



Registration of a Charge

Company Name: **IMPERIAL TOBACCO LIMITED**

Company Number: **01860181**



XCEKS001

Received for filing in Electronic Format on the: **20/10/2023**

Details of Charge

Date of creation: **04/10/2023**

Charge code: **0186 0181 0001**

Persons entitled: **IMPERIAL TOBACCO PENSION TRUSTEES LIMITED (AS TRUSTEE)**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **OSBORNE CLARKE LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1860181

Charge code: 0186 0181 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th October 2023 and created by IMPERIAL TOBACCO LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th October 2023 .

Given at Companies House, Cardiff on 24th October 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**



Account Security Agreement

in relation to

Imperial Tobacco Pension Fund

- (1) Imperial Tobacco Limited
- (2) Imperial Tobacco Pension Trustees Limited

Dated ~~4 October~~ **6 September 2023**

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

Dated this 20 October 2023

Signed *Osborne Clarke LLP (TAB)*

Osborne Clarke LLP
One London Wall
London
EC2Y 5EB

This Deed is made on 4 October
Between

September 2023

- (1) **Imperial Tobacco Limited** (company number: 01860181) with a registered address at 121 Winterstoke Road, Bristol, England, BS3 2LL (the "**Chargor**"); and
- (2) **Imperial Tobacco Pension Trustees Limited** (company number: 00237979) with a registered address at 121 Winterstoke Road, Bristol, England, BS3 2LL (the "**Trustee**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, unless the context otherwise requires, the following definitions shall apply:

"Acceptable Bank" has the meaning given to that term in the Escrow Agreement.

"Account" means the account of the Chargor with sort code [REDACTED] and account number [REDACTED] (as the same may be renumbered at any time, and any sub-accounts thereof) together with:

- (a) all additions to or renewals or replacements of such account (in whatever currency) and all investments made out of the same; and
- (b) all rights, benefits and proceeds in respect of such account (including interest and rights to repayment of any monies standing to the credit of such account).

"Account Balance" means all monies at any time standing to the credit of the Account and:

- (a) all interest at any time accrued or accruing on such monies;
- (b) all investments at any time made out of such monies or account; and
- (c) all rights to repayment of any of the same.

"Account Bank" means HSBC Bank plc or such other bank at which the Account is held pursuant to the terms of this Deed.

"Act" means the Law of Property Act 1925.

"Business Day" means a day (other than a Saturday or a Sunday) on which banks are open for general business in London.

"Companies" means the Chargor and Imperial Brands and **"Company"** means either of them, as the context may require.

"Creditors' Process" means, in relation to a person, any expropriation, attachment, sequestration, distress or execution (or any analogous event in any jurisdiction) which affects a material part of the assets of that person, and is not discharged within fourteen (14) days.

"Escrow Agreement" means the escrow agreement entered into between the parties to this Deed on 20 April 2023.

"Escrow Documents" means together the Escrow Agreement and this Deed and Escrow Documents means either of them, as the context requires.

"Event of Default" means an event specified as such in Clause 7 (Default).

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003.

"Fund" means Imperial Tobacco Pension Fund, which was constituted by a trust deed dated 4 April 1929 and is now governed by a definitive trust deed and rules dated 1 March 1995 (as amended).

"Imperial Brands" means Imperial Brands PLC (company number 03236483).

"Insolvency Event" has the same meaning as in section 121 of the Pensions Act 2004.

"Insolvency Proceedings" has the meaning given to such term in the Escrow Agreement.

"Net Enforcement Proceeds" means, in relation to any Security Asset, any proceeds of sale or enforcement collected or received by the Trustee (or any Receiver) arising from that Security Asset following the enforcement of this Security, less all costs, expenses, remuneration and other items relating thereto contemplated in Subparagraph 12.3(a) (*Application of proceeds*).

"Party" means a party to this Deed.

"Receiver" means a receiver and manager or a receiver or an administrator or an administrative receiver, in each case, appointed under this Deed.

"Reservations" means:

- (a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court and damages may be regarded as an adequate remedy;
- (b) the limitation on enforcement as a result of laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws affecting the rights of creditors generally;
- (c) the statutory time-barring of claims;
- (d) defences of set off or counterclaim;
- (e) rules against penalties and similar principles;
- (f) the fact that security which is described as fixed security may in fact be floating security;
- (g) the possibility that an undertaking to assume liability for, or indemnify a person against, non-payment of stamp duty may be void;
- (h) the fact that a court may refuse to give effect to a purported contractual obligation to pay costs imposed upon another person in respect of costs of an unsuccessful litigation brought against that person or may not award by way of costs all of the expenditure incurred by a successful litigant in proceedings brought before that court or that a court may stay proceedings if concurrent proceedings based on the same grounds and between the same parties have previously been brought before another court; and/or
- (i) any steps for perfection not required by the terms of this Deed to be taken.

