, and
- (c) use the name of the Chargor for any of the above purposes

7 INVESTMENTS

7 1 General

- (a) The Chargor must pay all calls and other payments due and payable in respect of any of the Investments
- (b) The Chargor must comply with all other conditions and obligations assumed by it in respect of any of the Investments
- (c) The Secured Party is not obliged to
 - (i) perform any obligation of the Chargor,
 - (ii) make any payment,
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor, or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,in respect of any Investments

7 2 Voting rights and dividends

- (a) For so long as this Security is not enforceable
 - (i) the Chargor may continue to exercise the voting rights, powers and other rights in respect of the Investments, and

- (ii) all dividends or other income or distributions paid or payable in relation to the Collateral Securities may be paid to the Chargor
- (b) For so long as this Security is enforceable, the Secured Party may serve notice on the Bank requiring that
 - (i) any voting rights in respect of those Investments held pursuant to the Escrow Agreement, and
 - (ii) any other powers or rights which may be exercised by the legal or beneficial owner of any of the Investments held pursuant to the Escrow Agreement, any person who is the holder of any of the Investments held pursuant to the Escrow Agreement or otherwise,

shall be exercised as directed by the Secured Party
- (c) The Secured Party will have no liability to the Chargor for any loss that results from the exercise or non-exercise of any voting rights attaching to the Investments or for any failure to deal with any notice relating to the Investments that is sent to the Secured Party

8 APPLICATION OF PROCEEDS

Any moneys received by the Secured Party or any Receiver after this Security has become enforceable must be applied in the following order of priority

- (a) in or towards payment of or provision for all costs and expenses incurred by the Secured Party or any Receiver under or in connection with this Deed and of all remuneration due to the Receiver under or in connection with this Deed,
- (b) in or towards payment of or provision for the Secured Liabilities, and
- (c) in payment of the surplus (if any) to the Chargor or any other person entitled to them

This Clause does not prejudice the right of the Secured Party or the Bank to recover any shortfall from the Chargor or the rights of lien, consolidation or set-off of the Bank arising under the Escrow Agreement. The Secured Party may, in its discretion, vary the order set out in (a) to (c) above

9 POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Secured Party and any of the Secured Party's delegates or sub-delegates or other appointees to be its attorney to take any action which it is obliged to take under this Deed but which it has failed to do. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause

10 MISCELLANEOUS

10.1 No liability

The Secured Party will not be liable to the Chargor for any loss of any kind resulting from the exercise of its rights under this Deed except to the extent due to the Secured Party's wilful misconduct or negligence

11 RELEASE

At the end of the Security Period, the Secured Party must, at the request and cost of the Chargor, take whatever action is reasonably necessary to release, re-assign or otherwise discharge this Security and to remove any registrations of the Security against the Chargor or the Security Assets

12 NOTICES

12 1 In writing

- (a) Any communication in connection with this Deed must be in writing and, unless otherwise stated, may be given
 - (i) in person, by post or fax, or
 - (ii) to the extent agreed by the Parties, by e-mail or other electronic communication
- (b) For the purpose of this Deed, an electronic communication will be treated as being in writing
- (c) Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing

12 2 Contact details

- (a) The contact details of the Chargor for all notices in connection with this Deed are the same as those set out in the Endorsement for the Chargor
- (b) The contact details of the Secured Party for all notices in connection with this Deed are the same as those set out in the Endorsement for the Secured Party
- (c) Any Party may change its contact details by giving five Business Days' notice to the other Party
- (d) Where the Secured Party nominates a particular department or officer to receive a notice, a notice will not be effective if it fails to specify that department or officer

12 3 Effectiveness

- (a) Except as provided below, any communication in connection with this Deed will be deemed to be given as follows
 - (i) if delivered in person, at the time of delivery,
 - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope,
 - (iii) if by fax, when received in legible form, and
 - (iv) if by e-mail or any other electronic communication, when received in legible form
- (b) A communication given under Paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place

- (c) Notwithstanding the above, a communication to the Secured Party will only be effective on actual receipt by it

13 LANGUAGE

Any notice given in connection with this Deed must be in English

14 SEVERABILITY

If a term of this Deed is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Deed, or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other term of this Deed

