



Registration of a Charge

Company Name: **MMC UK PENSION FUND TRUSTEE LIMITED**

Company Number: **00589230**



Received for filing in Electronic Format on the: **16/11/2023**

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Details of Charge

Date of creation: **14/11/2023**

Charge code: **0058 9230 0007**

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

Brief description: **N/A**

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: 589230

Charge code: 0058 9230 0007

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th November 2023 and created by MMC UK PENSION FUND TRUSTEE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th November 2023 .

Given at Companies House, Cardiff on 17th November 2023

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**

Linklaters

Trustee/Insurer Deed of Charge

relating to the Sedgwick Section of the Scheme

Dated 14 November 2023

MMC UK PENSION FUND TRUSTEE LIMITED

and

FISSION GAMMA IC LIMITED

Certified that, save for material redacted pursuant to section 859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Linklaters LLP

Linklaters LLP

15 November 2023

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This Deed is made on 14 November 2023 between:

- (1) **MMC UK PENSION FUND TRUSTEE LIMITED**, a company incorporated under the laws of England and Wales with registered number 00589230 and with its registered office at One Tower Place West, Tower Place, London, EC3R 5BU acting in its capacity as the trustee of the Scheme (the “**Chargor**”); and
- (2) **FISSION GAMMA IC LIMITED**, an incorporated cell registered in Guernsey under registration number 72197 and with its registered office at PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 4ET (the “**Secured Party**”), which is an incorporated cell of Mercer ICC Limited, an incorporated cell company registered in Guernsey under registration number 61995 with its registered office address at PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 4ET.

It is agreed as follows:

1 Interpretation and Application

1.1 In this Deed:

“**Cash Collateral Account**” means the cash account with account number [REDACTED] designated “[REDACTED]” held in the name of the Chargor with the Custodian pursuant to the Custody Agreement (as that account may be renumbered or re-designated from time to time) and any substitute or additional account as may be established under the terms of any replacement custody agreement entered into in accordance with paragraph 1.2 of Schedule 11 (*Trustee Custodian Failure*) to the Framework Agreement (or otherwise with the prior written consent of the Secured Party);

“**Charged Accounts**” means the Cash Collateral Account and the Securities Collateral Account;

“**Collateral Return Instruction**” means a notice substantially in the form contained in schedule 5 (*Collateral Return Instruction*) to the Custody Control Agreement;

“**Custodian**” means The Northern Trust Company or any Replacement Custodian that has been appointed from time to time in accordance with paragraph 1.2 of Schedule 11 (*Trustee Custodian Failure*) to the Framework Agreement;

“**Custody Agreement**” means the custody agreement dated 5 May 2009 between the Chargor and the Custodian or, if a Replacement Custodian is appointed pursuant to paragraph 1.2 Schedule 11 (*Trustee Custodian Failure*) to the Framework Agreement, the custody agreement between the Chargor and such Replacement Custodian entered into in accordance with that paragraph;

“**Custody Control Agreement**” means the custody control agreement relating to the Sedgwick Section of the Scheme dated on or about the date of this Deed between the Chargor, the Secured Party, the Custodian and the Reinsurer or, if a Replacement Custodian is appointed pursuant to paragraph 1.2 of Schedule 11 to the Framework Agreement, the custody control agreement entered into by the Chargor, the Secured Party, such Replacement Custodian and the Reinsurer in accordance with that paragraph;

“**Delegate**” means a delegate or sub-delegate appointed by the Secured Party in accordance with this Deed;

“**Delivery Amount**” has the meaning given to it in Clause 4.1 (*Delivery Amount*);

“Dispute Resolution Provisions” means:

- (a) in the case of any dispute relating to the determination of the Value of any Posted Collateral, or the Value of any transfer of Eligible Credit Support or Posted Collateral, paragraph 4 of Schedule 4 (*Collateral Transfer and Calculation Mechanism*) to the Framework Agreement; and
- (b) in the case of any dispute relating to the determination of the Fee Collateral Required Value in respect of the Insurance Agreement, any Delivery Amount or any Return Amount, the provisions in the Framework Agreement governing such disputes;

“Enforcement Event” means any failure by the Chargor to pay any of the amounts specified in paragraph (a) of the definition of “Secured Liabilities” when due and payable in accordance with their terms;

“Enforcement Event Notice” means a notice substantially in the form contained in Schedule 2 (*Enforcement Event Notice*) to the Custody Control Agreement;

“Exchange Instruction” means a notice substantially in the form contained in Schedule 6 (*Exchange Instruction*) to the Custody Control Agreement;

“Framework Agreement” means the framework agreement dated on or about the date of this Deed between the Chargor, the Secured Party and the Reinsurer relating to the Sedgwick Section of the Scheme;

“GBP” means the lawful currency of England;

“Insolvency Act” means the Insolvency Act 1986, as amended from time to time;

“LPA” means the Law of Property Act 1925, as varied from time to time;

“Notification Time” means 1.00 p.m. (London time), on a Business Day;

“Original Collateral” has the meaning specified in Clause 5.3.1 (*Substitutions*);

“Party” means a party to this Deed;

“Permitted Security Interest” has the meaning given to that term in Clause 7.2.1;

“Posted Collateral” means, at any time, all assets which are held or recorded in, or standing to the credit of, either of the Charged Accounts at that time;

“Receiver” means a receiver, receiver and manager or, where permitted by law, an administrative receiver (as the Secured Party may specify at any time in any relevant appointment) and that term will include any appointee made under a joint or several appointment;

“Regulations” means the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended from time to time);

“Reinsurer” means the Reinsurer (as defined in the Framework Agreement), being at the date of this Deed, Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, acting through its UK branch, a public limited company incorporated in Germany (Commercial Register Munich, No. HRB 42039) having its head office at Königinstr. 107, 80802 Munich, Germany registered in the United Kingdom as Munich Re Company United Kingdom Life Branch (UK Establishment Number: BR003492) whose address is 10 Fenchurch Avenue, London, EC3M 5BN;

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

- (a) any proceeds of sale, transfer or other disposal or agreement for sale, transfer or other disposal of that Security Asset;
- (b) any moneys or proceeds (including, without limitation, coupons, distributions of any kind and any other sum (including principal)) paid, payable or deriving from that Security Asset;
- (c) any rights, claims, guarantees, indemnities, Security Interests or covenants for title in relation to that Security Asset;
- (d) any awards or judgments in favour of the Chargor 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 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); and
- (e) any other assets deriving from, or relating to, that Security Asset;

"Release Notice" means a notice in the form contained in Schedule 4 (*Release Notice*) to the Custody Control Agreement.