"Secured Fund Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally and in any capacity whatsoever) of each Company to make payments to the Fund.

"Secured Liabilities" means the Secured Fund Liabilities and all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally and in any capacity whatsoever) of the Chargor under this Deed.

"Security Assets" means all assets of the Chargor the subject of any Security Interest created, or purported to be created, by this Deed.

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

"Security Period" means the period beginning on the date of this Deed and ending on the earlier of:

- (a) the date on which all Secured Liabilities which may be or become due have been unconditionally and irrevocably paid and discharged in full; and
- (b) the date on which the Escrow Agreement terminates in accordance with its terms.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under this Deed.

1.2 Construction

- (a) In this Deed, unless the context otherwise requires, a reference to:
 - (i) **"assets"** includes present and future properties, revenues and rights of every description and includes uncalled capital;
 - (ii) an **"authorisation"** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
 - (iii) **"disposal"** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and **"dispose"** will be construed accordingly;
 - (iv) **this "Security"** means any Security Interests created by this Deed;
 - (v) a **"person"** includes any individual, firm, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
 - (vi) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which persons to which it applies are accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- (vii) **"Sterling"** or **"£"** is a reference to the lawful currency for the time being of the United Kingdom;
 - (viii) a **"provision of law"** is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (ix) a **"Clause"**, a **"Subclause"**, a **"Paragraph"**, a **"Subparagraph"** or a **"Schedule"** is a reference to a clause, a subclause, a paragraph or a subparagraph of, or a schedule to, this Deed;
 - (x) a **"Party"** or any other person includes its successors in title, permitted assigns and permitted transferees and this Deed shall be binding on and enforceable by any person who is for the time being a trustee of the Fund including any person who succeeds or replaces a trustee of the Fund (and this Subparagraph (x) shall be in addition to, and not affect, the provisions of the Trustee Act dealing with transfers of assets and liabilities from one trustee to another);
 - (xi) this **"Deed"** (or any specified provision of it) or any other document shall be construed as a reference to this Deed, that provision or that document as in force for the time being and as amended, restated, varied, supplemented or novated from time to time;
 - (xii) **"including"** shall not be construed narrowly but be taken as reading **"including without limitation"**;
 - (xiii) a **"time of day"** is a reference to London time;
 - (xiv) an Event of Default is **"continuing"** if it has not been remedied or waived; and
 - (xv) words importing the singular shall include the plural and vice versa.
- (b) Unless the contrary intention appears, a reference to a **month** or **months** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (iii) notwithstanding Subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of this Deed, no consent of any third party is required for any variation (including any release or compromise of any liability) or termination of this Deed. As contemplated by Subparagraph (a)(x) above, any person who is for the time being a trustee of the Fund may enforce or enjoy the

benefit of any term of this Deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

- (d) If the Trustee considers that an amount paid to it under this Deed is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (e) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.
- (f) The headings in this Deed do not affect its interpretation.
- (g) It is intended by the Parties that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

2. COVENANT TO PAY

The Chargor must pay or discharge the Secured Fund Liabilities when the same fall due for payment.

3. CREATION OF SECURITY

3.1 General

- (a) All the Security Interests created under this Deed:
 - (i) are created in favour of the Trustee;
 - (ii) are created over present and future assets of the Chargor;
 - (iii) are continuing security for the payment of all the Secured Liabilities; and
 - (iv) are made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) The payment obligations of the Chargor under this Deed shall survive the enforcement of the whole or any part of the Security Assets.

3.2 Fixed charge

The Chargor charges and agrees to charge, by way of first fixed charge, all of its present and future claims, rights, title and interest in or to, or in respect of, the Account and the Account Balance.

4. PAYMENTS

4.1 Funds

Payments under this Deed to the Trustee must be made for value on the due date at such times and in such funds as the Trustee may specify to the Chargor as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

4.2 Currency

Any amount payable under this Deed is payable in Sterling.

4.3 No set-off or counterclaim

All payments made by the Chargor under this Deed shall be calculated and must be made without (and be free and clear of any deduction for) set-off or counterclaim.

4.4 Business Days

If a payment under this Deed is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

5. REPRESENTATIONS

5.1 Representations

The representations set out in this Clause 5 are made by the Chargor to the Trustee.

