



Registration of a Charge

Company name: **SCOTTISH WIDOWS LIMITED**

Company number: **03196171**



X8Y527NL

Received for Electronic Filing: **05/02/2020**

Details of Charge

Date of creation: **28/01/2020**

Charge code: **0319 6171 0032**

Persons entitled: **LLOYDS BANKING GROUP PENSIONS TRUSTEES LIMITED**

Brief description: **N/A**

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: **ALLEN & OVERY LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3196171

Charge code: 0319 6171 0032

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th January 2020 and created by SCOTTISH WIDOWS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th February 2020 .

Given at Companies House, Cardiff on 6th February 2020

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

**REINSURANCE
SECURITY ASSIGNMENT**

DATED 28 JANUARY 2020

between

SCOTTISH WIDOWS LIMITED

as Assignor

and

LLOYDS BANKING GROUP PENSIONS TRUSTEES LIMITED

**(ACTING IN ITS CAPACITY AS TRUSTEE FOR AND ON BEHALF OF THE LLOYDS
BANK PENSION SCHEME NO. 1)**

as Assignee

ALLEN & OVERY

Allen & Overy LLP

CONTENTS

Clause	Page
1. Definitions and interpretation.....	3
2. Creation of Security	5
3. Representations - general	6
4. Restrictions on dealings	7
5. Reinsurance Agreement	7
6. When Security becomes enforceable	8
7. Enforcement of Security.....	9
8. Receiver	11
9. Powers of Receiver	12
10. Application of proceeds	14
11. Expenses and indemnity.....	14
12. Delegation	15
13. Further assurances.....	15
14. Power of attorney.....	16
15. Miscellaneous	16
16. Notices	19
17. Release	19
18. Counterparts	19
19. Governing law	19
20. Dispute resolution; Confidentiality; General.....	19

Schedules

1. Forms of letter for Reinsurance Agreement	20
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Signatories	23
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THIS DEED is dated 28 January 2020 and made

BETWEEN:

- (1) **Scottish Widows Limited**, a company incorporated and registered in England and Wales with registered number 03196171, whose registered address is at 25 Gresham Street, London, United Kingdom, EC2V 7HN (the Assignor); and
- (2) **Lloyds Banking Group Pensions Trustees Limited**, a company incorporated and registered in England and Wales with registered number 09919377, whose registered address is at 25 Gresham Street, London, United Kingdom, EC2V 7HN, acting in its capacity as trustee for and on behalf of the Lloyds Bank Pension Scheme No. 1 (the Assignee).

BACKGROUND:

- (A) The Assignor enters into this Deed in connection with the Insurance Agreement (as defined below).
- (B) This Deed is the "Reinsurance Security Assignment" referred to and as defined in the Framework Agreement.
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

Assigned Rights means all rights and claims that the Assignor has or may have under or in connection with the Reinsurance Agreement.

Early Termination Event means an "Early Termination Event" specified in column A in part 1, part 2, part 3 or part 4 of schedule 7 of the Framework Agreement.

Framework Agreement means the framework agreement between the Assignor as insurer, the Assignee as trustee and Pacific Life Re Limited as reinsurer in respect of the Scheme entered into on or around the date of this Deed.

Insurance Agreement means the insurance agreement between the Assignor as insurer and the Assignee as trustee in respect of the Scheme entered into on or around the Transaction Date.

Party means a party to this Deed.

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

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Assignor to the Assignee under or in connection with the Insurance Transaction Documents and any of the Assignee's costs and expenses in relation to enforcement of the security created in its favour under this Deed and which the Assignor is required to pay to the Assignee or reimburse the Assignee for pursuant to this Deed.

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

Security Asset means any asset of the Assignor which is, or is expressed to be, subject to any Security created by this Deed.

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

1.2 Construction

- (a) Capitalised terms defined in the Insurance Agreement and the Framework Agreement have the same meaning in this Deed, unless expressly defined in this Deed.
- (b) The provisions of clause 1 (*Interpretation and Definitions*) of the Framework Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Framework Agreement shall be construed as references to this Deed.
- (c) Unless a contrary indication appears, any reference in this Deed to:
 - (i) the Framework Agreement, an Insurance Transaction Document or any other agreement or instrument is a reference to the Framework Agreement, that Insurance Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (ii) any **rights** in respect of an asset includes, without limitation:
 - (A) all amounts and proceeds paid or payable;
 - (B) all rights to make any demand or claim; and
 - (C) all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset;
 - (iii) the term **this Security** means any Security created by this Deed; and
 - (iv) an agreement, instrument or other document to which it is a party includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).