15 WAIVERS AND REMEDIES CUMULATIVE

The rights of the Secured Party under this Deed

- (a) may be exercised as often as necessary,
- (b) are cumulative and not exclusive of its rights under the general law, and
- (c) may be waived only in writing and specifically

Delay in exercising or non-exercise of any right is not a waiver of that right

16 COUNTERPARTS

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

17 GOVERNING LAW

This Deed and any non-contractual obligations relating thereto or arising in respect thereof are governed by and shall be construed in accordance with English law

18 JURISDICTION

- (a) The Chargor hereby
 - (i) irrevocably agrees that the English courts have jurisdiction to settle all disputes in all matters arising in connection with this Deed,
 - (ii) irrevocably waives, and agrees not to raise, any objection it may have now or at any time after the date of this Deed to
 - (A) the venue for any action or proceedings arising out of, or in connection with, this Deed,
 - (B) any claim that any action or proceedings arising out of, or in connection with, this Deed have been brought in an inconvenient forum or otherwise, and

- (C) irrevocably agrees that any judgment or order of an English court resulting from any action or proceedings brought in accordance with the provisions of this Clause, shall be conclusive and binding on it and may be enforced against it in any court of any other jurisdiction
- (b) This Clause is for the benefit of the Secured Party only To the extent allowed by law, the Secured Party may take
 - (i) proceedings in any other court, and
 - (ii) concurrent proceedings in any number of jurisdictions
- (c) References in this Clause to a dispute in connection with this Deed includes any dispute as to the existence, validity or termination of this Deed

Schedule 1

DETAILS OF CUSTODY ARRANGEMENTS

PART 1

DETAILS OF BANK

Name of Bank	HSBC Bank Plc
Address	Level 27 8 Canada Square London E14 5HQ

PART 2

DETAILS OF ACCOUNTS

Bank	Name of Cash Account	Number and currency of Cash Account
HSBC Bank Plc	Royal and Sun Alliance Insurance PLC Escrow Account	Number 74342978 Sort Code 40-05-15 Currency GBP
Bank	Securities Account	
HSBC Bank Plc	Number 806025 Sort Code 40-05-15	

Schedule 2

SECURED PARTY NOTICE AND ACKNOWLEDGEMENT

Text of Notice message from the Secured Party

To HSBC Bank plc

For the attention of CTLA Client Services
Corporate Trust and Loan Agency
Level 27
8 Canada Square
London
E14 5HQ
Email ctla_securitisation@hsbc.com
Fax +44 845 587 0429

Re Account(s) no(s)

Security Agreement dated [●] 2013 (the "Agreement") between Royal and Sun Alliance Insurance Plc and Harworth Insurance Company Limited

Escrow Agreement dated [●] 2013 (the "Escrow Agreement") between and Harworth Insurance Company Limited, Royal and Sun Alliance Insurance Plc and HSBC Bank Plc

This letter constitutes the Secured Party Notice as defined in the Agreement and the Escrow Agreement, a copy of which is attached hereto


An Enforcement Event (as defined in the Agreement) has occurred and is continuing

[Authorised Signatory] (Secured Party)

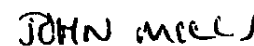
Signatories

IN WITNESS whereof this Deed has been entered into and executed as a deed by the Chargor with the intention that it be delivered on the date stated at the beginning of this Deed.


Executed as a Deed by Royal And)
Sun Alliance Insurance PLC acting)
by:)



Director



AUTHORISED SIGNATORY

Witness: 

Director/Secretary JONATHAN LOVE
RSA Insurance Group

Executed as a Deed by)
Harworth Insurance Company)
Limited)
acting by:)

Director

Director/Secretary

Signatories

IN WITNESS whereof this Deed has been entered into and executed as a deed by the Chargor with the intention that it be delivered on the date stated at the beginning of this Deed

**Executed as a Deed by Royal And)
Sun Alliance Insurance PLC acting)
by)**

sign here

Director

print name

sign here

Director/Secretary

print name

**Executed as a Deed by)
Harworth Insurance Company)
Limited)
acting by)**

sign here

Director

print name

sign here

Director/Secretary

print name