5.2 Nature of security

- (a) This Deed creates those Security Interests it purports to create and is not liable to be amended or otherwise set aside in the insolvency, liquidation or administration of the Chargor or otherwise.
- (b) The Security Interests created by this Deed constitute a first priority Security Interest of the type described over the Security Assets and the Security Assets are not subject to any prior or pari passu Security Interest.

5.3 Account

It is the sole legal and beneficial owner of the Security Assets.

5.4 Times for making representations

- (a) The representations set out in this Clause 5 are made by the Chargor on the date of this Deed.
- (b) The representations set out in this Clause 5 are deemed to be repeated by the Chargor:
 - (i) at any time that any monies are deposited into the Account; and
 - (ii) on 31 March, 30 June, 30 September and 31 December in each year during the Security Period.
- (c) When a representation is repeated, it is applied to the circumstances existing at the time of repetition.

6. COVENANTS

6.1 General

The Chargor agrees to be bound by the covenants set out in this Clause 6 so long as any Secured Liabilities are outstanding.

6.2 Notification of breach

The Chargor must notify the Trustee of any breach of any of the provisions of this Deed promptly upon becoming aware of its occurrence.

6.3 Authorisations

The Chargor must promptly obtain, maintain and comply with the terms of any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, this Deed.

6.4 Pari passu ranking

The Chargor must ensure that its payment obligations under this Deed rank at least pari passu with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by laws of general application to companies.

6.5 Disposals and negative pledge

Except in accordance with the terms of the Escrow Agreement, the Chargor must not:

- (a) create, purport to create or permit to subsist any Security Interest on any Security Asset (other than this Security);
- (b) sell, assign, transfer, withdraw from the Account, licence, lease or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interests in, any Security Asset; or
- (c) create or grant (or purport to create or grant) any interest in any Security Asset in favour of a third party.

6.6 No withdrawals

Except in accordance with the terms of the Escrow Agreement, the Chargor shall not withdraw or attempt or be entitled to withdraw (or direct any transfer of) all or any part of the Account Balance without the prior written consent of the Trustee. The Trustee shall be entitled in its absolute discretion to refuse to permit any such withdrawal or transfer which is not required in accordance with the terms of the Escrow Agreement.

6.7 No variation of terms

The Chargor shall not, without the prior written consent of the Trustee, permit or agree to any variation of the rights attaching to the Account or the Account Balance or close the Account.

6.8 Account bank arrangements

The Chargor must:

- (a) immediately serve a notice of charge, substantially in the form of Schedule 1 (*Forms of Notice for Account Bank*), on the Account Bank; and
- (b) use its reasonable endeavours to ensure that the Account Bank acknowledges the notice, substantially in the form of the acknowledgement included in Schedule 1 (*Forms of Notice for Account Bank*).

6.9 Account

- (a) The Chargor must ensure that the Trustee has joint signing rights in relation to the Account in accordance with the terms of the Escrow Agreement, such that no withdrawal may be made from the Escrow Account without the Trustee's agreement.

- (b) The Chargor shall provide the Trustee with all information which it may reasonably request in relation to the Security Assets and any communication received by it from the Account Bank in relation to them.

7. DEFAULT

7.1 Events of Default

Each of the events set out in this Clause 7 is an Event of Default.

7.2 Breach of the Escrow Documents

- (a) The Chargor does not comply with any term of any Escrow Document unless the non-compliance is capable of remedy and:
 - (i) in the case of a failure to pay caused by an administrative or technical error and payment is made within three (3) Business Days of its due date; or
 - (ii) in any other case, is remedied within 14 days of the earlier of:
 - (A) the Trustee giving notice; and
 - (B) the Chargor becoming aware of the non-compliance.
- (b) Without limiting the generality of Clause 7.2(a), the Chargor fails within 10 Business Days of request by the Trustee to complete a Transfer Notice (as defined in the Escrow Agreement), and/or execute such instructions to the Account Bank as are necessary, in each case to make a withdrawal from the Account which the Trustee is entitled to require in accordance with clause 4 (*Release of Escrow Assets to the Fund*) of the Escrow Agreement.

7.3 Misrepresentation

A representation made or repeated by the Chargor in an Escrow Document is incorrect or misleading in any material respect when made or deemed to be repeated, unless the circumstances giving rise to the misrepresentation:

- (a) are capable of remedy; and
- (b) are remedied within fourteen (14) days of the earlier of the Trustee giving notice and the Chargor becoming aware of the circumstances giving rise to the misrepresentation.