- (d) Any covenant of the Assignor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- (e) If the Assignee considers that an amount paid to it in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.
- (g) In the event of any conflict between the terms of this Deed, the Framework Agreement and the Insurance Agreement, this Deed shall prevail for the purposes of this Deed and to the extent of such conflict.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in this Deed including by reference pursuant to Clause 20 (*Dispute resolution; Confidentiality; General*), a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver or any delegate or sub-delegate of the Assignee or any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Contracts (Rights of Third Parties) Act 1999.

2. CREATION OF SECURITY

2.1 General

- (a) The Assignor shall pay or discharge the Secured Liabilities in the manner provided for in the Insurance Transaction Documents or the Framework Agreement (as the case may be).
- (b) All the security created under this Deed:
 - (i) is created in favour of the Assignee;
 - (ii) is created over the present and future assets of the Assignor relating to the Assigned Rights;
 - (iii) is security for the payment of all the Secured Liabilities;
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
 - (v) is created free and clear of any other Security.

- (c) If the rights of the Assignor arising under or in connection with the Reinsurance Agreement cannot be secured without the consent of a party to the relevant document(s) or satisfaction of some other condition:
- (i) the Assignor shall notify the Assignee promptly;
 - (ii) this Security shall constitute security over all proceeds and other amounts which the Assignor may receive, or has received, under that document but exclude the Assignor's other rights under the document until the Assignor obtains the required consent or satisfies the relevant condition;
 - (iii) unless the Assignee otherwise requires, the Assignor shall use its reasonable endeavours to obtain the required consent or satisfy the relevant condition; and
 - (iv) if the Assignor obtains the required consent or satisfies the relevant condition:
 - (A) the Assignor shall notify the Assignee promptly; and
 - (B) all of the Assignor's rights under the document shall immediately be secured in accordance with this Deed.

2.2 Contracts

The Assignor assigns absolutely, subject to a proviso for re-assignment on redemption, (or, to the extent not assignable, charges by way of first fixed charge, subject always to the provisions of Clause 2.1(c)) all of the Assigned Rights.

3. REPRESENTATIONS - GENERAL

The Assignor represents and warrants to the Assignee as follows:

3.1 Nature of security

This Deed creates the Security it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Assignor or otherwise.

3.2 Non-conflict (security)

No agreement or document which is binding upon it or any of its assets results in a requirement for the creation of any Security over any of the Security Assets (other than as contemplated by the Insurance Transaction Documents).

3.3 Times for making representations

- (a) The representations and warranties in this Deed (including in this Clause 3 and in Clause 5.1 (*Representations in relation to the Reinsurance Agreement*)) are made by the Assignor on the date of this Deed.
- (b) Unless a representation and warranty is expressed to be given at a specific date, the representations and warranties under this Deed are deemed to be made by the Assignor by reference to the facts and circumstances then existing on each date during the Security Period.

4. RESTRICTIONS ON DEALINGS

The Assignor shall not:

- (a) create or permit to subsist any Security over any Security Asset; or
- (b) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer, declare a trust over or otherwise dispose of any Security Asset,

or otherwise deal with any part of the Security Assets except as expressly allowed under the Insurance Transaction Documents or this Deed.

5. REINSURANCE AGREEMENT

5.1 Representations in relation to the Reinsurance Agreement

The Assignor represents and warrants to the Assignee that:

- (a) no amount payable to it under the Reinsurance Agreement is subject to any right of set-off or similar right (except for any such right that arises under the express terms of the Insurance Transaction Documents);
- (b) the obligations expressed to be assumed by the parties to the Reinsurance Agreement are the legal, valid, binding and enforceable obligations of the parties thereto (subject to any assumptions and qualifications which would appear in an appropriate English law governed legal opinion) which do not conflict with Applicable Law or any direction, court or judgment of any court or other agency of government, any contractual restriction binding on them or any of their assets or their constitutive documents, in each case, breach of which would have a material adverse effect on such parties' ability to perform their obligations under the Reinsurance Agreement;
- (c) it is not in default of any of its obligations under the Reinsurance Agreement;
- (d) there is no prohibition on assignment in, or other restriction on the creation of security by the Assignor over, the Reinsurance Agreement;
- (e) its entry into and performance of this Deed will not conflict with any term of the Reinsurance Agreement; and
- (f) it is the legal and beneficial owner of its rights in respect of the Reinsurance Agreement and such rights are free of any Security (except for those created by or pursuant to the Insurance Transaction Documents) and any other rights or interests in favour of third parties.

