



Registration of a Charge

Company Name: **AXA UK PENSION TRUSTEES LIMITED**

Company Number: **00477312**



Received for filing in Electronic Format on the: **05/04/2022**

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Details of Charge

Date of creation: **31/03/2022**

Charge code: **0047 7312 0006**

Persons entitled: **LANTERNONE IC LIMITED (AND ITS SUCCESSORS IN TITLE AND PERMITTED TRANSFEREES)**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Chargor acting as a bare trustee for the property.

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: **LINKLATERS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 477312

Charge code: 0047 7312 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st March 2022 and created by AXA UK PENSION TRUSTEES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th April 2022 .

Given at Companies House, Cardiff on 9th April 2022

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**

TRUSTEE/INSURER SECURITY ASSIGNMENT DEED

dated 31 March 2022

created by

AXA UK PENSION TRUSTEES LIMITED
as the Assignor

in favour of

LANTERNONE IC LIMITED
acting as Secured Party

Linklaters

Ref: L-311184

Linklaters LLP

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THIS DEED is dated 31 March 2022 and made between:

- (1) AXA UK PENSION TRUSTEES LIMITED, a company incorporated under the laws of England and Wales with registered number 477312 and with its registered office at 5 Old Broad Street, London EC2N 1AD, as assignor (the "**Assignor**"); and
- (2) LANTERNONE IC LIMITED, of PO Box 384, Suite 1 North, Albert House, South Esplanade, St. Peter Port, Guernsey GY1 1AJ (registered in Guernsey with registered number 70306), which is an incorporated cell of Anastasis ICC Limited, an incorporated cell company incorporated and registered under the laws of Guernsey under registration number 69647 with its registered office at PO Box 384, Suite 1 North, Albert House, South Esplanade, St. Peter Port, Guernsey GY1 1AJ, Guernsey (the "**Secured Party**").

Background

- (A) The board of directors of the Assignor is satisfied that entering into this Deed would be most likely to promote the success of the Assignor for the benefit of its members as a whole and to the further benefit and advantage of the Assignor.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"Actual Collateral Amount" means in respect of any date, the Value of the Posted Collateral in the Custodian Accounts on that day.

"Actual Collateral Amount Valuation Date" means the date falling 35 Business Days after each Quarter Date.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Benchmark Credit Rating Criteria" means in respect of any person, at any time, that such person has a long term credit rating (as rated by Moody's, Fitch or Standard & Poor's) equal to or better than the long-term credit rating (as rated by Moody's, Fitch or Standard & Poor's) of any one of the four largest professional custodians (based on such entities custodial activities in England) established or operating a branch in England at that time as determined by the Secured Party acting reasonably.

"Cash" means any cash that complies with paragraph (A) of Schedule 6 (*Eligible Financial Collateral Criteria*) of the Framework Agreement, whether representing capital or income (whether arising out of or in connection with the Securities or otherwise).

"Cash Account" means the cash account notified by the Assignor to the Secured Party from time to time established pursuant to Clause 23.1 (*Replacement Custodian*) or Clause 23.4 (*Failure to appoint Replacement Custodian*) or otherwise with the prior written agreement of the Secured Party, together with all balances from time to time being held in or standing to the credit of the Cash Account, all interest from time to time accruing thereon and all Related Rights.

"Custodian" means JP Morgan Chase Bank, National Association, London Branch, or such other person as may from time to time be appointed as custodian of the Custodian Accounts in accordance with Clause 23.1 (*Replacement Custodian*) or Clause 23.4 (*Failure to appoint Replacement Custodian*).

"Custodian Accounts" means each of the Cash Account and the Securities Account.

"Custody Agreement" means the control and custody agreement dated 3 July 2015 made between the Custodian, AXA France Vie and the Assignor (in relation to which AXA France Vie has transferred its rights and obligations on or about the date of this Deed to the Secured Party) and identified as "Triparty Control and Custody Agreement", as varied from time to time or such other custody agreement as may be entered into by the Assignor and a new custodian in accordance with Clause 23.1 (*Replacement Custodian*) or Clause 23.4 (*Failure to appoint Replacement Custodian*).

"Delegate" means a delegate or sub-delegate appointed by the Secured Party or a Receiver in accordance with this Deed.

"Delivery Amount" has the meaning given to the term in Clause 8.5 (*Top-up or withdrawal or substitution*).

"Enforcement Event" means the earlier of:

- (a) any failure by the Assignor to pay the Termination Amount or Termination Amount Interest on its due date or due dates pursuant to clause 12.3 (*Payment of Termination Amount*) or 12.4 (*Payment of Termination Amount Interest*) (as applicable) of the Insurance Agreement;
- (b) a Scheme Termination Event; and
- (c) a Failure to Pay by the Assignor under the Insurance Agreement that is continuing at any time after the Termination Amount Due Date.

"Equivalent Assets" has the meaning given to the term in Clause 8.4 (*Substitution*).

"Financial Collateral Regulations" has the meaning given to that term in Clause 15.4 (*Financial collateral arrangement*).

"Financial Collateral" has the meaning given to the term in the Financial Collateral Regulations.

"Framework Agreement" means the framework agreement dated 3 July 2015, as amended from time to time and most recently on 31 December 2021 between AXA France Vie, the Assignor and the Reinsurer (in relation to which AXA France Vie has transferred its rights and obligations to the Secured Party) under which the parties to that document agree (amongst other things) various administration and calculation arrangements needed in connection with the Insurance Agreement and/or the Reinsurance Agreement on the terms and subject to the conditions contained in that document.

"Holding Company" means, in relation to a company or a corporation, any other company or corporation in respect of which it is a Subsidiary.

"Ineligible Posted Securities" means any securities recorded or held in or standing to the credit of the Securities Account which are not Securities.

"Insolvency Act" means the Insolvency Act 1986.

"Insurance Agreement" means the agreement entered into on or about the date of this Deed between the Secured Party and the Assignor under which the Secured Party agreed to insure the Scheme's longevity risks in relation to the Scheme Beneficiaries on the terms and subject to the conditions contained in that document, which is reinsured by the Reinsurer.

"Insurance Documents" means the Framework Agreement and the Insurance Agreement.

"Insurer/Reinsurer Security Assignment Deed" means the security assignment deed to be entered into on or about the date of this Deed and made by the Secured Party in favour of the Reinsurer under which the Secured Party grants security to the Reinsurer over, amongst other things, all the Secured Party's right, title, interest and benefit in, to, under and in respect of, among other things:

- (a) the Insurance Agreement; and
- (b) this Deed (including, amongst other things, the Custodian Accounts),

as further detailed in that deed.

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

"Liability" means any liability, damage, loss, cost, claim or expense of any kind or nature, whether present, future, prospective, contingent, direct, indirect, special, consequential or otherwise.

"Market Value" means the market value of the relevant Securities as calculated by the party issuing the notice and/or instruction or making the top-up, withdrawal or substitution (as applicable) for the purpose of this Deed for value no earlier than the close of business on the Business Day prior to, and no later than 11.00 am on the relevant Business Day of, any top-up, withdrawal or substitution (as applicable), such price to be derived from recognised pricing information chosen in good faith by that party (or the Custodian, as applicable), together with accrued interest (if applicable), unless the relevant notice and/or instruction or top-up, withdrawal or substitution is disputed by the Assignor or Secured Party (as applicable) in accordance with Clause 9 (*Dispute Resolution*) in which event the market value of the relevant Securities shall be determined in accordance with Clause 9.1 (*Dispute of Valuation*).

"Notice of Pledgor Default" means a notice in the form appearing in Schedule 2 served by the Secured Party on the Custodian in accordance with Clause 12.3 (*Service of Notice of Pledgor Default*) of this Deed.

"Party" means a party to this Deed.

"Permitted Custodian" means a financial institution which:

- (a) is not an Affiliate of a Party;
- (b) has all governmental and regulatory authorisations and permissions necessary to enable it to carry on the business of a professional custodian of cash and securities in England;

- (c) then satisfies the Benchmark Credit Rating Criteria (or such other creditworthiness related criteria as the parties may agree from time to time);
- (d) is established in England or operates from a branch registered in England; and
- (e) establishes and maintains the Custodian Accounts in England.

"Permitted Security" means:

- (a) any Security arising in favour of the Secured Party under this Deed;
- (b) any Security arising in favour of the Custodian or any sub-custodian pursuant to the Custody Agreement (as varied from time to time in compliance with the provisions of this Deed) or in favour of any clearing system or central securities depository in respect of the Security Assets in connection with the Custody Agreement;
- (c) any Security created by or with the prior written consent of the Secured Party; and
- (d) any other Security created pursuant to the Transaction Documents.