"Replacement Custodian" means any custodian maintaining the Charged Accounts appointed or to be appointed in accordance with paragraph 1.2 of Schedule 11 (*Trustee Custodian Failure*) to the Framework Agreement;

"Return Amount" has the meaning given to it in Clause 4.2 (*Return Amount*);

"Secured Liabilities" means the obligations and liabilities of the Chargor under:

- (a) the Insurance Agreement and the Framework Agreement to pay and discharge:
 - (i) the Insurance Fee Termination Payment, the Insurance Agreement Final Residual Payment and the Insurance Agreement Aggregated Payment in connection with any Partial Recapture; and
 - (ii) the Insurance Fee Termination Payment, the Insurance Agreement Final Residual Payment and the Insurance Agreement Aggregated Payment in connection with an Early Termination Event; and
- (b) Clause 9.3 (*Expenses of Secured Party*),

in each case, now or hereafter due, owing or incurred by the Chargor in each case whether such payment is (i) present, future or contingent, (ii) joint or several; (iii) incurred as principal or surety or otherwise; (iv) originally owing to the Secured Party or acquired in any other way by it; (v) denominated in GBP or any other currency; or (vi) incurred or payable before or after the occurrence of any Experience Collateral Restrike Date;

"Securities Collateral Account" means the securities account with account number [REDACTED] and designated "[REDACTED]" held in the name of the Chargor with the Custodian pursuant to the Custody Agreement (as that account may be renumbered or re-designated from time to time) and any substitute or additional account as may be from time to time established under the terms of any replacement custody agreement entered into in accordance with paragraph 1.2 of Schedule 11 (*Trustee Custodian Failure*) to the Framework Agreement (or otherwise with the prior written consent of the Secured Party);

"Security Assets" means the assets which from time to time are, or are expressed to be, the subject of the Security Interests created by Clause 3.1 (Security) and any part of those assets;

"Security Interest" means any mortgage, charge, pledge, assignment (whether or not expressed to be by way of security), lien, encumbrance or other security interest of any kind, howsoever created or arising;

"Settlement Day" has the meaning given to that term in the Custody Control Agreement;

"Substitute Collateral" has the meaning given to it in Clause 5.3.1;

"Substitution Notice" has the meaning given to it in Clause 5.3.1;

"Termination Date" has the meaning given to the term "Termination Date" in the Framework Agreement but excluding paragraph (c) of that definition; and

"Value" means, in respect of any Collateral Valuation Date or other date for which Value is calculated, and subject to the applicable Dispute Resolution Provisions in the case of a dispute:

- (a) in the case of any asset which is Eligible Credit Support (other than cash), its Value determined in accordance with paragraph 11 of Schedule 4 to the Framework Agreement;
- (b) in the case of any Eligible Credit Support that is a GBP amount of cash, such GBP amount; or
- (c) in the case of any asset which does not constitute Eligible Credit Support, zero.

1.2 For the avoidance of doubt, references to **"transfer"** in this Deed mean, in relation to cash, payment and, in relation to Eligible Credit Support or Posted Collateral other than cash, delivery.

1.3 Unless a contrary indication appears a reference in this Deed to:

- 1.3.1** a Clause shall be to a clause of this Deed;
- 1.3.2** a person or party shall be construed so as to include its and any subsequent successors in title, permitted assignees and permitted transferees;
- 1.3.3** a contract, document, agreement or instrument is a reference to that contract, document, agreement or instrument as amended, novated, supplemented, extended or restated from time to time;
- 1.3.4** a person includes any firm, company, government, state or agency of a state, any local or municipal authority, trust, partnership or unincorporated association (whether or not having separate legal personality);
- 1.3.5** any statute includes any regulations made under it and any subsequent statutory modification or re-enactment of it or them;
- 1.3.6** assets includes properties, revenues and rights of every kind, present, future and contingent, and whether tangible or intangible; and
- 1.3.7** rights includes all rights, title, benefits, power, privileges, interests, claims, authorities, discretions, remedies and liberties (in each case, of every kind, present, future and contingent).

- 1.4** Any capitalised term used in this Deed but not defined herein shall have the meaning given to it in the Framework Agreement.
- 1.5** Clause headings shall be ignored in interpreting this Deed.
- 1.6** The words "including", "include" and "in particular" and words of similar effect shall not be deemed to limit the general effect of the words that precede them.
- 1.7** An Enforcement Event is "**continuing**" if it has not been remedied or waived and has not otherwise ceased to subsist.
- 1.8** This Deed is intended to take effect as a deed notwithstanding that the Secured Party may have executed it under hand.

2 Payment of the Secured Liabilities

The Chargor hereby covenants and undertakes that it will pay or discharge the Secured Liabilities when they are due and payable in accordance with their terms.

3 Security

3.1 Security

3.1.1 The Chargor as continuing security for the performance of the Secured Liabilities, with full title guarantee and by way of first fixed charge, charges in favour of the Secured Party all the Chargor's rights, title and interest from time to time in, to, under and in respect of each of the following assets:

- (i) the Posted Collateral from time to time;
- (ii) all Related Rights in relation to the Posted Collateral (including, without limitation, the Chargor's rights against the Custodian pursuant to the Custody Agreement in respect of the Posted Collateral but excluding the Chargor's rights arising under the Custody Control Agreement);
- (iii) the Charged Accounts; and
- (iv) all Related Rights in relation to the Charged Accounts (including, without limitation, the Chargor's rights against the Custodian pursuant to the Custody Agreement in respect of the Charged Accounts but excluding the Chargor's rights arising under the Custody Control Agreement).

3.1.2 Notwithstanding anything to the contrary in this Deed (including, without limitation, the definition of "Secured Liabilities" and Clause 3.1.1), the maximum amount of the Secured Liabilities which the Secured Party may recover under this Deed shall not at any time exceed an amount equal to:

- (i) the result of:
 - (a) the aggregate of the Insurance Fee Termination Payments in connection with any Partial Recaptures and/or any Early Termination Event at such time (which may be zero), less
 - (b) the aggregate of the Proceeds Amounts actually transferred to the Reinsurer in accordance with paragraphs 12.3 to 12.5 inclusive of Part A of Schedule 3 to the Framework Agreement in connection with

any Partial Recaptures and/or Early Termination Event at such time (which may be zero),

and if such amount is less than zero, it shall be deemed to be zero;

plus

- (ii) any amounts payable by the Chargor pursuant to Clause 9.3 (*Expenses of Secured Party*).

3.2 Right of Appropriation

3.2.1 Subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, the Secured Party may, at any time when an Enforcement Event has occurred and is continuing, by notice in writing to the Chargor and the Custodian in accordance with the Custody Control Agreement appropriate with immediate effect any and all Posted Collateral which constitutes financial collateral (as defined in the Regulations) and which is subject to a security financial collateral arrangement (as defined in the Regulations) and apply it in or towards the discharge of the Secured Liabilities in such manner as it may determine, whether such Posted Collateral is held by the Secured Party or otherwise.

3.2.2 The value of any Posted Collateral appropriated under Clause 3.2.1 shall be:

- (i) in the case of Posted Collateral constituting cash, its face value at the time of appropriation; and
- (ii) in the case of Posted Collateral constituting a financial instrument (as defined in the Regulations) the current value of the cash payment which the Secured Party reasonably determines (having exercised the right of appropriation) would be received on a sale or other disposal, on an arm's length basis, of such financial instrument effected for payment as soon as reasonably possible after the time of exercise of the right of appropriation,

and the Parties agree that the method of valuation provided for in this Clause shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

3.3 Preservation of Security

The Security Interests constituted by this Deed shall be a continuing security and shall not be satisfied by any intermediate or partial payment or satisfaction of the whole or any part of the Secured Liabilities but shall secure the ultimate balance of the Secured Liabilities. The Security Interests constituted by this Deed shall be in addition to and shall not be affected by any other Security Interests now or subsequently held by the Secured Party for all or any of the Secured Liabilities.