5.2 Preservation

Subject to the terms of the Insurance Transaction Documents, the Assignor shall not, without the prior written consent of the Assignee:

- (a) amend or waive any term of, or terminate, the Reinsurance Agreement; or
- (b) take any action which might jeopardise the existence or enforceability of the Reinsurance Agreement.

5.3 Other undertakings

The Assignor shall:

- (a) duly and promptly perform its obligations, and diligently pursue its rights, under the Reinsurance Agreement; and
- (b) supply the Assignee and any Receiver with copies of the Reinsurance Agreement and any information and documentation relating to the Reinsurance Agreement requested by the Assignee or any Receiver.

5.4 Notices of assignment/charge

The Assignor shall:

- (a) immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 1 (*Forms of letter for Reinsurance Agreement*), on the counterparty to the Reinsurance Agreement; and
- (b) procure that the counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 1 (*Forms of letter for Reinsurance Agreement*).

6. WHEN SECURITY BECOMES ENFORCEABLE

6.1 Enforcement events

This Security shall become immediately enforceable upon the occurrence of an Insurer Relevant Event (other than a Service Failure Termination Event).

6.2 Discretion and enforcement steps

After this Security has become enforceable, the Assignee may, in its absolute discretion and without any notice to the Assignor or the prior authorisation of any court:

- (a) enforce all or any part of this Security and take possession and dispose of all or any part of the Security Assets in any manner it sees fit;
- (b) whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions granted to a Receiver by this Deed or by law;
- (c) settle, adjust, compromise and arrange any claims, accounts, disputes, questions and demands relating in any way to the Reinsurance Agreement and any of the Security Assets;

- (d) bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Reinsurance Agreement and any of the Security Assets which may seem to it to be expedient;
- (e) exercise in relation to any of the Security Assets all the powers, authorities and things which it would be capable of exercising if it were the absolute owner of the same;
- (f) apply for and maintain any regulatory permission, consent or licence required in connection with the Reinsurance Agreement or the Security Assets; and
- (g) fulfil, at the Assignor's expense and risk, its obligations under the Reinsurance Agreement.

6.3 Statutory powers

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

7. ENFORCEMENT OF SECURITY

7.1 General

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

7.2 No liability as mortgagee in possession

Neither the Assignee nor any Receiver shall 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, but every Receiver duly appointed by the Assignee under this Deed shall for all purposes be deemed to be in the same position as a receiver duly appointed by a mortgagee under the Act, save to the extent that the provisions of the Act are varied by or are inconsistent with the provisions of this Deed, in which case the provisions of this Deed will prevail.

7.3 Privileges

The Assignee and each Receiver 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.

7.4 Protection of third parties

No person (including a purchaser) dealing with the Assignee or a Receiver or their agents need enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Assignee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Insurance Transaction Documents or any amount remains secured by this Deed; or
- (d) how any money paid to the Assignee or to that Receiver is to be applied.

7.5 Redemption of prior mortgages

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

7.6 Contingencies

If this Security is enforced at a time when no amount is due under the Insurance Transaction Documents but at a time when amounts may or will become due, the Assignee (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

7.7 Financial collateral

- (a) To the extent that the Security Assets constitute “financial collateral” and this Deed and the obligations of the Assignor under this Deed constitute a “security financial collateral arrangement” (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (the **Regulations**)), the Assignee may after this Security has become enforceable appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
 - (i) if it is cash, its value will be the amount standing to the credit of the relevant account on the date of appropriation plus any accrued but uncredited interest;
 - (ii) in the case of a financial instrument (within the meaning of the Regulations), its value will be the current value of the cash payment which the Assignee reasonably determines would be received on a sale or other disposal, on an arm’s length basis,

of such asset effected for payment as soon as reasonably possible after the time of exercise of the right of appropriation; and

- (iii) in any other case, its value will be such amount as the Assignee reasonably determines having taken into account advice obtained by it from an independent adviser, investment bank or accountancy firm of national standing selected by it,

and the Parties agree that the methods of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations, and the Assignee shall give credit for the value of the financial collateral appropriated to its use.