"Posted Collateral" means:

- (a) all Cash for the time being held in or standing to the credit of the Cash Account together with all interest from time to time accruing thereon which has been credited to the Cash Account; and
- (b) all Securities being recorded or held in or standing to the credit of the Securities Account from time to time.

"Property" means Cash and Securities or any of them.

"Quasi-Security" has the meaning given to the term "Quasi-Security Interest" in the Framework Agreement.

"Receiver" means a receiver and manager or other receiver appointed in respect of all or any part of the Security Assets and shall, if allowed by law, include an administrative receiver.

"Reinsurance Agreement" means the agreement dated 3 July 2015 between the Reinsurer and AXA France Vie (in relation to which AXA France Vie has transferred its rights and obligations to the Secured Party) under which the Reinsurer agreed to reinsure the longevity risks assumed by the Secured Party under the Insurance Agreement.

"Reinsurer" means RGA International Reinsurance Company Designated Activity Company (UK Branch).

"Related Assets" means all (a) coupons, interest, dividends, other payments or distributions of any kind, any other sum (including principal) received or receivable in respect of Cash from time to time standing to the credit of the Cash Account or, as the case may be, in respect of any of the securities from time to time recorded or held in or standing to the credit of the Securities Account and (b) all other rights, privileges, securities, benefits and proceeds of any kind in respect of, derived from, or distributed with respect to or in exchange for such Cash or securities including by way of redemption, substitution, conversion, exchange, reorganisation, restructuring, bonus or preference, under option rights or otherwise. For the avoidance of doubt, Related Assets will not include any item of Property acquired by the Secured Party upon enforcement of the Security

Interests pursuant to the terms of this Deed, whether by way of any disposition or liquidation of securities from time to time recorded or held in or standing to the credit of the Securities Account.

"Related Rights" means, in relation to a Security Asset:

- (a) any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of that Security Asset;
- (b) any moneys or proceeds paid or payable deriving from that Security Asset;
- (c) any rights, claims, guarantees, indemnities, Security or covenants for title in relation to that Security Asset including, but not limited to, any rights to enforce and compel performance of any of the provisions of that Security Asset and otherwise to exercise all claims, rights and remedies arising out of or in connection with the same (including as a result of a breach of or a default under or in connection with the same);
- (d) any awards or judgments in favour of the Assignor in relation to that Security Asset; and
- (e) any other assets deriving from, or relating to, that Security Asset.

"Replacement Custodian" means a new custodian appointed or to be appointed (as the case may be) pursuant to Clause 23.1 (*Replacement Custodian*) or Clause 23.4 (*Failure to appoint Replacement Custodian*).

"Resolution Date" means the tenth Business Day following the applicable Value Dispute Date under paragraph (a) of Clause 9.1 (*Dispute of Valuation*).

"Return Amount" has the meaning given to the term in paragraph (a) of Clause 8.3 (*Withdrawals*).

"Secured Liabilities" means all present and future indebtedness, Liabilities and obligations at any time which are, or are expressed to be, or may become due, owing, payable or incurred by the Assignor to the Secured Party under or in connection with the Insurance Documents, this Deed or any other document designated by the Parties as being a document to which this definition applies, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any, novation, deferral or extension;
- (b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;
- (c) any claim for damages or restitution; and
- (d) any claim as a result of any recovery by the Assignor of a payment, prepayment, repayment, redemption, defeasance or discharge of those liabilities or obligations on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"Securities" means securities that comply with the Securities Qualifying Criteria.

"Securities Account" means the securities account maintained by the Custodian pursuant to the Custody Agreement in the name of the Assignor and designated "RGA INTL PLDG AXA FRANCE" (or as redesignated or renumbered from time to time, or such other substituted or additional accounts as may from time to time be established pursuant to Clause 23.1 *Replacement Custodian*) or Clause 23.4 *(Failure to appoint Replacement Custodian)* or otherwise with the prior written agreement of the Secured Party) and all Related Rights.

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

"Security Assets" means the assets which from time to time are, or expressed to be, the subject of the Security Interests or any part of those assets.

"Security Interests" means all or any of the Security created or expressed to be created in favour of the Secured Party by or pursuant to this Deed.

"Sterling" means pounds sterling or any other currency which becomes the official currency of England.

"Subsidiary" means a subsidiary within the meaning of section 1159 of the Companies Act 2006.

"Top-Up Collateral" has the meaning given to the term in Clause 8.2 (*Top-Up Obligation*).

"Top-Up Obligation" is the obligation of the Assignor to transfer additional Property to the Custodian Accounts as set out in Clause 8.2 (*Top-Up Obligation*).

"Trustee Target Collateral Amount" means, subject to paragraph (c) of Clause 8.5 (*Top-up or withdrawal or substitution*), as at any date, the "Trustee Target Collateral Amount" applicable on the Actual Collateral Amount Valuation Date immediately preceding that date, as determined pursuant to clauses 23 (*Payments and Collateral in Event of Disputes and Reporting Failures*), 24 (*Calculations and Terms Used in Security Agreements*), 25 (*Target Collateral Amounts*) and 26 (*Experience and Fee Collateral*) of the Framework Agreement taking into account any adjustment as at that applicable Actual Collateral Amount Valuation Date as may be required following the resolution of a dispute pursuant to clauses 46 (*Dispute Resolution*) and 47 (*Pension Increase Exchange Exercise*) of the Framework Agreement.

"Value" means, with respect to:

- (a) Cash, the amount multiplied by the applicable Valuation Percentage, if any, provided that such amount, if not denominated in pounds sterling, is first converted into pounds sterling; and
- (b) Securities, the Market Value of the Securities multiplied by the applicable Valuation Percentage, if any, provided that the Market Value of such Securities, if not denominated in pounds sterling, is first converted into pounds sterling.

1.2 Incorporation of defined terms

Unless a contrary indication appears, terms defined in either of the Insurance Documents have the same meaning in this Deed.

1.3 Construction

- (a) Any reference in this Deed to an **"Insurance Document"**, the **"Framework Agreement"**, the **"Custody Agreement"** or any other agreement or instrument, or to a provisions in an agreement or instrument, is a reference to that Insurance Document or other agreement or instrument or to a provision in an agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerously) or replaced from time to time.
- (b) Unless a contrary intention appears, in this Deed:
- (i) any reference to the **"Assignor"**, the **"Secured Party"**, the **"Insurer"**, the **"Reinsurer"**, the **"Custodian"** or any **"Party"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under or in relation to this Deed, the Insurance Agreement, the Reinsurance Agreement, the Framework Agreement or the Custody Agreement;
 - (ii) **"assets"** includes properties, revenues and rights of every kind, present, future and contingent, and whether tangible or intangible;
 - (iii) a **"company"** includes any company, corporation or other body corporate, wherever and however incorporated or established;
 - (iv) an Enforcement Event is **"continuing"** if it has not been remedied or waived;
 - (v) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vi) **"law"** includes any present or future common or customary law, principles of equity and any constitution, decree, judgment, decision, legislation, statute, order, ordinance, regulation, bye-law or other legislative measure in any jurisdiction or any present or future official directive, regulation, guideline, request, rule, code of practice, treaty or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of a person to whom the directive, regulation, guideline, request, rule, code of practice, treaty or requirement is intended to apply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or such other authority or organisation;
 - (vii) a **"person"** includes any person, firm, company, government, state or agency of a state, any local or municipal authority, trust or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
 - (viii) **"rights"** includes all rights, title, benefits, powers, privileges, interests, claims, authorities, discretions, remedies, liberties, easements, quasi-easements and appurtenances (in each case, of every kind, present, future and contingent);
 - (ix) **"set-off"** includes analogous and corresponding rights, claims and actions under other applicable laws; and
 - (x) **"variation"** includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and **"vary"** and **"varied"** shall be construed accordingly.

- (c) A reference to any Party or person shall be construed as including its and any subsequent successors-in-title, permitted transferees and permitted assigns (including without limitation the Secured Party under the Insurer/Reinsurer Security Assignment Deed (as such term is defined therein)), in each case in accordance with their respective interests.
- (d) The terms "**include**", "**includes**" and "**including**" shall be construed without limitation.
- (e) References in this Deed to any Clause or Schedule shall be to a clause or schedule contained in this Deed.
- (f) Clause headings are for ease of reference only and shall be ignored in construing this Deed.
- (g) References to any provision of any law are to be construed as referring to that provision as it may have been, or may from time to time be, amended or re-enacted, and as referring to all bye laws, instruments, orders, decrees, ordinances and regulations for the time being made under or deriving validity from that provision.