3.4 Waiver of Defences and Chargor Intent

3.4.1 Neither the obligations of the Chargor under this Deed nor the Security Interests created or intended to be created by or pursuant to this Deed will be affected by any act, omission, circumstance, matter or thing which, but for this Clause 3.4, might operate to release or otherwise exonerate the Chargor from its obligations under this Deed or affect, reduce or prejudice any such obligations or the Security Interests created or intended to be created by or pursuant to this Deed including

(but without limitation) and whether or not known to the Chargor, the Secured Party or any other person:

- (i) any time, waiver, consent, release or indulgence granted to or composition with the Chargor or any other person;
- (ii) the taking, variation, extension, compromise, exchange, renewal or release of (whether under the terms of any composition or arrangement with any creditor of the Chargor or any other person or otherwise), or refusal or neglect to take up, perfect or enforce, any terms of the Insurance Agreement, the Framework Agreement or any other agreement or any rights or remedies against, or any Security Interests granted by, the Chargor or any other person;
- (iii) any irregularity, 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, any invalidity, unenforceability or illegality of any obligation of the Chargor or any other person under the Insurance Agreement, the Framework Agreement or any other agreement or any present or future law or order of any government or authority (whether of right or in fact) purporting to reduce or otherwise affect any of such obligations or the Security Interests created or intended to be created by or pursuant to this Deed to the intent that the Chargor's obligations under this Deed and the Security Interests created or intended to be created by or pursuant to this Deed shall remain in full force and this Deed shall be construed accordingly as if there were no such irregularity, unenforceability, illegality, invalidity, law or order;
- (iv) any legal limitation, disability, incapacity, lack of power, authority or legal personality or other circumstance relating to the Chargor, any guarantor or any other person or any amendment to or variation of the terms of the Insurance Agreement, the Framework Agreement or any other document or security;
- (v) any dissolution, change in the members or status of, or any insolvency, insolvency or similar proceedings in respect of the Chargor or any other person or the occurrence of any Sedgwick Section Termination Event; or
- (vi) any winding-up of any trust of which the Chargor is a trustee.

3.4.2 Without prejudice to the generality of Clause 3.4.1, the Chargor expressly confirms that it intends that the Security Interests constituted, created or intended to be created by or pursuant to this Deed shall extend from time to time to any variation, increase, extension or addition of or to (whether or not as a result of the occurrence of any Experience Collateral Restrike Date): (i) any of the Secured Liabilities; and/or (ii) any Custody Agreement, Custody Control Agreement or any Transaction Document or any of the documents evidencing the terms of, or relating to, the Secured Liabilities (however fundamental) and/or any increase in the amount of the Secured Liabilities.

3.5 Immediate Recourse

The Chargor waives any right it may have of first requiring the Secured Party (or any nominee or assignee or any other person) to proceed against or claim payment from any

other person or enforce any right, guarantee or Security Interest before enforcing this Deed. This waiver applies irrespective of any law or any provision of any Transaction Document to the contrary.

3.6 Conditional Release and Reinstatement

3.6.1 Any release, settlement or discharge in respect of any of the Secured Liabilities or any security for those liabilities shall be conditional upon no payment to, or security provided to, the Secured Party in respect of the relevant Secured Liabilities being avoided, invalidated or reduced or required to be restored or paid away by virtue of any requirement having the force of law.

3.6.2 Where any release, settlement or discharge in respect of any of the Secured Liabilities or any security for those liabilities is made in whole or in part, or any arrangement is made, on the faith of any payment, guarantee, security or other disposition, transaction or arrangement which is, or is required to be, avoided, invalidated or reduced or any amount paid pursuant to any such release, settlement, discharge or arrangement must be repaid on bankruptcy, liquidation or otherwise without limitation, the Security Interests constituted by this Deed and the liability of the Chargor under this Deed shall continue as if there had been no such release, settlement, discharge or arrangement.

4 Credit Support Obligations

4.1 Delivery Amount

Subject to Clause 5.5 (Termination Date) below, if the Delivery Amount in relation to an Exposure Valuation Date equals or exceeds the Minimum Transfer Amount on that Exposure Valuation Date, the Chargor shall, on or before the 41st Business Day following that Exposure Valuation Date (the "**Delivery Deadline**"), transfer Eligible Credit Support to the Charged Accounts having a Value as of the date of transfer at least equal to that Delivery Amount (rounded pursuant to Clause 4.3 (*Rounding*)).

The "**Delivery Amount**" in relation to any Exposure Valuation Date for the purposes of this Clause 4.1 will equal the amount (if any) by which:

- (i) the Fee Collateral Target Amount in respect of the Insurance Agreement as of that Exposure Valuation Date
exceeds
- (ii) the Value of all Posted Collateral held in the Charged Accounts as of the Collateral Valuation Date next following that Exposure Valuation Date (as adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant Delivery Deadline or the relevant Settlement Day falls on or after such Collateral Valuation Date).

4.2 Return Amount

Subject to Clause 5.5 (*Termination Date*) below, if the Return Amount in relation to an Exposure Valuation Date equals or exceeds the Minimum Transfer Amount on that Exposure Valuation Date, the Chargor may, by the Notification Time on or before the 39th Business Day following that Exposure Valuation Date deliver to the Secured Party for countersignature a signed Collateral Return Instruction, which the Secured Party shall

counter-sign and deliver to the Reinsurer on or before the 40th Business Day following that Exposure Valuation Date, directing the Custodian to transfer to the account specified by the Chargor in such Collateral Return Instruction the Posted Collateral specified in such Collateral Return Instruction having a Value as of the date of the relevant Collateral Return Instruction not exceeding the Return Amount (rounded pursuant to Clause 4.3 (Rounding)) (and upon such transfer of that Posted Collateral being effected in accordance with this Deed and the Custody Control Agreement that Posted Collateral shall be automatically released from the Security Interests created by this Deed) provided that, for the avoidance of doubt, following the receipt by the Chargor of a notice from the Reinsurer that an Enforcement Event (as defined in the Insurer/Reinsurer Security Assignment Deed) has occurred, any Collateral Return Instruction may be given to the Custodian only if signed by the Chargor and the Reinsurer jointly (and such Collateral Return Instruction may be delivered by the Chargor to the Reinsurer directly and does not need to be counter-signed by the Secured Party).

The “**Return Amount**” in relation to any Exposure Valuation Date for the purposes of this Clause 4.2 will equal the amount (if any) by which:

- (i) the Value of all Posted Collateral held in the Charged Accounts as of the Collateral Valuation Date next following that Exposure Valuation Date (as adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant Delivery Deadline or the relevant Settlement Day falls on or after such Collateral Valuation Date)
exceeds
- (ii) the Fee Collateral Target Amount in respect of the Insurance Agreement as of that Exposure Valuation Date.

4.3 Rounding

The Delivery Amount will be rounded up and the Return Amount will be rounded down to the nearest integral multiple of GBP 10,000, provided that if such an amount corresponds to the exact half of such multiple then it will be rounded up in the case of the Delivery Amount and rounded down in the case of the Return Amount.

5 Transfers, Calculations, Substitutions, Ineligible Collateral and liquidations of collateral

5.1 Transfers

- 5.1.1 All transfers under this Deed of any Eligible Credit Support or Posted Collateral shall be made in accordance with the provisions of this Deed and the Custody Control Agreement.
- 5.1.2 The Secured Party's obligations to make any transfer of Posted Collateral to the account specified by the Chargor for that purpose under this Deed shall be discharged by the Secured Party counter-signing instructions to the Custodian submitted to it by the Chargor in accordance with this Deed and submitting such instructions to the Reinsurer in accordance with this Deed and clause 26.3 of the Framework Agreement.

5.2 Calculations

All calculations of Delivery Amounts, Return Amounts and the Value of any Eligible Credit Support or Posted Collateral for purposes of Clause 4 (*Credit Support Obligations*) and this Clause 5 will be made by the Insurer in the Calculation Agent Role in accordance with paragraph 3.2 of Schedule 4 (*Collateral Transfer and Calculation Mechanism*) to the Framework Agreement.

