



**Registration of a Charge**

Company name: **SCOTTISH WIDOWS LIMITED**

Company number: **03196171**



X79494E2

Received for Electronic Filing: **29/06/2018**

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**Details of Charge**

Date of creation: **26/06/2018**

Charge code: **0319 6171 0020**

Persons entitled: **RL360 LIFE INSURANCE COMPANY LIMITED**

Brief description:

**Contains floating charge(s) .**

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**Authentication of Form**

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

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**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: **ANITA GIN**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 3196171

Charge code: 0319 6171 0020

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th June 2018 and created by SCOTTISH WIDOWS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th June 2018 .

Given at Companies House, Cardiff on 3rd July 2018

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

DATED

26 JUNE

2018

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**SCOTTISH WIDOWS LIMITED**  
as Chargor

in favour of

**RL360 LIFE INSURANCE COMPANY LIMITED**  
as Reinsured

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**DEED OF CHARGE**

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THIS DEED OF CHARGE is made on

26 JUNE

2018

BY:

- (1) **SCOTTISH WIDOWS LIMITED** (formerly Clerical Medical Investment Group Limited), a company incorporated in England and Wales (company number 03196171), whose registered office is at 25 Gresham Street, London EC2V 7HN (the "**Chargor**"),
- in favour of
- (2) **RL360 LIFE INSURANCE COMPANY LIMITED** (formerly CMI Insurance Company Limited), a company incorporated in the Isle of Man (registered number 033520C), whose registered office is at International House, Cooil Road, Douglas IM2 2SP, Isle of Man (the "**Reinsured**"),

each a "**party**" and together the "**parties**".

**WITNESSES AS FOLLOWS:**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed, unless the context otherwise requires, the following words and expressions shall have the meanings set out below:

**"Business Day"** means a day (except a Saturday or Sunday) on which banks are generally open for business in London, England and in the Isle of Man;

**"Charged Property"** means all the Long-Term Insurance Assets of the Chargor from time to time, and includes any part of them, but excluding the Excluded Property;

**"Crystallisation Event"** means any of the events described in clause 3.2, upon the occurrence of which the floating charge hereby created is converted into a fixed charge as therein provided;

**"Excluded Property"** means any assets over which any Security Interest granted by the Chargor exists at any time, except:

- (a) where the Security Interest is a Pari Passu Floating Charge; or
- (b) for any assets where the only Security Interest is a custodian's lien;

**"FSMA"** means the Financial Services and Markets Act 2000.

**"INSPRU"** means the Prudential Sourcebook for Insurers forming part of the Prudential Regulation Authority or the Financial Conduct Authority's Handbook of rules and guidance made pursuant to FSMA.

**"Insurance Debts"** has the meaning attributed to that expression by Regulation 2 of The Insurers (Reorganisation and Winding Up) Regulations 2004;

**"Long-Term Insurance Assets"** means, in relation to the Chargor, its long-term insurance assets (within the meaning set out in INSPRU 1.5.21R);

**"Pari Passu Floating Charge"** means a floating charge granted or to be granted by the Chargor in respect of liabilities which are now or have been incurred or may in the future

become incurred by the Chargor under or in connection with any Reinsurance Contract with other reinsureds and ranking pari passu with the floating charge created under clause 3.1;

**"Reinsurance Contract"** means any reinsurance contract entered into by the Chargor in the capacity of reinsurer which is a contract of long term insurance as that term is defined in Article 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 including the Unit-Linked and With-Profits Reinsurance Agreement between the Chargor and the Reinsured dated 27 September 1996, as varied, amended or restated from time to time (including by an amending and restating agreement dated 30 November 2015, and by a side letter dated 25 August 2017);

**"Secured Amounts"** means all money and liabilities now or in the future due, owing or incurred in any manner to the Reinsured by the Chargor under or pursuant to any Reinsurance Contract, whether actually, prospectively or contingently;

**"Security Interest"** means any right or interest arising out of:

- (a) any mortgage, charge, pledge, assignment (whether or not expressed to be by way of security), hypothecation, lien, encumbrance or other priority or security interest of any kind, howsoever created or arising;
- (b) any deferred purchase, title retention, trust, sale-and-repurchase, sale-and-leaseback, hold back or "flawed asset" arrangement or right of set-off;
- (c) any other agreement or arrangement of any kind having the same or a similar commercial or economic effect as security; and
- (d) any agreement for any of the foregoing; and