1.4 Third Party Rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (b) The consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

2. CREATION OF SECURITY INTERESTS

As continuing security for the payment or discharge of the Secured Liabilities, with full title guarantee, the Assignor assigns absolutely by way of first ranking security (subject to any Permitted Security other than that referred to in paragraph (a) of the definition of "Permitted Security"), all its rights from time to time in, to, under and in respect of each of the following assets in favour of the Secured Party:

- (a) the Custodian Accounts;
- (b) all securities being recorded or held in or standing to the credit of the Securities Account from time to time and all Related Assets and Related Rights and any interest in or right to delivery of any such securities held in or through any clearance system or financial intermediary pursuant to the Custody Agreement;
- (c) all Cash being held in or standing to the credit of the Cash Account from time to time and all Related Assets and Related Rights; and
- (d) the Custody Agreement including all monies payable to the Assignor pursuant thereto and all Related Rights.

3. UNDERTAKINGS OF THE ASSIGNOR

3.1 Negative pledge

The Assignor shall not create or permit to subsist any Security or Quasi-Security over all or any part of the Security Assets other than any Permitted Security.

3.2 Disposals

The Assignor shall not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, assign, transfer or otherwise dispose of any Security Asset, other than as expressly permitted under this Deed or the Framework Agreement, including (but without limitation) clauses 49 (*Other Restructuring Arrangements*) and 50 (*Transfers*) of the Framework Agreement.

3.3 Title to Security Assets

Save as expressly contemplated by this Deed or the Framework Agreement, including (but without limitation) clauses 49 (*Other Restructuring Arrangements*) and 50 (*Transfers*) of the Framework Agreement, the Assignor shall not permit its rights in the Security Assets (or any of them) to be conferred on any person.

4. PERFECTION OF SECURITY

The Assignor shall deliver to the Secured Party within 2 Business Days of receipt by it of the original (and, if any variation occurs thereafter, promptly and in any case within 5 Business Days of such variation), a certified copy of the Custody Agreement.

5. FURTHER ASSURANCE

5.1 Execution of further documents and doing of further things

The Assignor shall, at its own expense, promptly take any action and sign or execute any further documents which the Secured Party may reasonably require in order to:

- (a) give effect to the requirements of this Deed;
- (b) create, protect, preserve and perfect the Security created or intended to be created by or pursuant to this Deed;
- (c) protect and preserve the ranking of the Security created or intended to be created by or pursuant to this Deed with any other Security over all or any of the Security Assets;
- (d) facilitate the realisation of all or any of the Security Assets at any time when an Enforcement Event has occurred and is continuing; or
- (e) facilitate the exercise of any rights conferred on the Secured Party, any Receiver or any administrator in connection with all or any of the Security Assets.

5.2 Execution of further documents and doing of further things by the Custodian

Promptly on demand by the Secured Party, the Assignor shall (if so requested by the Secured Party) use its reasonable endeavours to procure that the Custodian or the Custodian's nominee will execute all such documents and do or procure the doing of all such things as the Secured Party may reasonably specify (and in such manner and in such form as the Secured Party may reasonably require) for the purpose of (a) securing, perfecting, protecting and maintaining the Security Interests; (b) at any time when an Enforcement Event has occurred and is continuing, enabling the Secured Party to enforce the Security Interests; or (c) exercising its other rights under this Deed.

5.3 Protection of security

The Assignor shall itself (if so requested by the Secured Party) use reasonable endeavours to procure that the Custodian or the Custodian's nominee will, take all such action as the Secured Party may reasonably require (including making all filings and registrations) for the purpose of the creation, perfection, protection or maintenance of the Security conferred or intended to be conferred on the Secured Party by or pursuant to this Deed.

6. AMOUNTS RECOVERABLE

Notwithstanding any contrary provision of this Deed, the amount recoverable by the Secured Party under this Deed and the liability of the Assignor under this Deed to the Secured Party shall not exceed the Secured Liabilities from time to time.

7. REPRESENTATIONS AND WARRANTIES OF THE ASSIGNOR

The Assignor represents and warrants to the Secured Party on a daily basis that:

- (a) this Deed creates the Security which it purports to create and, subject to general principles of equity and creditors' rights generally, the Security is legally binding, valid, effective and enforceable and the Security created by this Deed has (or will have upon its perfection) the ranking in priority which it is expressed to have in this Deed and it is not subject to any prior ranking or *pari passu* ranking Security (other than any Permitted Security), subject to any ranking imposed by law;
- (b) it is the full beneficial owner of the Security Assets in each case free from any Security or Quasi-Security other than any Permitted Security; and
- (c) no secured party has taken possession of all or substantially all its assets or any Security Assets or levied or enforced, or attempted to levy or enforce, any distress, expropriation, execution, attachment, sequestration or other legal process on or against all or substantially all of its assets or any such Security Assets and it is not aware of any steps having been taken by any secured party to do so.

8. INSTRUCTIONS, TOP-UP, WITHDRAWAL AND SUBSTITUTION

8.1 Instructions

The Parties agree that they (or their agents or nominees, as applicable) shall act in accordance with the terms of this Deed when signing or counter-signing any instructions to the Custodian pursuant to the Custody Agreement.

8.2 Top-Up Obligation

- (a) Subject to paragraph (b) below and Clause 8.6 (*Termination Date*), if the Secured Party serves notice on the Assignor pursuant to paragraph (a) of Clause 8.5 (*Top-up or withdrawal or substitution*):
 - (i) the Assignor shall, unless such notice is disputed in accordance with Clause 9 (*Dispute Resolution*), no later than 5 Business Days after receiving such notice, transfer additional Property to the Custodian Accounts having an aggregate Value (as of no earlier than the close of business on the Business Day prior to, and no later than 11.00 am on the Business Day of, such transfer), at least equal to the applicable Delivery Amount; and

- (ii) if the Delivery Amount in such notice is disputed in accordance with Clause 9 (*Dispute Resolution*), the Assignor shall, no later than 5 Business Days of receiving a notice pursuant to paragraph (a) of Clause 8.5 (*Top-up or withdrawal or substitution*), transfer additional Property to the Custodian Accounts having an aggregate Value (as of no earlier than the close of business on the Business Day prior to, and no later than 11.00 am on the Business Day of, such transfer) at least equal to the undisputed Delivery Amount (the "**Undisputed Delivery Amount**"),

the additional Property to be transferred pursuant to paragraphs (i) and (ii) above being the "**Top-Up Collateral**").

- (b) The Assignor shall only be obliged to transfer Top-Up Collateral to the Custodian Accounts under paragraph (a) above where the applicable Delivery Amount or the applicable Undisputed Delivery Amount (as the case may be) is equal to or greater than the applicable Minimum Transfer Amount.
- (c) For the avoidance of doubt, nothing in this Clause 8 is intended to prevent the Assignor from topping up the Custodian Accounts at any other time.

8.3 **Withdrawals**

- (a) Subject to Clause 8.6 (*Termination Date*), if on any Business Day, the Actual Collateral Amount (calculated as at no earlier than the close of business on the Business Day preceding such Business Day and no later than 11.00 am on such Business Day) is greater than the Trustee Target Collateral Amount on that Business Day (such difference the "**Return Amount**"), the Assignor may withdraw Posted Collateral from the Custodian Accounts having an aggregate Value of not more than the applicable Return Amount, such withdrawal to be made no later than 2 Business Days following the date of the calculation of such Return Amount. Upon request from the Assignor, the Secured Party shall give or counter-sign such instructions to the Custodian as may be required in order to enable the Assignor to withdraw Posted Collateral pursuant to this clause.
- (b) Without prejudice to the Assignor's withdrawal rights under paragraph (a) above, and subject to Clause 8.6 (*Termination Date*), the Assignor shall be entitled to withdraw from the Securities Account at any time:
 - (i) any Ineligible Posted Securities; and
 - (ii) any cash accruing on or paid in respect of the Posted Collateral or any Ineligible Posted Securities,

and upon request from the Assignor, the Secured Party shall give or counter-sign instructions to the Custodian as may be required in order to enable the Assignor to withdraw the Ineligible Posted Securities or cash amounts pursuant to this clause.

8.4 **Substitution**

The Assignor may from time to time deliver instructions to the Custodian instructing the Custodian that it wishes to substitute Posted Collateral with Property of at least the same Value ("**Equivalent Assets**"), in each case as specified in that instruction. The Assignor shall be entitled to make such a substitution provided the Equivalent Assets have at least the same Value as the Posted Collateral to be substituted as of no earlier than the close of business on the Business Day prior to, and no later than 11.00 am on the Business Day of, such substitution and provided that such

proposed Property is credited to the Custodian Accounts before the replaced Posted Collateral is released.