7.4 Effectiveness of this Deed

- (a) It is or becomes unlawful for the Chargor to perform any of its obligations under this Deed.
- (b) This Deed is not effective in accordance with its terms or is alleged by the Chargor to be ineffective in accordance with its terms for any reason.
- (c) The Chargor repudiates this Deed or evidences an intention to repudiate this Deed.

8. WHEN SECURITY BECOMES ENFORCEABLE

8.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs and is continuing

8.2 Discretion

After this Security has become enforceable, the Trustee may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

8.3 Power of sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

9. ENFORCEMENT OF SECURITY

9.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

9.2 No liability as mortgagee in possession

No Trustee nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable including any liability in connection with the Security Assets for:

- (a) any loss on realisation;
- (b) any failure to ensure that the correct amounts are paid or received in respect of the Security Assets;
- (c) any negligence, omission or default by its nominees; or
- (d) any other loss of any nature whatsoever.

9.3 Privileges

Each Receiver and each Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

9.4 Protection of third parties

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

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Trustee or a Receiver is/are purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due in respect of the Secured Liabilities;
- (d) how any money paid to a Trustee or to that Receiver is to be applied; or
- (e) about any propriety or regularity on the part of a Trustee or of a Receiver in relation to any of the dealings referred to in this Clause 9.

9.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Trustee may:
 - (i) redeem any prior Security Interest against any Security Asset; and/or
 - (ii) procure the transfer of that Security Interest to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) The Chargor must pay to the Trustee, immediately on demand, the costs and expenses incurred by the Trustee in connection with any such redemption and/or transfer, including the payment of any principal or interest.

9.6 No duties

No Trustee or a Receiver shall not, in respect of any of the Security Assets, have any duty or incur any liability for:

- (a) ascertaining or taking any action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters relating to any Security Assets or the nature or sufficiency of any payment whether or not a Trustee or a Receiver has or is deemed to have knowledge of such matters; or
- (b) taking any necessary steps to preserve rights against prior parties or any other rights relating to any of the Security Assets.

10. RECEIVER

10.1 Appointment of Receiver

- (a) Except as provided below, the Trustee may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargor so requests the Trustee in writing at any time.
- (b) Any appointment under Paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under Section 109(1) of the Act) does not apply to this Deed.
- (d) The Trustee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Section 1A of the Insolvency Act 1986.

10.2 Removal

The Trustee may by writing (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

10.3 Remuneration

The Trustee may fix the remuneration of any Receiver appointed by it from time to time, the maximum rate specified in Section 109(6) of the Act will not apply and the remuneration of the Receiver shall be a debt secured by this Deed which shall be due and payable immediately upon its being paid by the Trustee.

10.4 Agent of the Chargor

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

10.5 Relationship with Trustee

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

11. POWERS OF RECEIVER

11.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 11 in addition to those conferred on it by any law; this includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

11.2 Possession

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

11.3 Employees

A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.

11.4 Compromise

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

11.5 Legal actions

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

11.6 Receipts

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

11.7 Delegation

A Receiver may delegate his powers in accordance with this Deed.

11.8 Protection of assets

A Receiver may do any act to protect any Security Asset as he thinks fit.

11.9 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under this Deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Regulations) each Receiver and the Trustee shall have the right on and at any time after this Security has become enforceable to appropriate with immediate effect all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) The value of any Security Asset appropriated under Subparagraph (a) above shall be the face value of the Account or Account Balance (as the case may be) at the time of appropriation, as converted, where necessary, into sterling at a market rate of exchange selected by the Trustee or Receiver as appropriate prevailing at the time of appropriation.
- (c) The Trustee or Receiver, as appropriate, will account to the Chargor for any amount by which the value of the appropriated Security Asset exceeds the Secured Liabilities and the Chargor shall remain liable to the Trustee for any amount by which the value of the appropriated Security Asset is less than the Secured Liabilities.
- (d) The Chargor agrees that the method of valuing the Security Assets under Subparagraph (b) above is commercially reasonable.

11.10 Other powers

A Receiver may:

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

12. APPLICATION OF PROCEEDS

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

- (a) in or towards payment of or provision for all costs and expenses incurred by the Trustee or any Receiver under or in connection with this Deed, of all remuneration due to any Receiver under or in connection with this Deed and the discharge of any liabilities incurred by any Receiver in, or incidental to, the exercise of any of their powers;
- (b) in or towards payment of or provision for the Secured Liabilities; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

This Clause 12 is subject to the payment of any claims having priority over this Security. This Clause 12 does not prejudice the right of the Trustee to recover any shortfall from the Chargor.

