

MR01

Particulars of a charge



Companies House

411473/23



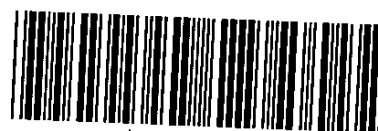
Go online to file this information
www.gov.uk/companieshouse

A fee is be payable with this form
Please see 'How to pay' on the last page.

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

☒ **What this form is for**
You may not use this form to
register a charge created or evidenced by
an instrument. Use form MR02.

MONDAY



LD5 *L81ZGCFV* #48
25/03/2019
COMPANIES HOUSE

This form **must be delivered to the Registrar for registration 21 days** beginning with the day after the date of creation. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.



You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. **Do not send the original.**

1 Company details

Company number 03900804

Company name in full LATTICE GROUP LIMITED

3

For official use

Filing in this form

Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

2 Charge creation date

Charge creation date d 1 d 9 m 0 m 3 y 2 y 0 y 1 y 9

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge.

Name NATIONAL GRID UK PENSION SCHEME TRUSTEE LIMITED
(registered number 6140457)

Name

Name

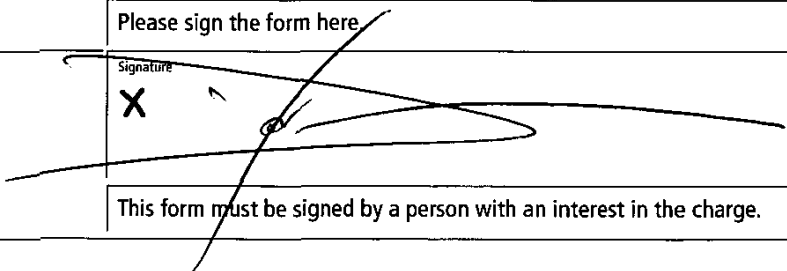
Name

If there are more than four names, please supply any four of these names then tick the statement below.

☐ I confirm that there are more than four persons, security agents or trustees entitled to the charge.

MR01

Particulars of a charge

4	Brief description Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument. Brief description	Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument". Please limit the description to the available space.
5	Other charge or fixed security Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
6	Floating charge Is the instrument expressed to contain a floating charge? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes Continue <input type="checkbox"/> No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? <input type="checkbox"/> Yes	
7	Negative Pledge Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8	Trustee statement ¹ You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge. <input type="checkbox"/>	¹ This statement may be filed after the registration of the charge (use form MR06).
9	Signature Please sign the form here Signature  This form must be signed by a person with an interest in the charge.	

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Paige Willis**

Company name **Sacker & Partners LLP**

Address **20 Gresham Street**

Post town **London**

County/Region

Postcode **E C 2 V 7 J E**

Country

DX

Telephone **020 7615 9540**



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3900804

Charge code: 0390 0804 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th March 2019 and created by LATTICE GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th March 2019.

Given at Companies House, Cardiff on 2nd April 2019



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

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

Sachs & Partners LLP

Sachs & Partners LLP

25 March 2019

**Eversheds Sutherland
(International) LLP**
One Wood Street
London
EC2V 7WS
United Kingdom

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F: +44 20 7919 4919
DX 154280 Cheapside 8

eversheds-sutherland.com

Dated

19 March

2019

(1) Lattice Group Limited

(2) National Grid UK Pension Scheme Trustee Limited

National Grid UK Pension Scheme: Section A

Account security agreement

This Deed is dated

19 March

2019

Between

- (1) **Lattice Group Limited** (registered number 03900804) whose registered office is at 1-3 Strand, London WC2N 5EH (the "**Company**"); and
- (2) **National Grid UK Pension Scheme Trustee Limited** (registered number 6140457) whose registered office is at 1-3 Strand, London WC2N 5EH (the "**Trustee**")