**"VAT"** means valued added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

## 1.2 Interpretation

- (a) Unless the context otherwise requires, in this Deed:
  - (i) references to any party shall be construed so as to include that party's respective successors in title, permitted assigns and permitted transferees;
  - (ii) **"including"** shall not be construed restrictively but shall as **"including, without prejudice to the generality of the foregoing"**;
  - (iii) **"liabilities"** includes any liability, damage, loss, cost, claim or expense of any kind or nature (including VAT), whether direct, indirect, special, consequential or otherwise
  - (iv) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
  - (v) **"variation"** includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and **"vary"** and **"varied"** shall be construed accordingly;
  - (vi) reference to any English legal concept, term, action, remedy, method of judicial proceeding, legal document, legal status, court or official shall, in respect of any jurisdiction other than England and Wales, be deemed to refer to what most nearly approximates to it in that jurisdiction;

- (vii) reference to any English statute, bye-law, regulation, rule, delegated legislation or order shall, in relation to any assets owned, liabilities incurred, company incorporated or business carried on in any jurisdiction other than England and Wales, be deemed to include what most nearly approximates to it in that jurisdiction;
  - (viii) subject to clause 12 (*Variations*), references to this Deed or to any other document include references to this Deed or such other document as varied in any manner from time to time; and
  - (ix) words herein importing one gender include the other, genders, and words herein denoting the singular number only include the plural number also and vice versa; clauses shall be construed as references to clauses of this Deed.
- (b) Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any statutory modification or re-enactment of it for the time being in force.
  - (c) Headings in this Deed are inserted for convenience and shall not affect its interpretation.
  - (d) This Deed may be executed in counterparts.

## **2. COVENANT TO PAY SECURED AMOUNTS**

- 2.1 The Chargor hereby covenants that it will pay and discharge when due to the Reinsured all Secured Amounts in accordance with the terms of such Reinsurance Contract as gives rise to them.

## **3. CREATION OF FLOATING CHARGE AND CRYSTALLISATION**

- 3.1 As continuing security for the payment and discharge of the Secured Amounts, the Chargor hereby charges to the Reinsured by way of floating charge all its right to and title and interest in the Charged Property, provided that, unless and until all Insurance Debts of the Chargor have been fully discharged, the amount recoverable under this Deed shall not exceed such amount (up to the Secured Amounts) as the Reinsured would have been entitled to receive from the Chargor if the Secured Amounts had been unsecured and unsubordinated Insurance Debts of the Chargor and had not been hereby secured.
- 3.2 The floating charge created by clause 3.1 shall only crystallise into a fixed charge over all the Charged Property on the earlier of:
  - (a) a liquidator, administrator, director, agent, supervisor, scheme administrator or other person whatsoever (including but not limited to persons in foreign jurisdictions) decides or resolves to take or takes any steps to distribute any step to distribute a dividend to creditors (other than preferential creditors) of the Chargor, or gives notice or otherwise expresses his intention to do so to such creditors;
  - (b) the Chargor going into liquidation within the meaning of section 247(2) of the Insolvency Act 1986 or into insolvency within the meaning of section 247(1) of the Insolvency Act 1986 (including, for the avoidance of doubt, in relation to the Chargor, the appointment of an administrator, administrative receiver or receiver); and
  - (c) the crystallisation of any *Pari Passu* Floating Charge granted by the Chargor to the Reinsured or any other person,

at which time it shall automatically and instantly be converted (without the necessity of notice) into a fixed charge as respects all the Charged Property.

- 3.3 Without prejudice to, or qualification of, the generality of clause 3.2, notice may at any time be given by the Reinsured to the Chargor stating that a Crystallisation Event has occurred and exhibiting an affidavit sworn by a person duly authorised on behalf of the Reinsured setting out the facts on the basis of which the Reinsured believes that the floating charge created by clause 3.1 has been converted into a fixed charge, it being acknowledged by the parties that such an affidavit shall constitute prima facie evidence of the occurrence of the Crystallisation Event stated to have occurred in such notice.
- 3.4 The Reinsured may by notice in writing given at any time to the Chargor re-convert into a floating charge as respects all or such part of the Charged Property as may be specified in such notice any fixed charge arising by conversion under clause 3.2.
- 3.5 The Reinsured shall not appoint an administrative receiver, receiver or administrator out of court and shall not take possession of the Charged Property without a court order.

#### **4. REPRESENTATIONS AND WARRANTIES**

The Chargor represents and warrants to the Reinsured that:

- (a) it has the capacity and power to execute and deliver this Deed and to perform its obligations under it and has taken all necessary action to authorise such execution, delivery and performance;
- (b) the persons signing this Deed on its behalf are duly authorised for the purpose;
- (c) it has obtained all authorisations of any governmental or regulatory body required in connection with execution, delivery and performance of this Deed and such authorisations are in full force and effect;
- (d) the execution, delivery and performance of this Deed has not, and will not, violate any law or rule applicable to it;
- (e) it is acting as a principal in entering into this Deed and performing its obligations hereunder; and
- (f) it has the right to charge the Charged Property in favour of the Reinsured under this Deed.