8.5 Top-up or withdrawal or substitution

- (a) If, on any Business Day, the Actual Collateral Amount is lower than the Trustee Target Collateral Amount on that date (such difference the "**Delivery Amount**"), the Secured Party may deliver a notice to the Assignor specifying:
- (i) the Actual Collateral Amount calculated by the Secured Party;
 - (ii) the Market Value and Value as calculated by the Secured Party in respect of the Securities (if any) which form part of the Posted Collateral and the Value of any Cash which forms part of the Posted Collateral in each case; and
 - (iii) that the Assignor is required to top-up with Top-Up Collateral; and
 - (iv) the Delivery Amount.
- (b) The withdrawal of any Posted Collateral or Ineligible Posted Securities shall be effected by the debit of such assets from the Custodian Accounts and the release of such Cash, Securities and securities which are Ineligible Posted Securities (as applicable) in accordance with the provisions of paragraph (b) of Clause 20.1 (*Final redemption*).
- (c) Unless the Parties agree otherwise or the provisions of the Custody Agreement are amended, the Secured Party shall notify the Custodian of the Trustee Target Collateral Amount in accordance with the Custody Agreement on or shortly after each Actual Collateral Amount Valuation Date. For the avoidance of doubt, there shall be no consequential breach of this Deed by the Assignor if the Secured Party has at any time failed to notify the Custodian of the Trustee Target Collateral Amount applicable at that time.

8.6 Termination Date

Subject to clause 25.3 (*Last Target Fee Collateral Amount*) of the Framework Agreement and Clause 12.5 (*Assignor not to give instructions following Termination Date*) of this Deed, Clauses 8.2 (*Top-Up Obligation*), 8.3 (*Withdrawals*) and 8.4 (*Substitution*) will cease to apply with effect from (and including) the Termination Date, except that if the Assignor has received a notice from the Secured Party pursuant to paragraph (a) of Clause 8.5 (*Top-up or withdrawal or substitution*) before such Termination Date, it shall still comply with its obligations under Clause 8.2 (*Top-Up Obligation*).

8.7 Exchange Rate

If at any time the Posted Collateral or Ineligible Posted Securities in the Custodian Accounts consists of cash or securities denominated in a currency other than pounds sterling, the Secured Party shall while delivering a notice pursuant to paragraph (a) of Clause 8.5 (*Top-up or withdrawal or substitution*) shall, in addition, specify the exchange rate used for conversion of such amounts to pounds sterling for the purpose of calculating the Actual Collateral Amount.

9. DISPUTE RESOLUTION

9.1 Dispute of Valuation

- (a)

- (i) If one of the Parties disputes on reasonable grounds the contents of any notice and/or instruction served (each a "**Notice**") pursuant to Clause 8 (*Instructions, top-up, withdrawal and substitution*), the disputing Party will notify the other Party not later than the close of business 3 Business Days following the receipt of such Notice; or
- (ii) If a Party disputes the Value of any Securities or Equivalent Assets posted, withdrawn or substituted pursuant to Clauses 8.2 (*Top-Up Obligation*), 8.3 (*Withdrawals*) or 8.4 (*Substitution*), the disputing Party will notify the other Party within 10 Business Days of becoming aware of such posting, withdrawal or substitution (as applicable),
(each, a "**Value Dispute Date**"),

the Parties will then consult each other in an attempt to resolve the dispute;

- (b) if the Parties fail to resolve the dispute by the Resolution Date, then the Secured Party will procure a recalculation of the Value (and any accompanying calculation required pursuant to Clause 8 (*Instructions, Top-Up, Withdrawal and Substitution*)) by:
 - (i) unless the Undisputed Delivery Amount has been delivered pursuant to paragraph (a)(ii) of Clause 8.2 (*Top-Up Obligation*), utilising any calculations of the Undisputed Delivery Amount;
 - (ii) calculating that part of the Posted Collateral or Equivalent Assets in dispute and attributable to Securities by requesting Qualifying Bid Prices for such Securities from at least two and up to five Approved Dealers;

where:

"Qualifying Bid Price" means, with respect to a particular series of Securities, a firm, unconditional and immediately executable bid price for a notional amount of such Securities being not less than the notional amount of Securities comprising the Posted Collateral or Equivalent Assets that are subject to dispute, which has been obtained between 10.00 am and 3.00 pm (London time) on the Business Day following the Resolution Date; and

"Approved Dealer" means one of the five leading dealers in England in the London market selected by the Secured Party (acting reasonably).

- (c) The Secured Party shall notify the Assignor of, and provide reasonable evidence with respect to, the Qualifying Bid Prices it has obtained, as soon as reasonably practicable and in any event no later than close of business (London time) on the Business Day following the Resolution Date (the date of such notice, the "**Recalculation Date**"), and the Value of such Securities shall be determined to be the highest of such Qualifying Bid Prices, multiplied by the applicable Valuation Percentage.

9.2 Notification of Dispute Resolution

- (a) If a dispute is resolved by consultation between the Parties pursuant to paragraph (a) of Clause 9.1 (*Dispute of Valuation*), then:
 - (i) if the dispute relates to a Notice referred to in paragraph (a)(i) of Clause 9.1 (*Dispute of Valuation*), the date on which the dispute is resolved pursuant to such consultation shall be treated as the date of receipt of the applicable Notice (such notice to be deemed

amended as necessary pursuant to the agreement reached by the Parties pursuant to paragraph (b) of Clause 9.1 (*Dispute of Valuation*) and to take into account any Top-Up Collateral transferred pursuant to paragraph (a)(ii) of Clause 8.2 (*Top-Up Obligation*)), for the purpose of Clause 8.2 (*Top-Up Obligation*); and

- (ii) if the dispute relates to paragraph (a)(ii) of Clause 9.1 (*Dispute of Valuation*), the parties shall make any adjustments to the Posted Collateral as may be required pursuant to the agreement reached by the Parties pursuant to paragraph (a) of Clause 9.1 (*Dispute of Valuation*) within 2 Business Days of such resolution.

- (b) If a recalculation is carried out pursuant to paragraph (b) of Clause 9.1 *Dispute of Valuation*), then:

- (i) if the dispute relates to a Notice referred to in paragraph (a)(i) of Clause 9.1 *Dispute of Valuation*), the Recalculation Date shall be treated as the date of receipt of the applicable Notice (such notice to be deemed amended as necessary pursuant to the recalculation for the purpose of Clause 8.2 (*Top-Up Obligation*) and to take into account any Top-Up Collateral transferred pursuant to paragraph (a)(ii) of Clause 8.2 (*Top-Up Obligation*)); and
- (ii) if the dispute relates to paragraph (a)(ii) of Clause 9.1 (*Dispute of Valuation*), the parties shall make any adjustments to the Posted Collateral as may be required pursuant to such recalculation within 2 Business Days of the Recalculation Date.

10. VOTING, DIVIDENDS AND PAYMENT OF CALLS

10.1 Voting before enforcement

At any time prior to the occurrence of an Enforcement Event which is continuing the Assignor shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Securities provided that:

- (a) it does so for a purpose not inconsistent with this Deed; and
- (b) the exercise of or, as the case may be, the failure to exercise those rights would not have an adverse effect on the value of the relevant Securities or the ability of the Secured Party to realise the Security Interests and would not otherwise prejudice the interests of the Secured Party under this Deed.

10.2 Voting after enforcement

At any time while an Enforcement Event is continuing and the Secured Party has given notice to the Assignor that it intends to exercise its rights under this Clause 10.2:

- (a) the Secured Party or the Receiver shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Securities; and
- (b) the Assignor shall comply or procure the compliance with any directions of the Secured Party or the Receiver in respect of the exercise of those rights and shall promptly execute and/or deliver to the Secured Party or the Receiver such forms of proxy as it requires with a view to enabling such person as it selects to exercise those rights.

10.3 Cash dividends

The Assignor shall be entitled to retain any cash dividend, distributions or interest deriving from any Securities.

10.4 Payment of calls

The Assignor shall promptly pay all calls or other payments in respect of any Securities.

11. ADDITIONAL PROPERTY

The Assignor may, at any time and in its absolute discretion, transfer to the Custodian Accounts additional Property which shall, immediately upon such transfer, be automatically subject to the Security Interests created hereunder.

12. ENFORCEMENT OF SECURITY INTERESTS

12.1 When enforceable

The Security Interests shall be enforceable immediately upon and at any time after the occurrence of an Enforcement Event which is continuing.

12.2 Enforcement action

At any time after the Security Interests have become enforceable, the Secured Party may in its absolute discretion enforce all or any part of the Security Interests in any manner it sees fit and exercise any of the Assignor's rights under the Custody Agreement.