13. EXPENSES AND INDEMNITY

13.1 Amendment costs

If the Chargor requests an amendment, waiver or consent the Chargor shall, within ten (10) Business Days of demand, reimburse the Trustee for the amount of all costs and expenses (including legal fees) reasonably incurred by the Trustee in responding to, evaluating, negotiating or complying with that request.

13.2 Enforcement and preservation costs

To the extent that the Trustee incurs costs and expenses (including legal fees) in connection with the enforcement of or the preservation of any rights under this Deed or this Security and any proceedings instituted in any jurisdiction by or against the Trustee as a consequence of taking, holding or enforcing this Deed or this Security, then:

- (a) the first £20,000 of those costs and expenses (inclusive of any applicable VAT) in total shall be borne by the Trustee; and
- (b) the Chargor shall, within ten (10) Business Days of demand, pay to the Trustee the amount of all other such costs and expenses (together with any applicable VAT).

13.3 Stamp taxes and fees

To the extent that the Trustee incurs any cost, loss or liability in relation to stamp duty, stamp duty reserve tax, registration and/or any other similar Tax and fees payable in respect of this Deed:

- (a) the first £20,000 of those costs, losses and liabilities (inclusive of any applicable VAT) in total shall be borne by the Trustee; and
- (b) the Chargor shall pay and, within ten (10) Business Days of demand, indemnify the Trustee against any and all other such costs, losses or liabilities (together with any applicable VAT).

13.4 Chargor default

The Chargor shall, within ten (10) Business Days of demand, indemnify the Trustee against any cost, expense, loss or liability incurred by the Trustee as a result of:

- (a) the occurrence of any Event of Default in relation to the Chargor;
- (b) investigating any event which it reasonably believes is an Event of Default in relation to the Chargor; or

- (c) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in the Escrow Documents.

13.5 Value added taxes

- (a) Any amount payable under this Deed by the Chargor is exclusive of any value added tax or any other Tax of a similar nature which might be chargeable in connection with that amount. If any such Tax is chargeable, the Chargor must pay to the Trustee (in addition to and at the same time as paying that amount) an amount equal to the amount of that Tax.
- (b) If the Chargor is required by this Deed to reimburse or indemnify the Trustee for any cost or expense, the Chargor shall reimburse or indemnify (as the case may be) the Trustee for the full amount of such cost or expense, including such part thereof as a value added tax or any other Tax of a similar nature, save to the extent that the Trustee reasonably determine that it is entitled to a credit or repayment in respect of such Tax from the relevant tax authority.

13.6 Tax gross-up

- (a) The Chargor must make all payments to be made by it under this Deed without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If the Chargor is aware or becomes aware that it must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the Trustee.
- (c) If a Tax Deduction is required by law to be made by the Chargor or the Trustee, the amount of the payment due from the Chargor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If the Chargor is required to make a Tax Deduction, the Chargor must make the minimum Tax Deduction required by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (e) Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Chargor must deliver to the Trustee evidence satisfactory to them (acting reasonably) that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.

14. DELEGATION

14.1 Power of Attorney

The Trustee or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by them or it under this Deed.

14.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Trustee or any Receiver may think fit.

14.3 Liability

No Trustee nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

15. FURTHER ASSURANCES

The Chargor must, at its own expense, take whatever action the Trustee or a Receiver may require for:

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

including:

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Trustee or its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Trustee may think expedient.

16. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints each Trustee, each Receiver and any of the foregoing's delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed, provided that such power of attorney may only be exercised whilst an Event of Default is continuing. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 16.

17. PRESERVATION OF SECURITY

17.1 Continuing security

This Security is continuing and will extend to the ultimate balance of the Secured Liabilities (subject to the terms of the Escrow Agreement) regardless of any intermediate payment or discharge in whole or in part.

17.2 Reinstatement

- (a) If any discharge, release or arrangement is made by the Trustee in whole or in part on the faith of any payment, security or other disposition which is avoided, set aside, refunded or reduced under any applicable law or proves to have been invalid or must be restored in insolvency, liquidation, administration or otherwise without limitation, the liability of the Chargor under this Deed will continue as if the discharge, release or arrangement had not occurred.
- (b) The Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

17.3 Waiver of defences

The liabilities and obligations of the Chargor under this Deed shall remain in full force and effect and will not be affected by any act, omission, neglect, event or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to the Chargor or any Trustee) including:

- (a) any time, waiver, consent or other accommodation granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (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, any person;
- (d) 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;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amendment, novation, supplement, extension or restatement (however fundamental and whether or not more onerous, and of whatsoever nature) or replacement of this Deed, and Secured Liability or any other document or security, including any agreement or document relating to the Fund;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under this Deed, or any Secured Liability or any other document or security; or
- (h) any insolvency or similar proceedings.