5.3 Substitutions

5.3.1 Subject to the provisions of the Custody Control Agreement, the Chargor may on any Business Day by notice (a “**Substitution Notice**”) inform the Secured Party that it wishes to transfer Eligible Credit Support specified in that Substitution Notice to the Charged Accounts (the “**Substitute Collateral**”) in substitution for Posted Collateral specified in that Substitution Notice (the “**Original Collateral**”) (the Business Day on which that Substitution Notice is received by the Secured Party being the “**Substitution Notice Date**”).

5.3.2 If the Secured Party consents to the proposed substitution (which consent shall not be unreasonably withheld or delayed) then:

- (i) the Secured Party shall, by the Notification Time on the 3rd Business Day following the Substitution Notice Date, notify the Chargor of its consent (or not);
- (ii) following a consent notification pursuant to Clause 5.3.2(i), the Chargor shall, by the Notification Time on the 6th Business Day following the Substitution Notice Date, deliver to the Secured Party a signed Exchange Instruction to the Custodian (which the Secured Party shall counter-sign for the purposes of the instruction referred to in paragraph (b) below (if the same is complete and free of manifest errors) and deliver to the Reinsurer on the 8th Business Day following the Substitution Notice Date) directing the Custodian to:
 - (a) transfer the Substitute Collateral to the relevant Charged Account on the Settlement Day with respect to the date the Exchange Instruction is received by the Custodian; and
 - (b) transfer to the account specified by the Chargor in the Exchange Instruction the Original Collateral on the later of (i) the Settlement Day with respect to the transfer of the Substitute Collateral and (ii) the Business Day on which the Substitute Collateral is credited to the relevant Charged Account(s),

in each case in accordance with clause 26.3 of the Framework Agreement and the provisions of the Custody Control Agreement and provided that: (i) the Custodian will only be instructed in the Exchange Instruction to transfer Original Collateral with a Value as of the date of the Exchange Instruction which is not more than the Value of the Substitute Collateral as of that date; and (ii) for the avoidance of doubt, following the receipt by the Chargor of a notice from the Reinsurer that an Enforcement Event (as defined in the Insurer/Reinsurer Security Assignment Deed) has occurred, any Exchange Instruction may be given to the Custodian only if signed by the Chargor and the Reinsurer jointly (and such Exchange Instruction may

be delivered by the Chargor to the Reinsurer directly and does not need to be counter-signed by the Secured Party).

- 5.3.3 In the event of a substitution under this Clause 5.3 (Substitutions), any Original Collateral shall be automatically released from the Security Interests created by this Deed upon it being transferred out of the Charged Accounts in accordance with this Deed and the Custody Control Agreement.

5.4 Ineligible Collateral

- 5.4.1 Subject to the provisions of the Custody Control Agreement, if at any time any Posted Collateral ceases to constitute Eligible Credit Support ("**Ineligible Collateral**");

- (i) the Secured Party may by notice to the Chargor on any Business Day (the "**Exchange Demand**" and the Business Day on which the Exchange Demand is received by the Chargor being the "**Exchange Demand Date**"), require the Chargor to transfer Eligible Credit Support to the Charged Accounts having a Value such that the Value of the Posted Collateral following such transfer would be at least equal to the Fee Collateral Target Amount in respect of the Insurance Agreement in relation to the then most recent Exposure Valuation Date in exchange for the Ineligible Collateral specified in that Exchange Demand; or
- (ii) the Chargor may by notice to the Secured Party on any Business Day (the "**Exchange Notice**" and the Business Day on which the Exchange Notice is received by the Secured Party being the "**Exchange Notice Date**") inform the Secured Party that it wishes to transfer Eligible Credit Support specified in that Exchange Notice to the Charged Accounts having a Value such that the Value of the Posted Collateral following such transfer would be at least equal to the Fee Collateral Target Amount in respect of the Insurance Agreement in relation to the then most recent Exposure Valuation Date in exchange for the Ineligible Collateral specified in that Exchange Notice,

(the Eligible Credit Support required to be transferred to the Charged Accounts pursuant to paragraph (i) or (ii) (as applicable) above, being the "**Replacement Collateral**").

- 5.4.2 The Secured Party shall, by the Notification Time on the second Business Day following the Exchange Notice Date confirm to the Chargor its receipt of the Exchange Notice. The Chargor shall, by the Notification Time on the second Business Day following the Exchange Demand Date confirm to the Secured Party its receipt of the Exchange Demand.

- 5.4.3 Following the applicable confirmation pursuant to Clause 5.4.2, the Chargor shall, by the Notification Time on the third Business Day following the Exchange Demand Date or the Exchange Notice Date (as applicable), deliver to the Secured Party a signed Exchange Instruction to the Custodian (which the Secured Party shall counter-sign for the purpose of the instruction referred to in paragraph (ii) below (if the same is complete and free of manifest errors) and deliver to the Reinsurer on the fifth Business Day following the Exchange Demand Date or the Exchange Notice Date (as applicable)) directing the Custodian to:

- (i) transfer the Replacement Collateral to the relevant Charged Account on the Settlement Day with respect to the date the Exchange Instruction is received by the Custodian; and
- (ii) transfer to the account specified by the Chargor in the Exchange Instruction, the Ineligible Collateral on the later of (a) the Settlement Day with respect to the transfer of the Replacement Collateral and (b) the date on which the Replacement Collateral is credited to the relevant Charged Account(s),

provided that, for the avoidance of doubt, following the receipt by the Chargor of a notice from the Reinsurer that an Enforcement Event (as defined in the Insurer/Reinsurer Security Assignment Deed) has occurred, any Exchange Instruction may be given to the Custodian only if signed by the Chargor and the Reinsurer jointly (and such Exchange Instruction may be delivered by the Chargor to the Reinsurer directly and does not need to be counter-signed by the Secured Party).

5.4.4 In the event of an exchange under this Clause 5.4 (*Ineligible Collateral*), any Ineligible Collateral shall be automatically released from the Security Interests created by this Deed upon it being transferred out of the Charged Accounts in accordance with this Deed and the Custody Control Agreement.

5.5 Termination Date

5.5.1 On and from the Termination Date:

- (i) the Chargor shall not be obliged to comply with its obligations under Clause 4.1 (*Delivery Amount*); and
- (ii) the Chargor may not, without the prior written consent of the Secured Party, deliver any notices or instructions pursuant to Clause 4.2 (*Return Amount*).

5.5.2 The terms of Clause 5.5.1 shall be without prejudice to Clause 5.6 (*Liquidation of collateral and title transfer*).

5.6 Liquidation of collateral and title transfer

5.6.1 The Parties acknowledge and agree that: (i) the provisions of paragraphs 12.3 to 12.5 inclusive of part A of schedule 3 to the Framework Agreement (the "**Collateral Liquidation Provisions**") and (ii) the provisions of paragraph 2 of Appendix 1 of Schedule 4 to the Framework Agreement (the "**Title Transfer Switch Provisions**") shall apply.

5.6.2 In the event of a sale of Posted Collateral (other than any cash) held in the Securities Collateral Account contemplated by the Collateral Liquidation Provisions, that Posted Collateral shall be automatically released from the Security Interests created by this Deed upon it being transferred out of the Securities Collateral Account in accordance with the Collateral Liquidation Provisions (provided that, for the avoidance of doubt, the proceeds of sale of such Posted Collateral shall be deposited in the Cash Collateral Account as contemplated by the Collateral Liquidation Provisions and the Chargor shall give all notifications to that effect to the Custodian as may be required to ensure that this is the case).