8. RECEIVER

8.1 Appointment of Receiver

- (a) Except as provided below, the Assignee may from time to time 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 Assignor so requests the Assignee in writing at any time.
- (b) Any appointment under Paragraph (a) above shall 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 Assignee 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.

8.2 Removal

The Assignee may by writing under its hand (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.

8.3 Remuneration

The Assignee may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act shall not apply.

8.4 Agent of the Assignor

- (a) A Receiver will be deemed to be the agent of the Assignor 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 Assignor shall be responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

- (b) The Assignee shall not incur any liability (either to the Assignor or to any other person) by reason of the appointment of a Receiver or for any other reason.

8.5 Relationship with Assignee

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 Assignee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

9. POWERS OF RECEIVER

9.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 9 in addition to those conferred on it by any law. This includes:

- (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (ii) all the rights, powers and discretions conferred on a receiver (or a receiver and manager, mortgagor or mortgagee in possession) under the Act and the Insolvency Act 1986;
- (iii) all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Assignor itself could do or omit to do; and
- (iv) the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including, without limitation, the bringing or defending of proceedings in the name of, or on behalf of, the Assignor; the collection and/or realisation of the Security Assets in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of the Assignor (whether under hand, or by way of deed or by utilisation of the company seal of the Assignor)).

- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

The powers granted to a Receiver pursuant to this Deed may be restricted by the instrument (signed by the Assignee) appointing that Receiver but they shall not be restricted by any winding-up or dissolution of the Assignor.

9.2 Possession

A Receiver may take immediate possession of, get in and realise any Security Asset and exercise any right of the Assignor in respect of or pursuant to any Security Asset.

9.3 Carry on business

A Receiver may carry on any business of the Assignor in any manner it thinks fit.

9.4 Employees

- (a) 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 it thinks fit.
- (b) A Receiver may discharge any person appointed by the Assignor.

9.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which it thinks fit.

9.6 Sale of assets

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

9.7 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 Assignor or relating in any way to any Security Asset.

9.8 Legal actions

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

9.9 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.

9.10 Subsidiaries

A Receiver may form a Subsidiary of the Assignor and transfer to that Subsidiary any Security Asset.

9.11 Delegation

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

9.12 Lending

A Receiver may lend money or advance credit to any person.

9.13 Other powers

A Receiver may:

- (a) do all other acts and things which it may consider necessary or desirable 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 it would be capable of exercising if it were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Assignor for any of the above purposes.

10. APPLICATION OF PROCEEDS

All amounts from time to time received or recovered by the Assignee or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of this Security shall be held by the Assignee and applied in the following order of priority:

- (a) in or towards payment of any sums owing to any Receiver;
- (b) in or towards payment of all costs and expenses incurred by the Assignee or any Receiver in connection with any realisation or enforcement of this Security;
- (c) in or towards payment of or provision for the Secured Liabilities in accordance with the terms of the Insurance Transaction Documents; and
- (d) in payment of the surplus (if any) to the Assignor or other person entitled to it.

This Clause 10 is subject to the payment of any claims having priority over this Security. This Clause 10 does not prejudice the right of the Assignee to recover any shortfall from the Assignor.

11. EXPENSES AND INDEMNITY

11.1 General

The Assignor shall:

- (a) immediately on demand, pay to any Receiver or any delegate, agent, attorney or other person appointed by the Assignee, any Receiver (each, a **Secured Person**) the amount of all costs and expenses (including legal fees) incurred by that Secured Person in connection with the exercise, preservation and/or enforcement of any rights, powers or remedies of the Secured Person in relation to the Assigned Rights or any proceedings instituted by or against the Assignor as a result of the Secured Person

taking or holding the Assigned Rights or otherwise enforcing any of its rights, powers or remedies under this Deed and including any arising from any actual or alleged breach by any person of any law or regulation, but excluding any costs and expenses incurred by any such person by reason of its wilful default, gross negligence or fraud. Any such person may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred; and

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

12. DELEGATION

12.1 Power of Attorney

The Assignee or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion exercisable by it under this Deed.

12.2 Terms

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Assignee or that Receiver (as the case may be) may think fit.