#### **5. RANKING**

- 5.1 The floating charge hereby created shall rank pari passu with any prior, contemporaneous or future Pari Passu Floating Charge that secures liabilities incurred by the Chargor under or pursuant to Reinsurance Contracts with other reinsureds.
- 5.2 The Chargor shall be free to grant any Security Interest over the Charged Property in favour of any other person, whether ranking junior, pari passu or senior to the floating charge hereby created.

#### **6. STOCK LENDING AND BORROWING AND REPURCHASE TRANSACTIONS**

It is hereby acknowledged that the Chargor may, in the ordinary course of business, prior to crystallisation of the security hereby created, enter into any agreement for the transfer of securities, financial instruments, money and/or other assets by way of a stock lending or borrowing, repurchase arrangement or sale and buy-back, and perform its obligations under any such agreement.



**7. CONTINUANCE OF SECURITY; REDEMPTION**

- 7.1 Without prejudice to the generality of clause 2 (*Covenant to pay Secured Amounts*), the charge, covenants and provisions constituted by and contained in this Deed shall remain in force as a continuing security to the Reinsured, notwithstanding any settlement of account or any other act, event or matter whatsoever, except only the execution by the Reinsured of an absolute and unconditional release by deed under English law.
- 7.2 Once the Secured Amounts are repaid and discharged in full and the Chargor has no further obligation (whether actual, prospective or contingent) in relation to any Reinsurance Contract with the Reinsured in which the Chargor acts as reinsurer, the Chargor shall be entitled to redeem the security constituted by this Deed and, at the cost of the Chargor, to require the Reinsured to effect a full release and discharge of it, including performing all such deeds, acts and things as are necessary to release the Charged Property from the security created by this Deed.

**8. REINSURED'S UNDERTAKING**

- 8.1 If the Reinsured is notified in advance in writing that a meeting of creditors of the Chargor is to be convened or held for the purposes of approving a proposal for a scheme of arrangement under Part 26 of the Companies Act 2006 or for a voluntary arrangement under Part 1 of the Insolvency Act 1986 in respect of the Chargor, the Reinsured undertakes that it will agree to be bound by the proposal and (to the extent necessary to give effect to the intention of this clause 8) to release the security constituted by this Deed, provided that:
- (a) the proposal has the effect of ensuring that the Reinsured will receive the amount recoverable under this Deed up to the limit specified in clause 3.1; and
  - (b) if (but only if) the Reinsured had notified the Chargor at or prior to the meeting that the Reinsured opposed the proposal, the proposal would have been passed by the requisite majority even if the Reinsured had been entitled to vote on the proposal in respect of the Secured Amounts as an Insurance Debt and had voted against the proposal in respect of that amount.

**9. ADDITIONAL SECURITY**

The charge contained in this Deed is in addition to, and shall neither be merged in, nor in any way exclude or prejudice, any other Security Interest, right of recourse or other right whatsoever which the Reinsured may now or in the future hold or have (or would apart from this Deed hold or have) as regards the Chargor or any other person in respect of the Secured Amounts, whether by virtue of contract, statute or otherwise.

**10. THIRD PARTY RIGHTS**

- 10.1 Save as provided in clause 10.2, no person other than a party to this Deed shall have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term (express or implied) of this Deed, but without prejudice to any right or remedy of the third party which may exist or be available apart from that Act.
- 10.2 Any holder of a floating charge expressed to rank *pari passu* with the Security Interest granted by this Deed shall be entitled to enforce the ranking provisions of clause 5. However, this Deed may be terminated or amended without the consent of any such holder.

**11. FORBEARANCE AND ILLEGALITY**

- 11.1 Delay etc.

All rights, powers and privileges under this Deed shall continue in full force and effect,

regardless of the Reinsured exercising, delaying in exercising or omitting to exercise any of them.

**11.2 Illegality, invalidity, unenforceability**

Any provision of this Deed which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Deed.

**12. VARIATIONS**

No variation of this Deed shall be valid and constitute part of this Deed, unless such variation shall have been made in writing and signed by the Chargor and the Reinsured.

**13. DEMANDS, NOTICES ETC.**

**13.1 Demands**

A demand for payment or other demand or notice to the Chargor under this Deed shall be made or given by any director or officer of the Reinsured or other person duly authorised for the time being on its behalf in accordance with clause 13.2 (*Addresses for notice and deemed service*).