- 5.6.3 In the event of a transfer of Posted Collateral from the Charged Accounts in accordance with the Title Transfer Switch Provisions, upon such transfer, such Posted Collateral shall be automatically released from the Security Interests created by this Deed.

6 Dispute Resolution Provisions

The Parties acknowledge and agree that the relevant Dispute Resolution Provisions shall apply to any dispute in respect of the determination of the Fee Collateral Required Value in respect of the Insurance Agreement, Delivery Amount, Return Amount, the Value of any Posted Collateral, the Value of any Eligible Credit Support, the Value of any transfer of Eligible Credit Support or the Value of any Posted Collateral and the Parties agree to be bound by any determination made in accordance with such Dispute Resolution Provisions. For the avoidance of doubt, the countersignature of any instruction to the Custodian by the Secured Party or the Reinsurer pursuant to this Deed, the Framework Agreement or the Custody Control Agreement shall not constitute affirmation of the transaction(s) contemplated thereby and shall be without prejudice to any dispute pursuant to the Dispute Resolution Provisions relating thereto.

7 Holding Posted Collateral

7.1 Negative pledge and No Disposals

The Chargor:

- 7.1.1 shall not, and shall not instruct the Custodian to, enter into a single transaction or a series of transactions (whether related or not) and whether voluntarily or involuntarily, to sell, assign, lend, transfer or otherwise dispose of the whole or any part of the Security Assets or remove or permit the withdrawal of any Security Assets from the Charged Accounts, in each case other than as expressly permitted or required by a Transaction Document or the Custody Control Agreement or which the Secured Party has expressly approved in writing for this purpose;
- 7.1.2 shall not create or permit to subsist any Security Interest on, over or affecting all or any part of the Security Assets except for:
- (i) any Security Interest created by this Deed or any Security Interest contemplated by paragraphs 1.2 or 1.3 of Schedule 11 (*Trustee Custodian Failure*) to the Framework Agreement which is in favour of the Secured Party;
 - (ii) any Security Interest created by the Insurer/Reinsurer Security Assignment Deed;
 - (iii) any lien routinely imposed by a clearing system on all securities held in that clearing system; and
 - (iv) any lien or other Security Interest imposed by the Custodian:
 - (a) in accordance with the terms of the Custody Control Agreement;
 - (b) in accordance with the terms of the Custody Agreement; or
 - (c) which the Secured Party has expressly approved in writing;

(each a “**Permitted Security Interest**”); and

- 7.1.3 shall not otherwise deal with all or any part of the Security Assets or permit its rights in the Security Assets (or any part thereof) to be conferred on any person or for any person to acquire any interest in the same, in each case except for a Permitted Security Interest and except as expressly permitted or required by, a Transaction Document or the Custody Control Agreement.

7.2 No variation of Custody Agreement etc.

7.2.1 The Chargor shall:

- (i) deliver a copy of the Custody Agreement to the Secured Party on or before the date of this Deed; and
- (ii) without prejudice to Clause 7.2.2, deliver to the Secured Party and the Reinsurer a copy of any amendments made to the Custody Agreement within five Business Days of the date on which those amendments become effective.

7.2.2 The Chargor shall not, without the prior written consent of the Secured Party (such consent not to be unreasonably withheld provided that, amongst other things, it shall be reasonable for the Secured Party to withhold such consent if the taking of any of the following actions would have an adverse effect on the ability of the Chargor to comply with its obligations in respect of the Security Assets, the Value thereof or the interests or rights of the Secured Party or the Reinsurer in relation thereto):

- (i) amend, supplement, vary, waive or suspend (or agree to amend, supplement, vary, waive or suspend) any provision of, or performance of any obligation under: (a) the Custody Agreement affecting, or in so far as it relates to, the Security Assets; or (b) the Custody Control Agreement;
- (ii) exercise any right to rescind, cancel, terminate or repudiate: (a) the Custody Agreement in respect of, affecting, or in so far as it relates to, the Security Assets; or (b) the Custody Control Agreement (or, in each case, any of its rights or obligations relating thereto, or postpone or subordinate or vary or waive any of its rights and remedies thereunder, or agree to do so, with respect to, affecting or in so far as such rights, obligations or remedies relate to, the Security Assets);
- (iii) release the Custodian from any obligations under: (a) the Custody Agreement in respect of, affecting, or in so far as they relate to, the Security Assets; or (b) the Custody Control Agreement;
- (iv) waive any breach by the Custodian in respect of, affecting, or in so far as it relates to, the Security Assets or consent to any act or omission which would otherwise constitute such a breach;
- (v) except as provided in, or permitted by, this Deed, novate, transfer or assign any of its rights under: (a) the Custody Agreement in respect of, affecting, or in so far as such rights relate to, the Security Assets; or (b) the Custody Control Agreement;

- (vi) take any action or execute any document which may result in this Deed, the Custody Agreement or the Custody Control Agreement becoming invalid, illegal or unenforceable in any relevant jurisdiction; or
- (vii) to the extent within the Chargor's control, take or permit any action which affects or is reasonably likely to affect adversely the value or otherwise depreciate, impair or prejudice any of the Security Assets or any rights of the Secured Party hereunder.

7.3 Breach of Custody Agreement

The Chargor shall notify the Secured Party and the Reinsurer of:

- 7.3.1 any breach of, or default under: (a) the Custody Agreement in respect of, affecting, or in so far as it relates to, the Security Assets; or (b) the Custody Control Agreement by it or any other party;
- 7.3.2 any claim made or threatened to be made by it under or in connection with: (a) the Custody Agreement in respect of, affecting, or in so far as it relates to, the Security Assets; or (b) the Custody Control Agreement;
- 7.3.3 any claim made or threatened against the Chargor:
 - (i) under or in connection with: (a) the Custody Agreement in respect of, affecting, or in so far as it relates to, the Security Assets; or (b) the Custody Control Agreement; or
 - (ii) in relation to the Security Assets (or any of them); and
- 7.3.4 any right of any party to rescind, cancel or terminate the Custody Agreement or the Custody Control Agreement,

in each case promptly on becoming aware of the same. The Chargor shall provide the Secured Party with reasonable details of any such claim and its progress and notify the Secured Party as soon as practicable upon that claim being resolved.

7.4 Performance of obligations under Custody Agreement and Custody Control Agreement

Without prejudice to the terms of the Custody Agreement and the Custody Control Agreement, the Chargor shall perform all its obligations and, subject to Clause 7.2.2, maintain and enforce all its rights, and exercise all its discretions: (i) under or in connection with the Custody Agreement, in relation to, affecting or in so far as such obligations, rights or discretions relate to, the Security Assets; and (ii) under or in connection with the Custody Control Agreement in each case except to the extent that failure by the Chargor to do so does not and would not reasonably be expected to adversely affect the ability of the Chargor to comply with its obligations in respect of the Security Assets, the value thereof or the interests of the Secured Party or the Reinsurer in relation thereto.

7.5 Rights Accompanying Posted Collateral

7.5.1 Voting Rights

At any time when an Enforcement Event is not continuing, the Chargor shall be entitled to exercise, or to direct the Custodian to exercise, any voting rights attached to any of the Posted Collateral (but only in a manner consistent with the terms of this Deed and only if not prejudicial to the Security Interests created

hereunder or the value of such Posted Collateral) provided that any cash or other assets resulting from the exercise of such rights shall be credited to the relevant Charged Account.