17.4 Chargor intent

Without prejudice to the generality of Clause 17.3 (*Waiver of defences*) the Chargor expressly confirms that it intends that this Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Secured Liabilities.

17.5 Immediate recourse

The Chargor waives any right it may have of first requiring any Trustee (or any trustee, agent or appointee on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law to the contrary.

17.6 Appropriations

- (a) Each Trustee (or any trustee, agent or appointee on its behalf) may at any time during the Security Period without affecting the liability of the Chargor under this Deed:
 - (i) refrain from applying or enforcing any other moneys, security or rights held or received by that Trustee (or any trustee or agent on its behalf) in respect of those amounts; or
 - (ii) apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same; and

- (b) hold in an interest bearing suspense account any Net Enforcement Proceeds and any moneys received from the Chargor or on account of the Chargor's liability under this Deed including, without prejudice to the generality of the foregoing, until an Insolvency Event has occurred in relation to any Company.

17.7 Non-competition

Unless:

- (a) the Security Period has expired; or
- (b) the Trustee otherwise directs,

the Chargor 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:

- (i) be subrogated to any rights, security or moneys held, received or receivable by any Trustee;
- (ii) to claim any contribution or indemnity from any other guarantor of any Company's obligations or liabilities to make payments to the Fund or in respect of any payment made or moneys received on account of the Chargor's liability under this Deed;
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Trustee in respect of any Company's obligations or liabilities to make payments to the Fund, or under or pursuant to any other guarantee or security taken by the Trustee pursuant to or in connection with such obligations or liabilities of any Company;
- (iv) to bring legal or other proceedings for an order requiring any Company to make any payment, or perform any obligation, in respect of any Secured Liability;
- (v) to exercise any right of set-off against any Company; and/or
- (vi) to claim, rank, prove or vote as a creditor of any Company, or its estate in competition with the Trustee (or any trustee or agent on its behalf).

If the Chargor receives any payment, distribution, benefit or security in relation to such rights it shall hold that payment, distribution, benefit or security on trust for the Trustee and immediately pay or transfer the same to the Trustee or in accordance with any directions given by the Trustee.

17.8 Additional security

This Security is in addition to and is not in any way prejudiced or affected by, and shall not merge with any other judgment, guarantee, security, right or remedy now or subsequently obtained or held by the Trustee for the discharge and performance of any of the Secured Liabilities.

18. CHANGES TO THE PARTIES

18.1 Assignments and transfers by the Chargor

The Chargor may not assign or transfer any of its rights and obligations under this Deed.

18.2 Assignments and transfers by the Trustee

- (a) The Chargor acknowledges that the rights and obligations under this Deed shall be binding upon and enure for the benefit of any person who is for the time being a trustee of the Fund including any person who succeeds or replaces a trustee of the Fund.
- (b) The Trustee may at any time and from time to time (without consent of or notice to the Chargor) assign and/or transfer any or all of its rights and/or obligations under this Deed to any person or persons.

19. AMENDMENTS

Any amendment of this Deed shall be in writing and signed by, or on behalf of, each Party.

20. RELEASE

At the end of the Security Period, the Trustee must, at the request and cost of the Chargor, take whatever action is necessary to release the Security Assets from this Security.

21. REMEDIES AND WAIVERS

No failure to exercise nor any delay in exercising any right or remedy under this Deed against the Chargor 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. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

22. SET-OFF

A Trustee may set off any matured obligation owed to it by the Chargor under this Deed (to the extent beneficially owned by that Trustee) against any obligation (whether or not matured) owed by that Trustee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Trustee may convert either obligation at a market rate of exchange selected by it (acting reasonably) for the purpose of the set-off.

23. SEVERABILITY, REMEDIES AND WAIVERS

- (a) If a term of this Deed is or becomes illegal, invalid or unenforceable in any respect in any jurisdiction, that shall not affect:
 - (i) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or
 - (ii) the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed.
- (b) No failure to exercise, nor any delay in exercising, on the part of any Trustee, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed. No election to affirm this Deed on the

part of any Trustee shall be effective unless it is 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 are cumulative and not exclusive of any rights or remedies provided by law.