BACKGROUND

- (A) The Trustee is the present trustee of the National Grid UK Pension Scheme (the "**Scheme**").
- (B) In connection with a funding agreement between National Grid UK Limited (registered number 04508773) ("**NGUK**") and the Trustee dated 21 December 2016 (the "**2016 Funding Agreement**"), NGUK agreed funding and security arrangements with the Trustee in respect of Section A of the Scheme.
- (C) Further to a deed of amendment and restatement dated 13 February 2018 in respect of the 2016 Funding Agreement (the "**Amendment and Restatement Deed**" and the 2016 *Funding Agreement as amended and restated pursuant to the Amendment and Restatement Deed*, the "**Funding Agreement**"): (i) the Company became a party to the Funding Agreement with effect from the date of the Amendment and Restatement Deed and (ii) it was agreed by the Trustee, NGUK and the Company that, if requested by NGUK, the Company would make arrangements for payments to be made into an account held with the Bank and over which the Company has granted Security to the Trustee, pursuant to the terms of the Funding Agreement.
- (D) The purpose of this Deed is to grant Security to the Trustee over the account referred to in paragraph (C) and the Custodian Agreement, which will become enforceable on the occurrence of a Funding Agreement Event of Default.
- (E) Following advice, the Trustee has concluded that it is proper for it to enter into this Deed and has therefore agreed to do so.

IT IS AGREED as follows:

1. Definitions and Interpretation

1.1 Definitions

"Acceptable Bank" means a bank which is regulated and approved for business by the Financial Conduct Authority and which has, unless the Trustee otherwise agrees, a long term issuer credit rating of: (a) A- or better by S&P; (b) A3 or better by Moody's; or (c) A- or better by Fitch;

"Account Balance" means all monies, Securities and assets at any time standing to the credit of the Account, including (a) all interest at any time accrued or accruing on such monies, Securities and assets; (b) all investments at any time made out of such monies, Securities or account, including all interest and returns on such investments; and (c) all rights to repayment, entitlements and proceeds in relation thereto;

"Account Control Agreement" means the agreement dated on or about the date of this Deed between BNYM, the Trustee and the Company;

"Account" means the account of the Company with account number [REDACTED] held at the Bank and all additions to or renewals or redesignations or replacements of such account;

"Actuary" has the same meaning as "actuary" in the Trust Deed;

"Bank" means BNYM or such other Acceptable Bank as is agreed in writing between the Company and the Trustee at which the Account is held pursuant to the terms of this Deed;

"BNYM" means The Bank of New York Mellon, a banking corporation organised pursuant to the laws of the State of New York and operating through its branch in London at One Canada Square, London E14 5AL, England;

"Business Day" means any day on which banks are generally open for business in England, other than Saturday or Sunday;

"Cash" means monies held in UK sterling;

"Charged Assets" means the assets charged and/or assigned to the Trustee by this Deed and all or any of them;

"Charged Asset Substitution" means:

- (a) any withdrawal of Cash from the Account which is applied in the purchase of an equivalent amount of UK Government Bonds which are immediately credited to the Account; or
- (b) any disposal of UK Government Bonds held in the Account:
 - (i) for an equivalent amount of Cash which is immediately credited to the Account; and/or
 - (ii) for an equivalent amount of other UK Government Bonds which are immediately credited to the Account; or
- (c) any withdrawal of Cash from the Account provided that one or more Letters of Credit and/or one or more Surety Bonds with an aggregate face value at least equivalent to the amount of Cash to be withdrawn has been issued for the benefit of the Trustee, any such Letter of Credit or Surety Bond to have an expiry date which is more than 30 days from the date of its issue;

"Clearance System" means any clearing agency, settlement system or depository (including any entity that acts as a system for the central handling of securities in the country where it is incorporated or organised or that acts as a transaction system for the central handling of securities) used in connection with transactions relating to securities and any nominee of the foregoing;

"Custodian Agreement" means the agreement dated on or around the date of this Deed entered into between the Bank and the Company in relation to the Account;

"Employers" means all of (a) the employers participating in Section A of the Scheme from time to time and (b) the employers in relation to Section A of the Scheme within the meaning set out in Section 318 of the Pensions Act 2004 from time to time;

"Enforcement Amount" has the meaning given to that term in **clause 7.1.1**;

"Event of Default" means any event or circumstance specified in clause 9.1 of the Funding Agreement;

"Funding Agreement" has the meaning given to it in **Recital (C)**;

"Funding Agreement Event of Default" means an Event of Default or a Lattice Event of Default.