7.5.2 Exercise by Secured Party

- (i) Subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, at any time when an Enforcement Event has occurred and is continuing and without any further consent or authority on the part of the Chargor, the Secured Party (or its Delegate) may deliver to the Custodian in accordance with the Custody Control Agreement an Enforcement Event Notice (with a copy to the Chargor provided that a failure or delay in delivering such copy to the Chargor shall not invalidate the Enforcement Event Notice delivered to the Custodian) and, following delivery of such notice, may exercise any and all of its rights which it has under the Custody Control Agreement or this Deed in relation to the Security Assets.
- (ii) Following the delivery by the Secured Party (or its Delegate) to the Custodian of an Enforcement Event Notice, if the Enforcement Event has been remedied and is no longer continuing (and no other Enforcement Event is then continuing), the Secured Party shall (or shall procure that its Delegate will), as soon as reasonably practicable following the receipt of a written request of the Chargor, revoke the Enforcement Event Notice and give notice to the Custodian of such revocation (with a copy to the Chargor), and the Chargor and the Secured Party (or its Delegate) may, subject to the provisions of this Deed, exercise any and all of its rights under the Custody Control Agreement in relation to the Security Assets as if such Enforcement Event Notice had not been served.

7.6 Other Obligations

The Chargor shall at all times (including, without limitation, after an Enforcement Event Notice has been served) remain liable to observe and perform all of the conditions and obligations assumed by it in writing or by effect of law under the Custody Agreement (as varied by the Custody Control Agreement) and in respect of the Security Assets. Neither the Secured Party nor any Receiver, Delegate or nominee shall be under any obligation or liability to the Chargor or any other person under or in respect of the Custody Agreement or in respect of the rights or obligations of the Chargor under or in respect of the Security Assets.

7.7 Distributions and Interest Amounts

Subject to Clause 5.6, all amounts (including cash representing principal, capital, interest and dividends), Securities and other assets received in respect of any Posted Collateral (whether by way of conversion, redemption, bonus, distribution or otherwise) shall be credited to a Charged Account.

7.8 Communications from Custodian and access to information

The Chargor shall promptly provide copies of any communications received by the Chargor from the Custodian in respect of, affecting, or in so far as such communication relates to or affects the Charged Accounts or the other Security Assets if the Chargor is aware that such communications have not been copied to the Secured Party by the Custodian, provided

that the Chargor shall not be obliged to provide copies of any communication which relates to information which is within the public domain.

8 Rights of Enforcement

8.1 Secured Party's Rights

8.1.1 Subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, at any time when an Enforcement Event has occurred and is continuing, the Security Interests created by or pursuant to this Deed shall be enforceable and the Secured Party shall be entitled to put into force and to exercise immediately or as and when it may see fit any and every power possessed by the Secured Party by virtue of this Deed or available to a secured creditor or a Receiver pursuant to applicable law (and so that section 93 and section 103 of the LPA shall not apply to this Deed or any sale made under it) and in particular (but without limitation) the Secured Party shall, subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, immediately or at any subsequent time and without prior notice to the Chargor, have power:

- (i) to take possession of, hold, sell or otherwise dispose of all or any of the Security Assets upon such terms as the Secured Party shall in its absolute discretion determine;
- (ii) to collect, recover or compromise and to give a good discharge for any moneys payable to the Chargor in respect of any of the Security Assets;
- (iii) to apply or appropriate the Security Assets in or towards the payment or discharge of any amounts payable by the Chargor with respect to any Secured Liabilities in such order as the Secured Party sees fit;
- (iv) to secure and perfect its title to all or any part of the Security Assets (including transferring the same into the name of the Secured Party or its nominee(s)) or otherwise exercise in relation to the Security Assets all the rights of an absolute legal and beneficial owner in any manner that the Secured Party determines;
- (v) to appoint one or more persons as a Receiver of any Security Assets;
- (vi) to defend against any suit, action or proceeding relating to, or affecting, the Charged Accounts or Posted Collateral (or in each case any of them) in the Chargor's name; and/or
- (vii) whether or not it has appointed a Receiver, to exercise in respect of any of the Security Assets all or any of the powers, authorisations and discretions conferred by the LPA (as varied or extended by this Deed) on chargees or mortgagees or by this Deed on the Secured Party or any Receiver or otherwise conferred by law on chargees, mortgagees or Receivers,

and, for the purposes of this Clause 8.1.1, the Secured Party shall be entitled to make any currency conversions at the prevailing rates available to it or effect any transaction in currencies which it thinks fit, and to do so at the prevailing rates available to it at such times as it thinks fit.

8.1.2 Without prejudice to the foregoing or to the Secured Party's other rights but subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, the Chargor 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 of cash out of the Cash Collateral Account to the Secured Party for application in or towards discharge of the Secured Liabilities) and, if the cash balance standing to the credit of the Cash Collateral Account is not sufficient to discharge the Secured Liabilities, to give instructions to the Custodian:

- (i) to sell or otherwise realise all or such part of the assets held in or standing to the credit of the Securities Collateral Account as is necessary to fund such transfer and to apply the proceeds of sale for that purpose; or
- (ii) to transfer out of the Securities Collateral Account to the Secured Party such assets as may be selected by the Secured Party and whose transfer to the Secured Party is necessary in order to enable discharge of the Secured Liabilities (or any part thereof).

8.1.3 Until all Secured Liabilities have been irrevocably paid in full, the Secured Party may:

- (i) refrain from applying or enforcing any other moneys, security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or apply and enforce the same in such manner and order as it sees fit and the Chargor shall not be entitled to the benefit of the same; and
- (ii) hold in an interest-bearing suspense account any moneys received from or on behalf of the Chargor for or on account of the Secured Liabilities (including, without limitation, any such moneys received, recovered or realised under or in connection with this Deed).

8.1.4 Subject to Clause 8.1.3 and any claims having priority to the Security Interests created by or pursuant to this Deed, all amounts from time to time received or recovered by the Secured Party or a 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 created by this Deed (including pursuant to Clause 7.5.2(i) shall be applied, to the extent permitted by applicable law, in the following order of priority:

- (i) in or towards the discharge of the Secured Liabilities in such order as the Secured Party thinks fit;
- (ii) if the Secured Liabilities have been irrevocably and unconditionally paid in full and no Secured Liabilities are capable of arising thereafter, in payment or distribution to any person to whom the Secured Party is obliged by applicable law or binding court order or judgment to pay or distribute in priority to the Chargor; and
- (iii) the balance, if any, in payment or distribution to the Chargor.

8.2 Powers under the LPA

8.2.1 The provisions of the LPA relating to the power of sale conferred by that Act are:

- (i) varied so that sections 103 and 109(1) of the LPA shall not apply; and

- (ii) extended to authorise the Secured Party at any time when an Enforcement Event has occurred and is in each case continuing and subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, to sell or otherwise dispose of (or instruct any nominee to do so), or instruct the Custodian to sell or otherwise dispose of all or any part of the Security Assets and, in relation to any securities (as it may elect and without prejudice to any later exercise of this power) the whole or part of the equitable or other interest divested of or separately from the legal title for such consideration, upon such terms and generally in such manner as the Secured Party thinks fit.

8.2.2 The power of sale and all other powers conferred on a Secured Party by law (including by section 101 of the LPA) as varied or extended by this Deed will arise upon the date of this Deed (and the Secured Liabilities shall be deemed to have become due and payable for such purpose) but shall only be exercised, subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, when an Enforcement Event has occurred and is continuing.