12.3 Service of Notice of Pledgor Default

The Secured Party shall be entitled at any time when an Enforcement Event has occurred and is continuing to serve on the Custodian a Notice of Pledgor Default, with a copy to the Assignor, provided that no failure to serve a copy of a Notice of Pledgor Default on the Assignor shall invalidate the Notice of Pledgor Default. In addition (and without limiting the above or the provisions of Clause 12.5 (*Assignor not to give instructions following Termination Date*)), the Secured Party shall be entitled at any time on or after the Termination Date (or if earlier on the occurrence of an Enforcement Event) to notify the Custodian that such an event has occurred and that, unless a contrary notice is received from the Secured Party, no amounts should be transferred out of the Custodian Accounts except on instructions from the Secured Party.

12.4 Power to give instructions

In addition to and without prejudice to the foregoing or to Clause 15.4 (*Financial collateral arrangement*), the Assignor hereby irrevocably authorises the Secured Party, at any time when an Enforcement Event has occurred and is continuing, to give instructions to the Custodian for the transfer out of the Cash Account to the Secured Party of any amount then due and payable to the Secured Party by the Assignor, as determined by the Secured Party, or, if the balance standing to the credit of the Cash Account is not sufficient for that purpose, to give instructions to the Custodian:

- (a) to sell or otherwise realise all or such part of the assets held in or standing to the credit of the Securities Account as is necessary to fund such transfer and to apply the proceeds of sale for that purpose, and the Secured Party shall use its reasonable efforts to ensure that a reasonable market price in all the circumstances at the time of the sale or redemption is obtained for any such sale or realisation of Security Assets, provided that such time of sale or redemption will be decided by the Secured Party in its absolute discretion; or
- (b) to transfer out of the Securities Account to the Secured Party such assets as may be selected by the Secured Party, the transfer of which to the Secured Party is determined

by the Secured Party to be necessary to fund payment in or towards discharge of the amount then owing to the Secured Party by the Assignor,

provided that the Parties agree this Clause shall not apply to a Failure to Pay by the Assignor under the Insurance Agreement until the Termination Amount Due Date.

12.5 Assignor not to give instructions following Termination Date

- (a) Subject to clause 25.3 (*Last Target Fee Collateral Amount*) of the Framework Agreement, the Assignor shall not, and shall procure that no other person acting on the Assignor's behalf will, give any instructions to the Custodian in respect of the Custodian Accounts on or after the Termination Date (or, if earlier, upon the occurrence of an Enforcement Event) except in relation to the performance of its obligations under 8.2 (*Top-Up Obligation*) until the Security hereunder is released and discharged in accordance with Clauses 19.1 (*Continuing Security*) and 20 (*Discharge of Security*).
- (b) If the Assignor wishes to withdraw Collateral from the Custodian Accounts in accordance with clause 25.3 (*Last Target Fee Collateral Amount*) of the Framework Agreement, it shall notify the Secured Party of the same at the same time as notifying the Reinsurer pursuant to clause 25.3 (*Last Target Fee Collateral Amount*) of the Framework Agreement and the Secured Party shall give instructions to the Custodian to release to the Assignor such Collateral as the Assignor is entitled to withdraw pursuant to clause 25.3 (*Last Target Fee Collateral Amount*) of the Framework Agreement.

12.6 Assignor's obligations

At any time when an Enforcement Event has occurred and is continuing, if the Assignor receives any moneys under the Custody Agreement, the Assignor shall hold such moneys on trust for the Secured Party pending payment to the Secured Party for application in accordance with Clause 16 (*Order of Application*).

12.7 Law of Property Act powers

At any time after the Security Interests have become enforceable, the powers, authorities and discretions conferred by the Law of Property Act on mortgagees, including the power of sale and other powers conferred by section 101 (*Powers incident to estate or interest of mortgagee*) of the Law of Property Act, as varied and extended by this Deed, shall be immediately exercisable.

13. LAW OF PROPERTY ACT

13.1 Section 101

The power of sale and other powers conferred by section 101 (*Powers incident to estate or interest of mortgagee*) of the Law of Property Act on mortgagees, as varied and extended by this Deed, shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on the date of this Deed and shall be exercisable in accordance with Clause 12.7 (*Law of Property Act powers*).

13.2 Section 103

Section 103 (*Regulation of exercise of power of sale*) of the Law of Property Act shall not apply to this Deed.

13.3 Section 93

Section 93 (*Restriction on consolidation of mortgages*) of the Law of Property Act shall not apply to this Deed.

14. APPOINTMENT OF RECEIVERS

14.1 Appointment of Receivers

If:

- (a) requested by the Assignor; or
- (b) the Security Interests have become enforceable,

without any notice or further notice, the Secured Party may, by deed or otherwise in writing signed by the Secured Party or any person authorised for this purpose by the Secured Party, appoint one or more persons to be a Receiver of all or any part of the Security Assets. The Secured Party may similarly remove any Receiver and appoint any person instead of any Receiver. If the Secured Party appoints more than one person as Receiver, the Secured Party may give those persons power to act either jointly or severally.

14.2 Agent of Assignor

Any Receiver shall be the agent of the Assignor for all purposes. The Assignor alone shall be responsible for the Receiver's contracts, engagements, acts, omissions and defaults.

14.3 Remuneration of Receivers

The Secured Party may determine the remuneration of any Receiver and the maximum rate specified in section 109(6) (*Appointment, powers, remuneration and duties of receiver*) of the Law of Property Act shall not apply. The Secured Party may direct payment of that remuneration out of moneys it receives as Receiver. The Assignor alone shall be liable for the remuneration and all other costs, losses, liabilities and expenses of the Receiver.

15. RIGHTS AND LIABILITIES OF SECURED PARTY AND RECEIVERS

15.1 Rights of Receivers

Any Receiver appointed pursuant to Clause 14 (*Appointment of Receivers*) shall have:

- (a) the rights set out in Schedule 1 (*Rights of Receivers*); and
- (b) the rights, powers, privileges and immunities conferred by law, including the rights, powers, privileges and immunities conferred by the Law of Property Act and the Insolvency Act on receivers or receivers and managers.

15.2 Rights of Secured Party

At any time after the Security Interests have become enforceable, to the fullest extent permitted by law, any rights conferred by this Deed or by law upon a Receiver may be exercised by the Secured Party, whether or not the Secured Party shall have appointed a Receiver of all or any part of the Security Assets.

15.3 Delegation

The Secured Party may delegate in any manner to any person any rights exercisable by the Secured Party under this Deed. Any such delegation may be made upon such terms and

conditions (including power to sub-delegate) as the Secured Party thinks fit and the Secured Party may pass confidential information to any such delegate.

15.4 Financial collateral arrangement

- (a) To the extent that this Deed constitutes a "financial collateral arrangement" (as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Financial Collateral Regulations**")) the Secured Party shall have the right at any time after the Security Interests have become enforceable, to appropriate any Security Asset which constitutes Financial Collateral in such manner as it sees fit in or towards satisfaction of the Secured Liabilities in accordance with the Financial Collateral Regulations.
- (b) If the Secured Party is required to value any equivalent financial collateral or Financial Collateral for the purpose of paragraph (a) above, the value shall be:
- (i) in the case of cash (including accrued but unpaid interest), its face value at the time of appropriation; and
 - (ii) in the case of financial instruments or other Financial Collateral, their market value at the time of appropriation as determined (after appropriation) by the Secured Party (acting reasonably) by reference to a public index or other applicable generally recognised source or such other process, method or source of valuation as the Secured Party may reasonably select, including a valuation carried out by an independent investment bank, firm of accountants or other valuers appointed by the Secured Party.

The Parties agree that the method of valuation set out in this paragraph (b) is commercially reasonable for the purpose of the Financial Collateral Regulations.

- (c) The Secured Party will account to the Assignor for any amount by which the value of the appropriated Security Assets exceeds the Secured Liabilities and the Assignor shall remain liable to the Secured Party for any amount by which the value of the appropriated Security Assets is less than the Secured Liabilities.

15.5 Possession

If the Secured Party, any Receiver or any Delegate takes possession of the Security Assets, it may at any time relinquish possession.

15.6 Secured Party's liability

None of the Secured Party, any Receiver nor any Delegate shall, either by reason of taking possession of the Security Assets or for any other reason and whether as mortgagee in possession or otherwise, be liable for:

- (a) any costs, losses, liabilities or expenses relating to the realisation of any Security Assets; or
- (b) any act or omission of the Secured Party, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Security Assets or in connection with this Deed, unless directly caused by its gross negligence or wilful misconduct.

16. ORDER OF APPLICATION

All amounts from time to time received or recovered by the Secured Party or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security Interests shall be held by the Secured Party on trust to apply them at any time as the Secured Party (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority:

- (a) in discharging any sums owing to the Secured Party, any Receiver or any Delegate;
- (b) in discharging all costs and expenses incurred by the Secured Party in connection with any realisation or enforcement of the Security Interests or any action taken at the request of the Secured Party under Clause 5 (*Further assurance*);
- (c) in payment or distribution to the Secured Party for application towards the discharge of the Secured Liabilities;
- (d) if the Assignor is not under any further actual or contingent liability under this Deed, in payment or distribution to any person to whom the Secured Party is obliged to pay or distribute in priority to the Assignor; and
- (e) the balance, if any, in payment or distribution to the Assignor.