"Insolvency Event" means an 'insolvency event' as defined in section 121 of the Pensions Act 2004 or regulations made from time to time thereunder or the making of an energy administration order for the purposes of the Energy Act 2004 (whether or not this is also an "insolvency event" as defined in the Pensions Act 2004);

"Lattice Event of Default" means the event specified in clause 9.3 of the Funding Agreement;

"Lattice Event of Default Enforcement Amount" has the meaning given to that term in the Funding Agreement;

"Letter of Credit" means a letter of credit which is provided for the benefit of the Trustee in respect of Section A in accordance with the terms of the Funding Agreement;

"Member" means a person admitted to membership of Section A from time to time;

"Ofgem" means the Office of Gas and Electricity Markets;

"Party" means a party to this Deed;

"Scheme" means the National Grid UK Pension Scheme;

"Scheme Year" means the period 1 April to 31 March;

"Section A" means Section A of the Scheme;

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent) of each Employer to make payments to Section A (including, without limitation, any actual or contingent debt under Section 75 or Section 75A of the Pensions Act 1995) up to, on any date, a maximum amount equal to the Account Balance;

"Securities" means, at any time, all UK Government Bonds and securities and all rights, benefits and proceeds attaching to, arising from, or in respect of such UK Government Bonds and securities for the time being recorded in the Account;

"Security" means the security created under or pursuant to or evidenced by this Deed;

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

"Surety Bond" means a surety bond which is provided for the benefit of the Trustee in respect of Section A in accordance with the terms of the Funding Agreement;

"Tax" means any tax, levy, duty, impost or other charge of a similar nature imposed by any taxing authority including any interest or penalties thereon;

"Trust Deed" means the Trust Deed and Rules of the Scheme as adopted by a deed dated 21 December 2016; and

"UK Government Bond" means any certificate of debt issued by the UK Government whether on a fixed or index-linked basis with a maximum duration of three years.

1.2 Interpretation

In this Deed, unless the context otherwise requires:

- (a) reference to this Deed or any other document or to any specified provision in any of them is to this Deed, that document or that provision as in force for the time being and as amended from time to time in accordance with their terms;
- (b) words importing the singular include the plural and vice versa, words importing a gender include each gender and references to persons include corporations, partnerships and other unincorporated associations or bodies of persons;
- (c) any reference to any English statutory provision or English legal term for any action, remedy, method of judicial proceeding, document, legal status, court, official or any other legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English statutory provision or English legal term;
- (d) a statute or statutory provision includes any consolidation, re-enactment, modification or replacement of the same, any statute or statutory provision of which it is a consolidation, re-enactment or replacement and any subordinate legislation in force under any of the same from time to time;
- (e) any reference to a provision of the Trust Deed includes that provision as amended, varied or replaced from time to time;
- (f) any reference to a person or entity includes that person's or entity's successors in title, permitted assigns and permitted transferees;
- (g) unless a contrary indication appears any reference in this Deed to:
 - (i) "assets" includes present and future properties, revenues and rights of every description;
 - (ii) a "clearance system" means any clearing agency, settlement system or depository used in connection with transactions relating to Securities and any nominee of the foregoing;
 - (iii) "including" means including without limitation and "includes" and "included" shall be construed accordingly;
 - (iv) "security" or "security interest" means any mortgage, charge, pledge, lien, right of set-off or other security interest securing the obligation of any person or any other agreement or arrangement having similar effect;
 - (v) "securities" shall be construed as a reference to any bond, debenture, note, stock, share, warrant, unit or other security and all moneys, rights or property

which may at any time accrue or be offered in respect of any of them (and whether constituted, evidenced or represented by a certificate or other document or by an entry in the books or any other permanent records of the issuer, a trustee or other fiduciary, or a clearance system); and

- (h) capitalised terms used in this Deed but which are not defined in clause 1.1 (Definitions) shall have the meaning given to them in the Funding Agreement.

2. Security

2.1 All the Security created is:

- 2.1.1 created in favour of the Trustee;
- 2.1.2 security for the payment of all Secured Liabilities; and
- 2.1.3 made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 The Company:

- 2.2.1 charges and agrees to charge by way of first fixed charge all of its present and future rights, title and interest in and to (i) the Account, (ii) the Account Balance and (iii) the Securities;
- 2.2.2 assigns absolutely all of its rights, title, interest and claims under or in respect of the Custodian Agreement including all present and future claims, causes of action, payments and proceeds in respect thereof provided that on payment or discharge in full of the Secured Liabilities the Trustee will at the request and cost of the Company re-assign the relevant rights, title and interest in the Custodian Agreement to the Company (or as it shall direct); and
- 2.2.3 charges and agrees to charge by way of first floating charge: (i) all of its present and future rights, title and interest in and to (A) the Account, (B) the Account Balance and (C) the Securities; and (ii) all of its rights, title, interest and claims under or in respect of the Custodian Agreement (to the extent only that all or any part of such assets are not effectively subject to a first fixed charge or assignment established pursuant to this **clause 2.2**).