12.3 Liability

Neither the Assignee nor any Receiver shall be bound to supervise, or will be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of any delegate or sub-delegate.

13. FURTHER ASSURANCES

- (a) The Assignor shall promptly, at its own expense, take whatever action the Assignee or a Receiver may require for:
 - (i) creating, perfecting or protecting any security over any Security Asset; or
 - (ii) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Assignee or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.
- (b) The action that may be required under Paragraph (a) above includes (without limitation):
 - (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Assignee, its nominee or any other person; or
 - (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Assignee may consider necessary or desirable.

14. POWER OF ATTORNEY

The Assignor, by way of security, irrevocably and severally appoints the Assignee, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of the Assignor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case, which may be required or which any attorney may, in its absolute discretion, deem necessary for carrying out any obligation of the Assignor under or pursuant to this Deed or generally for enabling the Assignee or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Assignee and any other attorney shall only exercise any rights and powers under this Clause in the event that the Assignor fails for any reason to perform its obligations in a timely manner. The Assignor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 14.

15. MISCELLANEOUS

15.1 Continuing Security

This Security is a continuing security, shall remain in full force and effect as a continuing security until the expiry of the Security Period and shall extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part. The security constituted by this Deed shall be in addition to and shall not be affected by any other security now or subsequently held by the Assignee for all or any part of the Secured Liabilities

15.2 Rights cumulative

Except as provided for in this Deed:

- (a) any failure by a Party to exercise or delay in exercising a right or remedy provided by this Deed or by law will not impair or constitute a waiver of that or any other right or remedy;
- (b) no single or partial exercise of a right or remedy provided by this Deed or by law will prevent any further exercise of that or any other right or remedy;
- (c) the Parties' rights and remedies contained in this Deed are cumulative and not exclusive of rights or remedies provided by law; and
- (d) the Assignor waives any right it may have of first requiring the Assignee to proceed against it or enforce any other rights or security or claim payment from any person before claiming from the Assignor under this Deed. This waiver applies irrespective of any law or any provision of any of the Insurance Transaction Documents to the contrary.

15.3 Waiver of Defences

The obligations of the Assignor under this Deed shall not be affected by any act, omission or circumstance which, but for this provision, might operate to release or otherwise exonerate the Assignor from its obligations under this Deed or affect such obligations including (but without limitation) and whether or not known to the Assignor or Assignee:

- (a) any time or indulgence granted to or composition with the Assignor or any other person;
- (b) the variation, extension, compromise, renewal or release of, or refusal or neglect to perfect or enforce, any term of any Insurance Transaction Document or any rights or remedies against, or any security granted by, the Assignor or any other person;
- (c) any irregularity, invalidity or unenforceability of any obligations of the Assignor under any Insurance Transaction Document 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 to the intent that the Assignor's obligations under this Deed shall remain in full force and this Deed shall be construed accordingly as if there were no such irregularity, unenforceability, invalidity, law or order;
- (d) any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of, any person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise), restatement (however fundamental and of whatsoever nature and whether or not more onerous) or replacement of any agreement, account arrangement, transaction or engagement or any other document or Security, including, without limitation, any change in the purpose of, any extension of or any increase in, the obligations under any Insurance Transaction Document, account arrangement, transaction, engagement or other document or Security; or
- (f) any legal limitation, disability, incapacity or other circumstance relating to the Assignor, any guarantor or any other person or any amendment to or variation of the terms of any Insurance Transaction Document or any other document or security.

15.4 Partial invalidity

If, at any time, any provision of this Deed becomes illegal, void or unenforceable in any material respect under any enactment or by operation of law, the remaining provisions will remain valid and enforceable.

15.5 No liability

Notwithstanding anything contained in this Deed, the Assignee shall not, by virtue of this Deed:

- (a) be under any obligation or liability under or in respect of the Reinsurance Agreement or be liable to make any payment under or in respect of the Reinsurance Agreement;

- (b) be obliged to take any steps necessary to preserve the Reinsurance Agreement or enforce against the Assignor or any other person any term of the Reinsurance Agreement, or to make any enquiries as to the nature or sufficiency of any payment received by the Assignor pursuant to the terms of the Reinsurance Agreement; and
- (c) the Assignor shall remain solely and fully liable under and in respect of the Reinsurance Agreement to perform all of the obligations to be performed by it, and to pay all losses, costs, expenses, taxes and damages payable by it, under or in connection with the Reinsurance Agreement.