8.3 Receivers

8.3.1 The Secured Party may appoint any Receiver in respect of the Security Assets or any part thereof upon such terms as to remuneration and otherwise as the Secured Party thinks fit, subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, at any time when an Enforcement Event has occurred and is continuing.

8.3.2 Any Receiver will be the agent of the Chargor for all purposes and the Chargor will be responsible for such Receiver's acts and defaults and for their remuneration, costs, fees, taxes and expenses to the exclusion of liability on the part of the Secured Party.

8.3.3 Where two or more persons are appointed as Receiver any act authorised to be done by the Receiver may be done by all of them acting jointly or by any one or more of them acting independently or severally (except to the extent that the Secured Party may specify to the contrary in the appointment).

8.3.4 The Secured Party may at any time in writing remove any Receiver whether or not the Secured Party appoints any other person as Receiver in his place.

8.4 Powers of Receiver and Secured Party

8.4.1 Subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, a Receiver shall have and be entitled to exercise all the powers conferred on a receiver or mortgagee in possession by the LPA (as the same may be varied or extended by the provisions of this Deed) and, whether or not such a Receiver is an administrative receiver all the powers conferred upon an administrative receiver by Schedules 1 and 2 to the Insolvency Act which powers are incorporated in this Deed as if fully set out herein.

8.4.2 By way of addition to and without limiting any other powers referred to in this Clause 8.4, subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, a Receiver shall have the power (both before and after the commencement of any liquidation of the Chargor but only when an Enforcement Event has occurred and is continuing) to do every act and thing and exercise every power:

- (i) which a legal and beneficial owner or beneficial owner of the Security Assets would have been entitled to do, omit to do or exercise if no Receiver (and no liquidator) had been appointed; and
- (ii) which such Receiver in his absolute discretion considers necessary or desirable for maintaining or enhancing the value of any Security Assets or for or in connection with the enforcement of the Security Interests created by or pursuant to this Deed or the realisation of any Security Assets or the exercise of any powers under this Deed,

and may act in the name of the Chargor in connection with the exercise of such powers.

8.4.3 At any time when an Enforcement Event has occurred and is continuing, subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, the Secured Party may redeem any prior Security Interest against the Security Assets or procure a transfer of such Security Interest to itself and may agree the accounts of the person entitled to that Security Interest and any accounts so agreed will be binding on the Chargor. Any amount paid in connection with such redemption or transfer (including expenses) shall be paid on demand by the Chargor to the Secured Party.

8.4.4 If the Secured Party, any Receiver or any Delegate of either of them takes possession of any Security Asset it may relinquish such possession at any time.

8.4.5 The rights conferred upon the Secured Party by this Deed shall be supplemental to and in addition to any which may be vested in the Secured Party by general law or otherwise.

8.5 Power of Attorney

8.5.1 The Chargor by way of security irrevocably appoints each of the Secured Party, its Delegate, any Receiver and any authorised nominee of any of them to be its attorney, on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit:

- (i) to do anything which the Chargor is obliged to do under this Deed or the Custody Control Agreement but has failed to do following the expiry of 10 Business Days from the date on which notice of such failure is given to the Chargor by the Secured Party (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)); and
- (ii) subject to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, following the occurrence of an Enforcement Event which is continuing, to exercise any of the rights conferred on the Secured Party, its Delegate or any Receiver in relation to the Security Assets under this Deed, the Custody Control Agreement or any law.

8.5.2 Without prejudice to paragraph 15 of Part A of Schedule 3 to the Framework Agreement, the Chargor ratifies and confirms and agrees to, promptly on the request of the Secured Party, its Delegate or any Receiver, ratify and confirm

whatever the Secured Party, its Delegate any Receiver and any authorised nominee of any of them (or any of the foregoing) shall do or has done pursuant to an exercise of the power of attorney in accordance with Clause 8.5.1.

8.6 Protection of Purchaser, Secured Party and Receiver

- 8.6.1** No purchaser or other person dealing with the Secured Party or with its attorney or agent or with a Receiver shall be concerned to enquire (1) whether any power exercised or purported to be exercised by the Secured Party or any Receiver has become exercisable, (2) whether any Secured Liabilities remain due or owing, (3) as to the propriety or regularity of any of the actions of the Secured Party or any Receiver or (4) as to the application of any money paid to the Secured Party or any Receiver.
- 8.6.2** In the absence of bad faith on the part of such purchaser or other person, such dealings shall be deemed, so far as regards the safety and protection of such purchaser or other person, to be within the powers conferred by this Deed and to be valid accordingly. The receipt of the Secured Party or any Receiver shall be a conclusive discharge to any purchaser of the Security Assets.
- 8.6.3** It is acknowledged and agreed that neither the Secured Party nor any Receiver shall be liable to account as mortgagee in possession or otherwise for any sum not actually received by it or him respectively.
- 8.6.4** Neither the Secured Party, any Delegate, attorney, manager, agent or other person appointed by the Secured Party pursuant to this Deed, nor any Receiver shall be liable in respect of any liability, damage, loss, cost, claim or expense of any kind or nature, whether present, future, prospective, contingent, direct, indirect, special, consequential or otherwise which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise, any of their respective powers under or by virtue of this Deed, unless directly caused by its fraud, negligence or wilful misconduct.

8.7 Release of security

- 8.7.1** Following the date on which all Secured Liabilities have been unconditionally and irrevocably paid or discharged in full (or have ceased to be payable in accordance with the relevant Transaction Document) and no amounts are or are capable of becoming payable to the Secured Party, any Delegate or Receiver with respect to any Secured Liabilities, the Secured Party will, as soon as reasonably practicable following the written request of the Chargor (and in any event not later than 5 Business Days following such request):
- (i) deliver a Release Notice (as defined in the Custody Control Agreement) to the Reinsurer signed on behalf of the Secured Party; and
 - (ii) execute all such documents and take all such actions as the Chargor may reasonably request for the purpose of releasing the Security Interests created by this Deed.
- 8.7.2** Following the occurrence of:
- (i) an Automatic Security Release Event:

- (a) the Secured Party shall, as soon as reasonably practicable following the written request of the Chargor (and in any event not later than five Business Days following such request) execute all such documents and take all such actions as the Chargor may reasonably request for the purpose of releasing the Security Interests created by this Deed;
 - (b) the Chargor may deliver a Full Release Notice (signed by the Chargor in its own name) to the Custodian; and
 - (c) if Posted Collateral is transferred out of the Charged Accounts in accordance with such Full Release Notice, such Posted Collateral shall be automatically released from the Security Interests created by this Deed upon such transfer; or
- (ii) a 75% Fee Collateral Release Event:
 - (a) the Chargor may deliver a Release Notice (signed by the Chargor in its own name) to the Custodian which complies with paragraph 13.2.4 of Part A of Schedule 3 to the Framework Agreement; and
 - (b) if Posted Collateral is transferred out of the Charged Accounts in accordance with such Release Notice, such Posted Collateral shall be automatically released from the Security Interests created by this Deed upon such transfer.

8.7.3 The Secured Party acknowledges and agrees that, following delivery to the Custodian of a Full Release Notice in accordance with this Deed, the Custody Control Agreement and the Framework Agreement, the Chargor shall be entitled to give instructions to the Custodian in respect of any or all Posted Collateral (including, without limitation, instructions for the Custodian to transfer any or all Posted Collateral to any account nominated by the Chargor).