**13.2 Addresses for notice and deemed service**

- (a) Each party shall notify to the other party an authorised address in the United Kingdom for the purpose of this clause and the first such authorised address for each party shall be the address stated in clause 13.3.
- (b) Any demand, notice, consent or approval or other communication to be given under this Deed shall be in writing and shall either be delivered personally or sent by pre-paid first class post or by e-mail to the relevant party's address or e-mail address set out in clause 13.3 (*Addresses for service*), or such other address (in each case in the United Kingdom) or e-mail address as is notified in writing from time to time by such party to the other party in accordance with the requirements of this clause 13.2.
- (c) Any such communication shall be effective upon receipt and shall be deemed to have been received:
  - (i) if delivered personally, at the time of delivery; and
  - (ii) if sent by pre-paid first class post, at 17:00 hours on the day following the day of posting and shall be effective even if it is misdelivered or returned undelivered;

**provided that:**

- (iii) where, in the case of delivery by hand, delivery occurs after 18:00 on a Business Day or on a day which is not a Business Day, receipt shall be deemed to occur at 09:00 on the next following Business Day; and
- (iv) delivery by e-mail, while competent, will not benefit from the presumption of delivery set out above.

**13.3 Addresses for service**

For the purposes of this clause 13 the authorised address of each party shall be the address set out below:

- (a) **Chargor:** **Scottish Widows Limited**  
**Address:** Insurance Secretariat, Scottish Widows, Port Hamilton, 69 Morrison Street, Edinburgh EH3 8BW  
**E-mail:** [insurancecompanysecretary@lloydsbanking.com](mailto:insurancecompanysecretary@lloydsbanking.com)  
**Attention:** Company Secretary
- (b) **Reinsured:** **RL360 Life Insurance Company Limited**  
**Address:** RL360 House, Cooil Road, Douglas, IM2 2SP, Isle of Man  
**E-mail:** [REDACTED]  
**Attention:** Mike Crellin

#### **14. GOVERNING LAW AND JURISDICTION**

##### **14.1 Governing law**

This Deed and any non-contractual obligations arising out of or in relation to it shall be governed by and shall be construed in accordance with English law.

##### **14.2 Jurisdiction of English courts**

- (a) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed, including a dispute regarding the existence, validity or discharge of this Deed or the security comprised in it (a "Dispute").
- (b) The parties agree that the English courts are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- (c) Nothing in this clause limits the rights of the Reinsured to bring proceedings against the Chargor in connection with this Deed in any other court of competent jurisdiction or concurrently in more than one jurisdiction.

**THIS DEED** has been executed and delivered by the Chargor as a deed and it shall take effect on the day and year first above written.

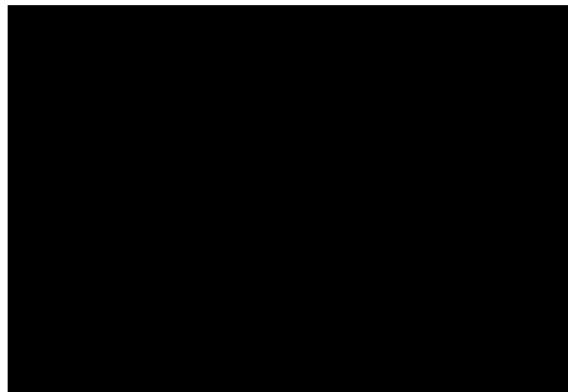
**EXECUTION**

**THE CHARGOR**

Executed and delivered as a Deed by )  
**SCOTTISH WIDOWS LIMITED** acting )  
by: **MICHAEL HARRIS**

Director/~~Secretary/Authorised Signatory~~

Witness **(JAMES SELBY)**



**THE REINSURED**

Executed and delivered as a Deed by )  
**RL360 LIFE INSURANCE COMPANY** )  
**LIMITED** acting by:

Director

Director/Secretary

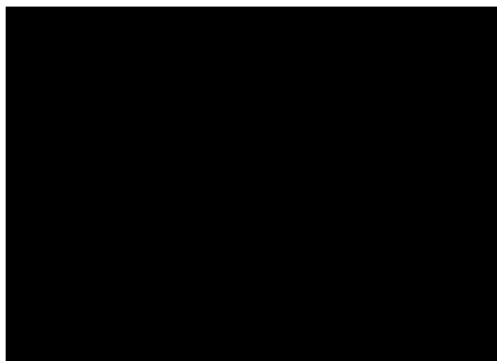
EXECUTION

THE CHARGOR

Executed and delivered as a Deed by )  
SCOTTISH WIDOWS LIMITED acting )  
by: MICHAEL HARRIS

Director/Secretary/Authorised Signatory

Witness (JAMES SELBY)



THE REINSURED

Executed and delivered as a Deed by )  
RL360 LIFE INSURANCE COMPANY )  
LIMITED acting by:

Director

Director/Secretary



M. CARRUTHER

D. WILLIAMS