15.6 The Assignor

This Deed shall be binding on the successors and assigns of the Assignor.

15.7 Transfers and Assignment

The provisions of clause 19 (*Transfers and Assignment*) of the Insurance Agreement shall apply to this Deed as though they were set out in full in this Deed except that references to the Insurance Agreement shall be construed as references to this Deed. The parties may transfer their rights and obligations under this Deed only in accordance with the Insurance Agreement to any party to whom they transfer their rights and obligations under the Insurance Agreement.

15.8 Stamp Taxes

The Assignor covenants to pay to the Assignee immediately on demand a sum equal to any liability which the Assignee or any Receiver, attorney, manager, agent or other person incurs in respect of stamp duty, registration fees and other taxes which is or becomes payable in connection with the entry into or performance or enforcement of this Deed (including any interest, penalties, liabilities, costs and expenses resulting from any failure to pay or delay in paying such duty, fee or tax).

15.9 Set-off

The Assignee may set off any matured obligation under this Deed due from the Assignor to the Assignee against any matured obligation under the Insurance Agreement owed by the Assignee to the Assignor, regardless of the place of payment, booking branch or currency of either obligation and apply any credit balance to which the Assignor is entitled on any account with the Assignee in payment of the Secured Liabilities. If the obligations are in different currencies, the Assignee may, at the cost of the Assignor, convert either obligation at a market rate of exchange as the Assignee considers appropriate for the purposes of such set-off.

15.10 No deduction

All payment to be made by the Assignor under this Deed shall be made without any set-off, counterclaim or equity and (subject to the following sentence) free from, clear of and without deduction for any taxes, duties, levies, imposts or charges whatsoever, present or future. If the Assignor is compelled by the law of any applicable jurisdiction (or by an order of any regulatory authority in such jurisdiction) to withhold or deduct any sums in respect of taxes,

duties, levies, imposts or charges from any amount payable to the Assignee under this Deed or, if any such withholding or deduction is made in respect of any recovery under this Deed, the Assignor shall pay such additional amount as may be necessary to ensure that the net amount received by the Assignee shall equal the full amount due to it under the provisions of this Deed had no such withholding or deduction been made.

16. NOTICES

The provisions of clause 21 (*Notices*) of the Insurance Agreement shall apply to this Deed as though they were set out in full in this Deed except that references to the Insurance Agreement shall be construed as references to this Deed.

17. RELEASE

At the end of the Security Period, the Assignee shall, at the request and cost of the Assignor, re-assign (such re-assignment not to be unreasonably withheld or delayed) to the Assignor the Assigned Rights and otherwise take whatever action is necessary to release the Security Assets from this Security.

18. COUNTERPARTS

This Deed may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same deed, and any party (including any duly authorised representative of a party) may enter into this Deed by executing a counterpart.

19. GOVERNING LAW

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

20. DISPUTE RESOLUTION; CONFIDENTIALITY; GENERAL

The provisions of clauses 29 (*General*), 32 (*Dispute Resolution*) and 33 (*Confidentiality*) of the Insurance Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Insurance Agreement or Framework Agreement shall be construed as references to this Deed.

This Deed has been executed as a deed and delivered by the Assignor on the date stated at the beginning of this Deed.

SCHEDULE 1
FORMS OF LETTER FOR REINSURANCE AGREEMENT
PART 1
NOTICE TO COUNTERPARTY

To: **Pacific Life Re Limited**

Copy: **Lloyds Banking Group Pensions Trustees Limited (acting in its capacity as trustee for and on behalf of the Lloyds Bank Pension Scheme No. 1)**

Dated:

**Security Assignment dated [●] 2020 between Scottish Widows Limited
and Lloyds Banking Group Pensions Trustees Limited (acting in its capacity as trustee for and
on behalf of the Lloyds Bank Pension Scheme No. 1) (the Security Assignment)**

This letter constitutes notice to you that under the Security Assignment we have assigned by way of security to Lloyds Banking Group Pensions Trustees Limited (acting in its capacity as trustee for and on behalf of the Lloyds Bank Pension Scheme No. 1) (the Assignee) all our rights and claims in respect of the reinsurance agreement between you and us entered into on [date] (the Contract).