17. POWER OF ATTORNEY

17.1 Appointment

The Assignor by way of security irrevocably appoints the Secured Party, each Receiver and each Delegate (and each authorised substitute of any of them) severally to be its attorney (with full power of substitution), on its behalf and in its name or otherwise, at any time following the occurrence of an Enforcement Event or following a failure by the Assignor to comply with any request made of it by the Secured Party pursuant to Clause 5 (*Further assurance*), at such time and in such manner as the attorney thinks fit:

- (a) to do anything which the Assignor is obliged to do under this Deed, but has failed to do (including to do all such acts or execute all such documents, assignments, transfers, mortgages, charges, notices, instructions, filings and registrations as the Secured Party may reasonably specify (and in such form as the Secured Party may reasonably require in favour of the Secured Party or its nominee(s))); and
- (b) to exercise any of the rights conferred on the Secured Party, any Receiver or any Delegate in relation to the Security Assets, under this Deed or under any law.

17.2 Ratification

The Assignor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 17.1 (*Appointment*).

18. PROTECTION OF THIRD PARTIES

No purchaser or other person dealing with the Secured Party, any Receiver or its agents shall be concerned to enquire:

- (a) whether the powers conferred on the Secured Party, any Receiver or its agents have arisen;
- (b) whether the powers conferred on the Secured Party, any Receiver or its agents have become exercisable;
- (c) whether any consents, regulations, restrictions or directions relating to such powers have been obtained or complied with;
- (d) whether the Secured Party, any Receiver or its agents is acting within such powers;
- (e) whether any money remains due under this Deed, the Insurance Documents or the Custody Agreement and the receipt in writing of the Secured Party, any Receiver or its agents shall be sufficient discharge to that purchaser or other person;
- (f) as to the propriety or validity of acts purporting or intended to be in exercise of any such powers; or
- (g) as to the application of any money paid to the Secured Party, any Receiver or its agents.

19. SAVING PROVISIONS

19.1 Continuing Security

Subject to Clause 20 (*Discharge of Security*), the Security Interests are continuing Security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

19.2 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Assignor or any security for those obligations or otherwise) is made by the Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, then the liability of the Assignor and the Security Interests will continue or be reinstated as if the discharge, release or arrangement had not occurred.

19.3 Waiver of defences

Neither the obligations of the Assignor under this Deed nor the Security Interests will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Deed, any Insurance Document or the Custody Agreement or any of the Security Interests (without limitation and whether or not known to it or the Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, the Assignor or other person;
- (b) the release of the Assignor or any other person under the terms of any composition or arrangement with any of their creditors;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Assignor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Assignor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of this Deed, any Insurance Document, the Custody Agreement or any other document or security including any extension of or any increase in the obligations thereunder or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under this Deed, any Insurance Document, the Custody Agreement or any other document or security; or
- (g) any Scheme Termination Event, Insolvency or similar proceedings.

19.4 Assignor intent

Without prejudice to the generality of Clause 19.3 (*Waiver of defences*), the Assignor expressly confirms that it intends that the Security Interests shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Secured Liabilities or this Deed, the Insurance Documents, the Custody Agreement or any other document relating to the Secured Liabilities.

19.5 Immediate recourse

The Assignor waives any right it may have of first requiring the Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Assignor under this Deed. This waiver applies irrespective of any law or any provision of this Deed, any Insurance Document or the Custody Agreement or any other document to the contrary.

19.6 Appropriations

Until all amounts which may be or become payable by the Assignor to the Secured Party under or in connection with the Secured Liabilities have been irrevocably paid in full and all documents or agreements which might give rise to Secured Liabilities have terminated, the Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Assignor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Assignor or on account of the Assignor's liability under this Deed.

19.7 Deferral of Assignor's rights

Until all amounts which may be or become payable by the Assignor under or in connection with the Secured Liabilities or this Deed have been irrevocably paid in full and all agreements or documents which might give rise to Secured Liabilities have terminated and unless the Secured Party otherwise directs, the Assignor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising, under this Deed:

- (a) to be indemnified by, or to claim any contribution from any other provider of Security for or guarantor of its or any other person's obligations under this Deed;
- (b) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Party under this Deed or of any other guarantee or security taken pursuant to, or in connection with, the Insurance Documents by the Secured Party;
- (c) to bring legal or other proceedings for an order requiring any person to make any payment, or perform any obligation, in respect of which that person had given a guarantee, undertaking or indemnity;
- (d) to exercise any right of set-off against any person; and/or
- (e) to claim or prove as a creditor of any person in competition with the Secured Party.

If the Assignor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Party by any other person or the Assignor under or in connection with the Secured Liabilities or this Deed to be repaid in full on trust for the Secured Party and shall promptly pay or transfer the same to the Secured Party or as the Secured Party may direct for application in accordance with Clause 16 (*Order of application*).

19.8 Additional security

The Security Interests are in addition to and are not in any way prejudiced by any other guarantee or security now or subsequently held by the Secured Party.

19.9 Additional waiver of rights

The Assignor waives any right it may have (whether by virtue of the *droit de discussion*, *droit de division* or otherwise) to require:

- (a) that the Secured Party, before enforcing this Deed, takes any action, exercises any recourse or seeks any Insolvency proceedings against any other person, makes any claim in any Insolvency of any other person or enforces or seeks to enforce any other right, claim, remedy or recourse against any other person;
- (b) that the Secured Party, in order to preserve any of its rights against the Assignor, joins the Assignor as a party to any proceedings against any other person or any other person as a party to any proceedings against the Assignor or takes any other procedural steps; or
- (c) that the Secured Party divides the liability of the Assignor under this Deed with any other person.

19.10 Tacking

The Secured Party shall comply with its obligations under the Insurance Documents.

20. DISCHARGE OF SECURITY

20.1 Final redemption

- (a) Subject to Clause 20.2 (*Retention of security*), if the Secured Party is satisfied (acting reasonably) that all amounts which may be or become payable by the Assignor under or in connection with the Secured Liabilities have been irrevocably paid in full and that all agreements or documents which might give rise to Secured Liabilities have terminated, the Secured Party shall at the request and

cost of the Assignor release, reassign or discharge (as appropriate) the Security Assets from the Security Interests, without recourse to, or any representation or warranty by, the Secured Party or any of its nominees.

- (b) Upon the transfer or withdrawal of any Posted Collateral or Ineligible Posted Securities ("**Released Property**") from the Custodian Accounts by the Assignor which is permitted by this Deed, the Security Interest granted under this Deed in respect of such Released Property will be released immediately without any further action by the Assignor, the Secured Party or the Custodian, but without prejudice to any Security Interest granted over any Security Assets other than such Released Property.

20.2 Retention of security

If the Secured Party considers that any amount paid or credited to it by or on behalf of the Assignor under this Deed or any Insurance Document is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid.

21. COSTS AND EXPENSES

21.1 Expenses

The Assignor shall, within three Business Days of demand, pay to the Secured Party the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by the Secured Party or any Receiver in relation to this Deed (including the administration, protection, realisation, enforcement or preservation of any rights under or in connection with this Deed, or any consideration by the Secured Party as to whether to realise or enforce the same.

22. PAYMENTS

22.1 Undertaking to pay

The Assignor shall pay each of the Secured Liabilities when due in accordance with its terms.

22.2 Demands

Any demand for payment made by the Secured Party shall be valid and effective even if it contains no statement of the relevant Secured Liabilities or an inaccurate or incomplete statement of them.

22.3 Payments

All payments by the Assignor under this Deed shall be made to such account, with such financial institution and in such other manner as the Secured Party may direct.

22.4 Continuation of accounts

- (a) At any time after the Secured Party has received or is deemed to have received notice of any subsequent Security affecting all or any part of the Security Assets of the Assignor, it may open a new account in the name of the Assignor (whether or not it permits any existing account to continue).
- (b) If the Secured Party does not open such a new account, it shall be treated as if it had done so when the relevant notice was received or deemed to have been received and as from that time all payments made by or on behalf of the Assignor to the Secured Party shall be credited or be treated as having been credited to the relevant new account and not as having been applied in reduction

of the Secured Liabilities as at the time the relevant notice was received or deemed to have been received.

22.5 Contingencies

If all or any part of the Security Interests are enforced at a time when no amount is due to the Secured Party under this Deed or the Insurance Documents but any such amount may or will become due, the Secured Party or the Receiver may pay the proceeds of any recoveries effected by it into a suspense account.