24. COUNTERPARTS

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

25. CERTIFICATES AND DETERMINATIONS

Any certification or determination by the Trustee of an amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

26. NOTICES

Clause 10 (*Notices*) of the Escrow Agreement shall apply to any notices or other communication from or by either Party to the other under this Deed.

27. LANGUAGE

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

28. GOVERNING LAW

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

29. ENFORCEMENT

- (a) The English courts have non-exclusive jurisdiction to settle any dispute 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).
- (b) The Parties agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no Party will argue to the contrary.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of this Deed.

SCHEDULE 1
FORMS OF NOTICE FOR ACCOUNT BANK

PART 1

NOTICE TO ACCOUNT BANK

[On the letterhead of the Chargor]

To: HSBC Bank plc as Account Bank

[Date]

To Whom It May Concern,

Account Security Agreement dated [•] between Imperial Tobacco Limited (the "Chargor") and Imperial Tobacco Pension Trustees Limited as the trustee of the Imperial Tobacco Pension Fund (the "Security Document")

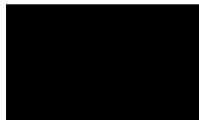
1. This letter constitutes notice to you that under the Security Document we have charged (by way of first fixed charge) in favour of Imperial Tobacco Pension Trustees Limited as the trustee of the Imperial Tobacco Pension Fund and any other person or persons who is or are for the time being a trustee of the Imperial Tobacco Pension Fund (the "**Secured Party**") all of our present and future claims, rights, title and interest in or to or in respect of:

- (a) the account maintained by us with you, the details of which are set out below (as the same may be renumbered at any time, and any sub-accounts thereof, the "**Account**"), together with (i) all additions to or renewals or replacements of such account (in whatever currency); and (ii) all rights, benefits and proceeds in respect of such account (including interest and rights to repayment of any monies standing to the credit of such account); and
- (b) all monies at any time standing to the credit of the Account and all interest at any time accrued or accruing on such monies and all rights to repayment of any of the same.

Name of account: Imperial Tobacco Limited re Imperial Tobacco Pension Trustees Limited Pledged Account

Sort code:

Account no.



2. We irrevocably instruct and authorise you to:
- (a) disclose to the Secured Party any information relating to the Account requested from you by the Secured Party;
 - (b) comply with the terms of any instruction relating to the Account received by you from the Chargor and/or the Secured Party, as applicable. For the avoidance of doubt, you should:
 - (i) before you have received a notice of default in the form set out in the Schedule hereto (a "**Notice of Default**"), comply with the terms of any

instructions signed by both the Chargor and the Secured Party ("**Joint Instructions**"); or

- (ii) upon and following a Notice of Default, comply with the terms of any instructions signed by the Secured Party only ("**Sole Instructions**"),

and no other withdrawals may be permitted from the Account; and

- (c) pay or release any sum standing to the credit of the Account in accordance with either Joint Instructions or Sole Instructions, as applicable.

3. We acknowledge that you may comply with the instructions in this letter without any further permission from us.
4. The instructions in this letter may not be revoked or amended without the prior written consent of the Secured Party.
5. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
6. Please confirm your agreement to the above by promptly sending the attached Acknowledgement of Account Bank to the Secured Party at 121 Winterstoke Road, Bristol, BS3 2LL (marked for the attention of Jan Killick) with a copy to ourselves.

Yours faithfully,

.....
(Authorised Signatory)
Imperial Tobacco Limited

SCHEDULE

[On the letterhead of the Secured Party]

NOTICE OF DEFAULT

To: HSBC Bank plc as Account Bank

Copy: Imperial Tobacco Limited as Chargor

Date: [●]

To Whom It May Concern,

Account Security Agreement dated [●] between Imperial Tobacco Limited (the "Chargor") and Imperial Tobacco Pension Trustees Limited as the trustee of the Imperial Tobacco Pension Fund (the "Security Document")

We refer to the notice dated [●] from the Chargor to you (the "Charged Account Notice") in relation to the account maintained by the Chargor with you, the details of which are set out below (the "Account"):

Name of account: Imperial Tobacco Limited re Imperial Tobacco Pension Trustees Limited Pledged Account

Sort code:



Account no.

Capitalised terms used in this notice shall, unless defined in this notice, have the meaning given to them in the Charged Account Notice. This is a Notice of Default.

Pursuant to our rights in the Charged Account Notice, we hereby give you notice that, with immediate effect, you should cease complying with Joint Instructions and comply with Sole Instructions.