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Assignee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract and you should continue to make payments and send communications under the Contract to us, unless and until you receive notice from the Assignee to the contrary stating that the security under the Security Assignment has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and all payments shall be made and all communications shall be sent, to the Assignee or as it directs. The contact details for the Assignee are as set out below or as otherwise notified to you from time to time by it. However, we have agreed with the Assignee that in no event will we amend or waive any provision of, or terminate, the Contract without its prior consent.

We irrevocably instruct and authorise you to disclose to the Assignee any information relating to the Contract requested from you by the Assignee.

The instructions in this letter may not be revoked or amended without the prior consent of the Assignee and you may comply with them without further permission from us or enquiry by you.

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

Please acknowledge receipt of this letter by signing the attached acknowledgement and returning it to the Assignee at Lloyds Banking Group Pensions Trustees Limited, 16th Floor, 125 London Wall, London EC2Y 5AL , with a copy to us.

Yours faithfully

.....

as the attorney for **Scottish Widows Limited**

PART 2

ACKNOWLEDGEMENT OF COUNTERPARTY

To: Lloyds Banking Group Pensions Trustees Limited (acting in its capacity as trustee for and on behalf of the Lloyds Bank Pension Scheme No. 1)

Copy: Scottish Widows Limited

Dated:

Security Assignment dated [●] 2020 between Scottish Widows Limited and Lloyds Banking Group Pensions Trustees Limited (acting in its capacity as trustee for and on behalf of the Lloyds Bank Pension Scheme No. 1) (the Security Assignment)

We confirm receipt from Scottish Widows Limited (the Assignor) of a notice dated [date] of an assignment on the terms of the Security Assignment of all the Assignor's rights and claims in respect of the reinsurance agreement between the Assignor and us entered into on [date] (the Contract).

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice; and
- (b) will make payments and send communications under the Contract as directed in that notice.

We confirm that no amount payable by us under the Contract is subject to any set-off, counterclaim or other similar right and we will not exercise or claim any such right (but without prejudice to any netting arrangement set out therein).

We also confirm that we have not received notice of the interest of any third party in the Contract.

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

Yours faithfully

.....

.....

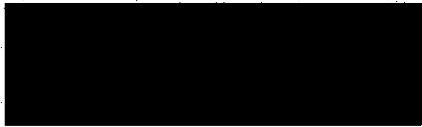
For and on behalf of Pacific Life Re Limited

Dated _____

SIGNATORIES

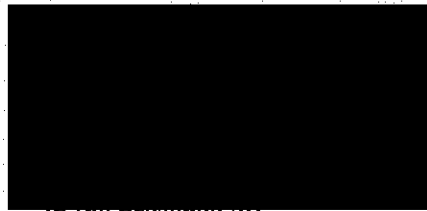
Assignor

EXECUTED AS A DEED by EMMA WATKINS and JEFF SAYERS
as attorneys for **SCOTTISH WIDOWS LIMITED**:



Attorney

In the presence of:



In the presence of:

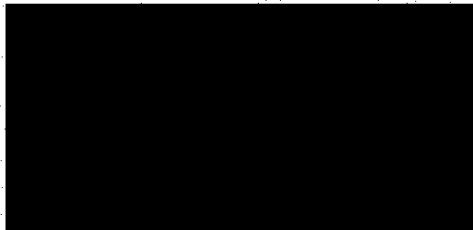
Witness's signature:



Name:

Henry Dean

Address:



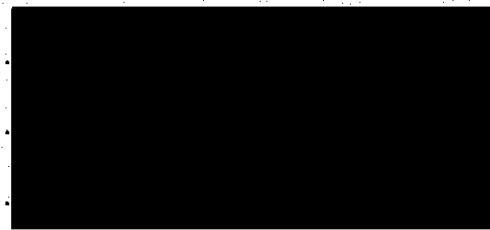
Witness's signature:



Name:

Henry Dean

Address:



Assignee

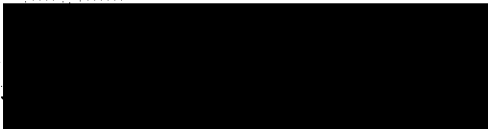
EXECUTED AS A DEED on behalf of LLOYDS BANKING GROUP PENSIONS TRUSTEES LIMITED by:

Director.



.....

Director



.....

The Law Debenture Pension Trust Corporation p.l.c.