23. COVENANTS RELATING TO THE CUSTODY AGREEMENT

23.1 Replacement Custodian

- (a) Subject to paragraph (b) below, the Assignor may at any time, at its own expense and with the prior written consent of the Secured Party (such consent not to be unreasonably withheld or delayed) terminate the Custody Agreement and, pursuant to a new custody agreement between the Assignor and the new custodian in a form approved by the Secured Party (acting reasonably), appoint a new custodian being a Permitted Custodian, and the Assignor shall procure that all Posted Collateral and Ineligible Posted Securities (if any) shall be transferred out of the Custodian Accounts, to the Replacement Custodian, and such custodian shall thereafter be the Custodian, the custody agreement between the Assignor and the Replacement Custodian (and, if applicable, the Secured Party) shall thereafter be the Cash Account and the Securities Account for the purposes of this Deed.
- (b) The Assignor shall not terminate the prior-existing Custody Agreement or appoint a Replacement Custodian or transfer or procure the transfer of any Posted Collateral or Ineligible Posted Securities to the Replacement Custodian unless and until the proposed new custody agreement has been agreed with the Secured Party (and executed and delivered by the Assignor and the Replacement Custodian), the Assignor has entered into such supplemental or new security documents and any related notices as may be necessary or as are reasonably requested by the Secured Party (i) to ensure the continuation of the Security or, as the case may be, the creation of new Security over such assets (as reasonably required by the Secured Party); and (ii) if the Secured Party's rights under this Deed have been assigned by way of security pursuant to Clause 24 (*Variations and assignment*), to ensure the continuation of that security, or as the case may be, the creation of new Security over the rights under this Deed or any new Security created pursuant to (i) above (as reasonably required by the Secured Party), and in each case has complied with the terms thereof (including in relation to the giving of a notice or notices of assignment of such Security to the Replacement Custodian) and the Replacement Custodian has agreed, executed and delivered an acknowledgement to such notice or notices of assignment (with such amendments as the Secured Party may in its absolute discretion agree).

23.2 Invalid instructions

If, at any time:

- (a) a notice of assignment given to a Custodian of the Security Interests becomes invalid or ineffective for any reason; or

- (b) a Custodian or Replacement Custodian refuses or fails to act upon any instruction validly given by the Secured Party or the Assignor (or both) in each case in accordance with the terms of a Custody Agreement or this Deed,

the Assignor shall, unless agreed otherwise with the Secured Party, appoint a Replacement Custodian pursuant to Clause 23.4 (*Failure to appoint a Replacement Custodian*) and prior to such replacement taking effect, ensure that (i) no instructions are given by the Assignor to that Custodian unless such instructions are consented to in writing by the Secured Party, and (ii) the provisions of Clause 23.4 (*Failure to appoint a Replacement Custodian*) are complied with.

23.3 Undertakings: Custody Agreement

- (a) The Assignor shall remain liable to perform all obligations imposed on it under the Custody Agreement and in relation to the Security Assets. Neither the Secured Party nor any Receiver or nominee shall be under any obligation or liability to the Assignor or any other person under or in respect of the Custody Agreement in respect of the rights or obligations of the Assignor under or in respect of the Security Assets.
- (b) The Assignor shall promptly provide a copy to the Secured Party of any notices or communications received from the Custodian pursuant to the Custody Agreement not copied by the Custodian directly to the Secured Party. In addition, the Assignor agrees to request that the Custodian provides information or access to the Secured Party during working hours, so that the Secured Party can confirm what Posted Collateral and Ineligible Posted Securities (if any) are in the Custodian Accounts.
- (c) The Assignor undertakes that it shall not vary, give waivers, terminate or suspend any provision of or performance of any obligation under, or exercise any discretion under the Custody Agreement (other than as specifically permitted under this Deed) with respect to the Security Assets or the Custodian Accounts unless:
 - (i) it has the prior written consent of the Secured Party; or
 - (ii) it:
 - (A) is of the reasonable opinion that such variation, waiver, termination or suspension is likely to be beneficial or unlikely to be prejudicial to the interest of the Secured Party under this Deed and does not result in any Security or Quasi-Security arising or being created in favour of the Custodian or any other third party,
 - (B) has given to the Secured Party not less than 30 Business Days' prior written notice of such variation, waiver, termination or suspension, accompanied by such supporting documentation as it reasonably believes supports such conclusion, and
 - (C) has not received any notification from the Secured Party that the Secured Party is not satisfied with such documentation or that it objects to the relevant variation, waiver, termination or suspension (in each case acting reasonably) before the expiry of such 30 Business Day period.
- (d) The Assignor undertakes that it will maintain and take all reasonable steps to enforce its rights and exercise its discretions under the Custody Agreement and relating to the Custodian Accounts (subject to paragraph (c) above) where failure to do so could adversely affect the ability of the

Assignor to comply with any of its obligations in respect of the Security Assets, or could be material to the interests of the Secured Party with respect to the Security Assets.

- (e) The Parties shall not remove or permit the withdrawal of any Security Assets from the Custodian Accounts or the sale or other disposition of the Security Assets except as expressly permitted pursuant to this Deed.
- (f) Subject to Clauses 23.1 (*Replacement Custodian*) and 23.4 (*Failure to appoint a Replacement Custodian*), the Assignor undertakes that it will perform all its obligations under the Custody Agreement and shall not (except in accordance with paragraph (c) above) terminate, repudiate or rescind it or any of its rights or obligations relating thereto or claim that any of the foregoing is frustrated, or postpone or subordinate or vary or waive any of its rights and remedies thereunder, or agree to do so, with respect to the Security Assets without the prior written consent of the Secured Party.
- (g) The Assignor shall notify the Secured Party of:
 - (i) any breach of or default under the Custody Agreement by it or any other party;
 - (ii) any right of any party (other than the Assignor) arising to rescind, cancel or terminate the Custody Agreement; and
 - (iii) any claim made or to be made by it or any other party under or in connection with the Custody Agreement or a Custodian Account,in each case, promptly upon becoming aware of the same.
- (h) The Assignor undertakes that it will, on request by the Secured Party (acting reasonably), use all reasonable endeavours to ensure that the Custodian promptly takes all such steps as may be necessary for it to take for full effect to be given to the provisions of this Deed.

23.4 Failure to appoint Replacement Custodian

- (a) Following the occurrence of any of the following:
 - (i) the Custodian:
 - (A) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
 - (B) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
 - (C) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
 - (D)
 - 1. institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its

winding-up or liquidation by it or such regulator, supervisor or similar official,
or

2. has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-paragraph (1) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;
- (E) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (F) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (G) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter;
- (H) 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 sub-paragraphs (A) to (G) above (inclusive);
- (I) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or
- (J) takes any action in order to move the Custodian Accounts to a location outside England and Wales;
- (ii) the Assignor ceases to be (or receives notice that it will cease to be) a Customer (as such term is defined in the Custody Agreement) for the purposes of the Custody Agreement; or
- (iii) a notice of assignment which has been given to and acknowledged by the Custodian which is necessary to give effect to this Deed or any Security granted pursuant to Clause 24 (*Variations and Assignment*), becomes invalid or ineffective for any reason (unless agreed otherwise with the Secured Party); or
- (iv) the Custodian refuses or fails to act upon any instruction validly given by the Secured Party or Assignor in accordance with the terms of a notice of assignment referred to in paragraph (iii) above or this Deed or breaches any term of the Custody Agreement or a notice of assignment referred to in paragraph (iii) above and the Secured Party, acting reasonably, determines that such failure or breach is material; or

- (v) the Custodian purports to terminate or repudiate the Custody Agreement whether by giving notice to terminate or otherwise,

the Assignor shall, upon actual awareness of such event, promptly provide notice to the Secured Party and the Secured Party may, at any time after becoming aware of such event, provide notice to the Assignor of such event.