Please promptly acknowledge receipt by countersigning this notice and returning a copy by email to the Secured Party at 121 Winterstoke Road, Bristol, BS3 2LL (marked for the attention of Jan Killick).

Yours faithfully

For and on behalf of
[Secured Party]

Acknowledged and agreed

.....
(Authorised signatory)
HSBC Bank plc as Account Bank

PART 2

ACKNOWLEDGEMENT OF ACCOUNT BANK

[ON THE LETTERHEAD OF THE ACCOUNT BANK]

To: Imperial Tobacco Pension Trustees Limited as the trustee of the Imperial Tobacco Pension Fund and any other person or persons who is or are for the time being a trustee of the Imperial Tobacco Pension Fund

Copy: Imperial Tobacco Limited

[Date]

To Whom It May Concern,

Account Security Agreement dated [●] between Imperial Tobacco Limited (the "Chargor") and Imperial Tobacco Pension Trustees Limited as the trustee of the Imperial Tobacco Pension Fund (the "Security Document")

1. We confirm receipt from the Chargor of a notice dated [●] 2023 (the "Charged Account Notice") of a charge upon the terms of the Security Document over all of the Chargor's present and future claims, rights, title and interest in or to or in respect of:

(a) the account maintained by the Chargor with us, the details of which are set out below (as the same may be renumbered at any time, and any sub-accounts thereof, the "Account"), together with:

(i) all additions to or renewals or replacements of such account (in whatever currency); and

(ii) all rights, benefits and proceeds in respect of such account (including interest and rights to repayment of any monies standing to the credit of such account); and

(b) all monies at any time standing to the credit of the Account and all interest at any time accrued or accruing on such monies and all rights to repayment of any of the same.

Name of account: Imperial Tobacco Limited re Imperial Tobacco Pension Trustees Limited Pledged Account

Sort code:



Account no.

2. Capitalised terms used in this acknowledgement shall, unless defined in this acknowledgement, have the meaning given to them in the Charged Account Notice.

3. We confirm that for so long as the instructions in the Charged Account Notice are not revoked (by operation of law or with your consent) we:

(a) accept the instructions contained in the Charged Account Notice and agree to comply with the Charged Account Notice;

- (b) have not at the date of this letter received notice of the interest of any third party in the Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, lien, set-off, counter-claim or other right in respect of the Account;
- (d) will not permit any amount to be withdrawn from the Account other than in accordance with (i) Joint Instructions before we have received a Notice of Default or (ii) Sole Instructions following our receipt of a Notice of Default; and
- (e) we will acknowledge a Notice of Default delivered by you promptly following receipt.

4. You agree and acknowledge that:

- (a) subject and without prejudice to paragraph 3(d) above, we may rely on any notice, instruction, direction, communication or other document or information believed by us to be genuine and correct which has been signed or communicated by the person by whom it purports to be signed and communicated and we shall not be liable for the consequences such as we have no obligation whatsoever to verify the facts or matters stated therein as true and correct, including whether the terms of any agreement between the Chargor and yourself have been complied with or the making of any enquiry as to whether a security interest has become enforceable;
- (b) we shall not be obliged to comply with any instructions received if, due to circumstances which are not within our direct control, we are unable to comply with such instructions or if complying with those instructions could breach a Court Order or be contrary to applicable law or regulation; and
- (c) nothing will deem us as Account Bank to be a trustee or other fiduciary with respect to the Account and our relationship to the Secured Party shall be that of banker and accountholder only.

5. We note that until such time that you serve a Notice of Default on us and such receipt is acknowledged by us (the "**Default Notice Date**"), the Account will be operated in accordance with Joint Instructions.

6. We confirm our address for notices is as set out below:

Address: HSBC Bank plc, Level 14, 8 Canada Square, London, E14 5HQ

E-mail address: ctlondon.escrow@hsbc.com

Attention: The Client Service Manager

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

Yours faithfully,

.....
 (Authorised signatory)
HSBC Bank plc as Account Bank

Acknowledged and agreed

.....
(Authorised signatory)

Imperial Tobacco Pension Trustees Limited as the trustee of the Imperial Tobacco Pension Fund

SIGNATORIES TO ACCOUNT SECURITY AGREEMENT

Chargor

Executed as a deed (but not)
delivered until the date)
appearing on page 1))
by **Imperial Tobacco Limited**)
acting by:)



Director



Director

Trustee

Executed as a deed (but not)
delivered until the date)
appearing on page 1))
by **Imperial Tobacco Pension**)
Trustees Limited acting by:):



Director



Secretary