9 Expenses

9.1 General

Except as otherwise provided in Clauses 9.2 to 9.3 (inclusive), each Party will pay its own costs and expenses (including any stamp, transfer or similar transaction tax or duty payable on any transfer it is required to make under this Deed) in connection with performing its obligations under this Deed and neither Party will be liable for any such costs and expenses incurred by the other Party.

9.2 Security Assets

The Chargor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to any Security Assets upon becoming aware of the same (including, without limitation, any such taxes, assessments or charges imposed on any transfer the Secured Party or the Reinsurer is required to make to the Chargor under this Deed, the Custody Control Agreement or the Framework Agreement).

9.3 Expenses of Secured Party

All costs and expenses actually and reasonably incurred by the Secured Party or its Delegate when an Enforcement Event has occurred and is continuing in connection with

the protection, enforcement or preservation of its rights under this Deed (including the remuneration of a Receiver and any stamp duty or similar tax which may be payable as a result of the enforcement of this Deed) will be payable, on demand, by the Chargor.

10 Other Provisions

10.1 Further Assurances

10.1.1 Promptly following a demand made by the Secured Party, the Chargor shall promptly execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by the Secured Party in relation to any Security Asset, to give effect to the requirements of this Deed, create, protect, preserve, evidence, perfect or validate any Security Interest granted or intended to be granted under Clause 3 (*Security*) or any other provision of this Deed, to enable the Secured Party or any Receiver to exercise or enforce its rights under this Deed with respect to the Security Assets (or to facilitate such exercise or enforcement including to facilitate the realisation of all or any of the Security Assets at any time when an Enforcement Event has occurred and is continuing), to protect or preserve the ranking of the Security Interests created or intended to be created by or pursuant to this Deed with any other Security Interests (other than Permitted Security Interests) over all or any of the Security Assets or to effect or document a release of a Security Interest created by this Deed in respect of any Security Assets.

10.1.2 Promptly following a demand made by the Secured Party, the Chargor shall promptly use all reasonable endeavours to ensure that:

- (i) the Secured Party is provided (whether by the Chargor or the Custodian) with any information which the Secured Party may reasonably request in order to identify the assets held in the Charged Accounts, performance of this Deed or relating to the Charged Accounts or the Security Assets (or, in each case, any of them); and
- (ii) the Custodian takes any steps as the Secured Party may reasonably request for the purposes of giving effect to the terms of Clause 10.1.1.

10.2 Further Protection

The Chargor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or Security Interest (other than a Permitted Security Interest) that involves any Security Asset or that could adversely affect the Security Interests granted by it under Clause 3 (*Security*) or any other provision of this Deed or the rights of the Secured Party (or any of its assignees pursuant to Clause 17 (*Transfers*)) hereunder.

10.3 Registration

The Parties acknowledge the Chargor shall arrange for the charge created by Clause 3.1 to be registered with Companies House within 21 days of the date of this Deed, provided that the Chargor shall:

- 10.3.1** consult with the Secured Party in relation to the documentation to be submitted to Companies House in order to effect that registration; and

10.3.2 provide evidence to the Secured Party that such registration has been made within 21 days of the date of this Deed.

10.4 Cooperation Regarding Demand Notices

The Secured Party and the Chargor agree to act reasonably in countersigning and delivering any instructions to be sent to the Custodian pursuant to Clause 4.1 (Delivery Amount), Clause 4.2 (Return Amount), Clause 5.3 (Substitutions), Clause 5.4 (Ineligible Collateral) or Clause 5.6 (Liquidation of collateral and title transfer) of this Deed.

10.5 Delegation

Subject to Clause 2.2 of the Framework Agreement, the Secured Party may, acting reasonably, delegate to any person any rights exercisable by the Secured Party under this Deed (including, without limitation, any right to sign or counter-sign instructions to the Custodian). Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Secured Party thinks fit, acting reasonably. The Secured Party shall remain liable under this Deed in respect of acts or omissions of such Delegate.

11 Third Party Rights

Subject to any provision(s) of this Deed under which rights are granted to third parties by express reference to the Contracts (Rights of Third Parties) Act 1999, a person who is not a Party (other than the Reinsurer) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

12 Notices

References to giving notice are to notice being given in accordance with clause 52.4 of the Framework Agreement, and any such notice shall be a Formal Notice.

13 Entire Agreement

This Deed, the Custody Control Agreement and the other documents referred to herein set out the entire agreement between the Parties in relation to the subject matter hereof and supersedes any previous agreement whether written or oral. Each Party acknowledges that in entering into this Deed it places no reliance on any representation or warranty in relation to the subject matter of this Deed other than any representation or warranty contained in this Deed or another Transaction Document. Nothing in this Deed may operate to limit or exclude any liability for fraud.

14 Miscellaneous

14.1 No failure to exercise, nor delay in exercising, on the part of either Party any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. No waiver by a Party shall be effective unless it is in writing. The rights and remedies of each Party are cumulative and not exclusive of any rights or remedies provided by law.

14.2 Without prejudice to Clause 17 (Transfers), this Deed is binding on the successors in title and assigns of the Chargor.

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

14.4 If any sum due from the Chargor under this Deed (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

14.4.1 making or filing a claim or proof against the Chargor;

14.4.2 obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings; or

14.4.3 applying the Sum in satisfaction of the Secured Liabilities,

the Chargor shall, as an independent obligation, within 5 Business Days of demand, indemnify the Secured Party against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to the Secured Party at the time of its receipt of that Sum.

14.5 If, contrary to this Deed, the Chargor receives or recovers any money or other property and such money or property is due to the Secured Party, such security, money or other property shall be held on trust for the Secured Party and shall be delivered to the Secured Party on demand and if such property is no longer capable of delivery the Chargor shall pay to the Secured Party an amount equal to the value of such property.

15 Governing Law and jurisdiction

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

15.2 Without prejudice to the Dispute Resolution Provisions and Clause 6, each Party irrevocably submits to the exclusive jurisdiction of the courts of England to settle any dispute or claim arising out of or in connection with this Deed or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual dispute or claim).

16 Counterparts

This Deed may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any Party may enter into the same by executing and delivering a counterpart.

17 Transfers

17.1 Subject to the terms of Clause 17.2, neither Party may assign or declare any trust over or in respect of any of its rights, or transfer any of its rights or obligations, under this Deed.

17.2 Notwithstanding the terms of Clause 17.1:

- 17.2.1 the Secured Party may assign by way of security or absolutely all or any of its rights under this Deed in favour of the Reinsurer pursuant to the terms of the Insurer/Reinsurer Security Assignment Deed or the Reinsurance Agreement; and
- 17.2.2 the Chargor confirms that it will enter into any acknowledgement of such assignment provided that the terms of such acknowledgement are in the form agreed between the parties for that purpose.

In witness whereof this Deed has been signed on behalf of the Secured Party and executed as a deed by the Chargor and is intended to be and is hereby delivered as a deed on the date first stated on page 1.


SIGNATURES TO THE TRUSTEE/INSURER DEED OF CHARGE

The Chargor

EXECUTED as a **DEED** by


MMC UK PENSION FUND TRUSTEE LIMITED

acting in its capacity as trustee of the MMC UK Pension Fund

DocuSigned by:
By: 
CB667E1110F14AD...

Name: **Bruce Rigby**

Title: **Trustee Director**


DocuSigned by:
By: 
FCD55BB0596549D...

Name: **Kirstie Nicholls**

Title: **Trustee Director**

The Secured Party

FISSION GAMMA IC LIMITED

DocuSigned by:
By: 
AAAAADE095064FF...

Name: **Konrad Friedlaender**

Title: **Mr**