- (b) Following service of notice under paragraph (a) above, the Secured Party and Assignor shall consult in good faith on a Replacement Custodian.
- (c) If the Parties have not agreed to the identity of a Replacement Custodian pursuant to paragraph (b) above within 10 days, the Assignor shall promptly, and in any event no later than within 60 days thereafter, use reasonable endeavours to replace the Custodian with a Replacement Custodian subject to the following conditions:
 - (i) the Replacement Custodian must be a Permitted Custodian; and
 - (ii) the terms of the new custody agreement and, if required, acknowledgement of the notice of assignment must not be materially less favourable to the Secured Party than the existing custody agreement, any notices of assignment thereunder and acknowledgements of such notices.
- (d) If the Assignor fails to appoint a Replacement Custodian pursuant to paragraph (c) above, the Secured Party shall be entitled to appoint within 30 days at the Assignor's expense, a Replacement Custodian subject to the following conditions:
 - (i) the Replacement Custodian must be a Permitted Custodian; and
 - (ii) the terms of the new custody agreement must not be materially less favourable, including (without limitation) with respect to fees payable by the Assignor to the proposed replacement custodian, to the Assignor than the existing custody agreement,provided that if the Secured Party gives notice to the Assignor that it does not intend to exercise its rights under this paragraph (d), upon receipt by the Assignor of such notice, the 30 days in this paragraph (d) shall be deemed to have expired for the purposes of paragraph (g) below.
- (e) For the purpose of determining whether terms are materially less favourable pursuant to sub-paragraphs (c)(ii) and (d)(ii) above, the Parties agree that:
 - (i) the granting of a first ranking Security in favour of the new custodian in respect of any amounts owing under the custody agreement to that custodian (whether or not any such Security was granted in the existing custody agreement); and
 - (ii) entry into a bilateral agreement between Assignor and the Replacement Custodian accompanied by notices and acknowledgements of assignment in relation to this Deed and subsequent assignment granted pursuant to Clause 24 (*Variations and assignment*) providing for joint signing rights of the Assignor and the Secured Party,shall not be considered as materially less favourable to the Secured Party or Assignor.
- (f) The Assignor or Secured Party, as applicable, shall following the appointment of a Replacement Custodian pursuant to paragraphs (b), (c) or (d) above, procure that all Posted Collateral and/or

Ineligible Posted Securities shall be transferred out of the old custodian accounts into the new custodian accounts with the Replacement Custodian in the name of the Assignor and designated in order to clearly identify the accounts as relating to the transaction to which this Deed relates, and such accounts shall thereafter be the Custodian Accounts and such Replacement Custodian shall thereafter be the Custodian and the custody agreement between the Assignor and the Replacement Custodian (and the Secured Party, if relevant) shall thereafter be the Custody Agreement. Prior to any such transfer the Assignor or the Secured Party (as applicable) shall (unless agreed otherwise by the other Party), ensure that the Replacement Custodian has agreed, executed and delivered either a custody agreement or relevant notices and acknowledgements of assignment and ensure the Assignor has entered into such supplemental or new security documents, as may be necessary or as are reasonably requested by the Secured Party (i) to ensure the continuation of the Security or, as the case may be, the creation and perfection of new Security over such assets (as reasonably required by the Secured Party); and (ii) if the Secured Party's rights under this Deed have been assigned by way of security pursuant to Clause 24 (*Variations and assignment*), to ensure the continuation of that security, or as the case may be, the creation of new Security over the rights under this Deed or any new Security created pursuant to (i) above (as reasonably required by the Secured Party), and in each case has complied with the terms thereof.

- (g) If the Parties have not appointed a Replacement Custodian within 100 days of notice under paragraph (a) above, the Parties agree they shall negotiate in good faith, acting reasonably, to enter into one or more of the following alternative arrangements as soon as reasonably practicable but in any event within 60 days:
- (i) title transfer of cash and/or securities (satisfying the Securities Qualifying Criteria) based on the ISDA CSA;
 - (ii) a fixed charge over cash in a bank account with a third party bank;
 - (iii) a letter of credit or bank guarantee to be provided by the Assignor to the Secured Party; or
 - (iv) any other security agreed between the parties,

each in a form and on such terms and conditions to be agreed by the Parties provided that: (A) for the avoidance of doubt nothing in this Clause 23.4 (*Failure to appoint a Replacement Custodian*) shall require the Assignor to agree to enter into title transfer arrangements; and (B) at the Assignor's request and provided that the Secured Party is satisfied that no event exists which might be considered likely to give rise to a Scheme Termination Event, such arrangements may be entered into as a temporary arrangement only until such time as a Replacement Custodian can be agreed upon by the Parties and appointed.

24. VARIATIONS AND ASSIGNMENT

Except pursuant to the Insurer/Reinsurer Security Assignment Deed, clause 7.5 (*Relevant Assignment*) of the Insurance Agreement, clauses 49 (*Other Restructuring Arrangements*) and 50 (*Transfers*) of the Framework Agreement and as provided under this Deed, no Party to this Deed

shall assign or transfer, or attempt to assign or transfer, any of its rights or obligations (including by way of granting a Security) under this Deed.

25. PARTIAL INVALIDITY

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

26. REMEDIES, WAIVERS AND DETERMINATIONS

No failure to exercise, nor any delay in exercising, on the part of the Secured Party, Receiver or Delegate, any right or remedy under this Deed or any Insurance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed or any of the Insurance Documents. No waiver or election to affirm this Deed or any of the Insurance Documents on the part of the Secured Party, Receiver or Delegate shall be effective unless in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed and the Insurance Documents are cumulative and not exclusive of any rights or remedies provided by law.

27. NOTICE

References to giving notice are to notice being given in accordance with clause 52.3 (*Notices*) of the Framework Agreement.

28. SEPARATE AND INDEPENDENT OBLIGATIONS

The Security created by the Assignor by or in connection with this Deed is separate from and independent of the Security created or intended to be created by any other person or other provider of Security by or in connection with any Insurance Document.

29. 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.

30. GOVERNING LAW

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

31. ENFORCEMENT

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

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

SCHEDULE 1
RIGHTS OF RECEIVERS

Any Receiver appointed pursuant to Clause 14 (*Appointment of Receivers*) shall have the right, either in its own name or in the name of the Assignor or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person:

(a) Deal with Security Assets

to sell, transfer, assign, exchange, hire out, lend, licence or otherwise dispose of or realise all or any part of the Security Assets to any person either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments or deferred);

(b) Borrow money

to borrow or raise money either unsecured or on the security of all or any part of the Security Assets (either in priority to the Security Interests or otherwise);

(c) Rights of ownership

to manage and use all or any part of the Security Assets and to exercise and do all such rights and things as the Receiver would be capable of exercising or doing if it were the absolute beneficial owner of all or any part of the Security Assets;

(d) Legal actions

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings relating to all or any part of the Security Assets;

(e) Claims

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or relating to all or any part of the Security Assets;

(f) Redemption of Security

to redeem any Security (whether or not having priority to the Security Interests) over all or any part of the Security Assets and to settle the accounts of any person with an interest in all or any part of the Security Assets;

(g) Delegation

to delegate in any manner to any person any rights exercisable by the Receiver under this Deed, and any such delegation may be made upon such terms and conditions (including power to sub-delegate) as it thinks fit, and to pass confidential information to any such delegate;

(h) Insolvency Act

to exercise all powers set out in Schedule 1, Schedule B1 or (in the case of a Scottish Receiver) Schedule 2 to the Insolvency Act as now in force (whether or not in force at the date of exercise) and any powers added to Schedule 1 or Schedule 2, as the case may be, after the date of this Deed;

(i) **Receipts**

to give a valid receipt for any moneys and do anything which may be necessary or desirable for realising all or any part of Security Assets; and

(j) **Other powers**

to do anything else it may think fit for the realisation of all or any part of the Security Assets or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of this Deed, the Law of Property Act or the Insolvency Act.

SCHEDULE 2
FORM OF NOTICE OF PLEDGOR DEFAULT

To: [Name of custodian] (the "Custodian")

CC: [Name of Assignor] (the "Pledgor")
[Address of Assignor]

[Date]

Ladies and Gentlemen:

Reference: Control and Custody Agreement dated [] (the "Agreement")

[Name of Secured Party] ("**Secured Party**") hereby notifies [Name of Custodian] that an Enforcement Event (as defined in the Security Agreement) has occurred.

Secured Party hereby instructs [Name of Custodian] to transfer all cash and securities from the Account to the following:

Securities

Bank Name:

ABA No.:

Account No.:

Account Name:

Cash

Bank Name:

ABA No.:

Account No.:

Account Name:

Secured Party hereby irrevocably authorises and instructs [Name of Custodian] to accept Instructions solely from the Secured Party pursuant to the Agreement and not to accept any Instructions from the Pledgor in respect of the same.

[Name of Secured Party]

Authorised Signatory

SIGNED as a DEED by AXA UK PENSION TRUSTEES LIMITED acting by

Stephen Yandle a Director and,
for and on behalf of Clear Pen Solutions Ltd

DocuSigned by:
[Redacted]
84F293527C8146C...

Samantha Pitt a Director
for and on behalf of The Law Debenture Trust Corporation plc

DocuSigned by:
[Redacted]
BC2748F59EDC407...

SIGNED by LANTERNONE IC LIMITED, by

DocuSigned by:
[Redacted]
AAAAADE095084FE...

Konrad Friedlaender
Authorised signatory
For and on behalf of LanternOne IC Limited

Witnessed by:

DocuSigned by:
[Redacted]
8427B527E22246A...

Anne Kennedy
Address: [Redacted]
Occupation: [Redacted]