2.3 The Trustee shall not be under any obligation in relation to the Custodian Agreement as a consequence of this Deed and the Company shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Custodian Agreement.

2.4 Until the occurrence of a Funding Agreement Event of Default, but subject to **clause 4.4 and **clause 5**, the Company may continue to deal with the Bank in relation to the Custodian Agreement.**

2.5 If:

- 2.5.1 a Funding Agreement Event of Default has occurred; or
- 2.5.2 the Trustee is of the view that any legal process or execution is being enforced against any Charged Asset which is the subject of a floating charge or that any Charged Asset which is the subject of a floating charge is in danger of being seized or otherwise in jeopardy,

the Trustee may, by notice to the Company, convert the floating charge created under this Deed into a fixed charge as regards those assets which it specifies in the notice.

2.6 If the Company creates (or purports to create) any mortgage, pledge, lien, charge, security interest or any other agreement or arrangement having similar effect on or over any Charged Asset (other than the Security) which is the subject of a floating charge without

the prior consent in writing of the Trustee, or if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Charged Asset which is the subject of a floating charge, the floating charge created under this Deed will automatically (without notice) and immediately be converted into a fixed charge over any relevant asset which is the subject of a floating charge.

3. Representations and Warranties

3.1 The Company represents and warrants to the Trustee that at the date of this Deed and on each day upon which any monies comprised in the Secured Liabilities fall due for payment or are paid:

3.1.1 (a) it is a corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation;

(b) it has the power to own its assets and carry on its business as it is being conducted;

3.1.2 it has power, due capacity and authority to enter into perform and deliver and has taken all necessary action to authorise its entry into, performance and delivery of this Deed and the Funding Agreement and that the signatory to this Deed and the Funding Agreement on its behalf is duly authorised to sign it;

3.1.3 the entry into and performance by it of, and the transactions contemplated by this Deed and the Funding Agreement do not and shall not conflict with or violate:

(a) any law or regulation or judicial order applicable to it;

(b) its constitutional documents; or

(c) any agreement or instrument binding upon it or any of its assets;

and do not and will not result in the existence of, nor oblige it to create, any security interest over those assets;

3.1.4 subject to the qualifications set out in Schedule 2, the obligations expressed to be assumed by it in this Deed and the Funding Agreement constitute legal, valid and binding obligations of the Company enforceable in accordance with its terms;

3.1.5 no corporate action, legal proceeding or other procedure or step constituting an Insolvency Event has been taken or threatened in relation to the Company and no Lattice Event of Default applies to the Company;

3.1.6 the Company is the sole legal and beneficial owner of the Charged Assets free and clear of all security interests save as created by this Deed and has not sold or disposed of nor granted any interest in or rights in respect of any of its right, title and interest, in the Charged Assets and none of the Charged Assets is subject to any restrictions on enforcement by the Trustee should the Trustee come to enforce the security; and

3.1.7 the Security has or will have first ranking priority and is not subject to any prior ranking or pari passu security.

4. Covenants

- 4.1 The Company agrees that it shall pay or otherwise discharge the Secured Liabilities when due in accordance with:
- 4.1.1 the Trust Deed;
 - 4.1.2 the statutory schedule of contributions and recovery plan from time to time in force pursuant to Part 3 of the Pensions Act 2004; and
 - 4.1.3 Section 75 or Section 75A of the Pensions Act 2004.
- 4.2 The Company shall not create or permit to subsist any mortgage, pledge, lien, charge, security interest or any other agreement or arrangement having similar effect on any of the Charged Assets (other than the Security) including for the avoidance of doubt any set-off in relation to other accounts which the Company may from time to time hold with the Bank.
- 4.3 The Company shall not sell, transfer or assign or otherwise deal with or dispose of all or any part of the Charged Assets or the right to receive or to be paid the same, or agree or attempt to do so or withdraw or attempt or be entitled to withdraw (or direct any transfer of) all or any part of any of the Account Balance except as provided for in the Funding Agreement 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, except to the extent provided for in the Funding Agreement.
- 4.4 The Company shall not, without the prior written consent of the Trustee, permit or agree to any variation of the rights attaching to the Charged Assets or vary, rescind or amend the Custodian Agreement.
- 4.5 The Company shall promptly provide the Trustee with all information which it may reasonably request in relation to the Charged Assets (including information regarding any custodian arrangements in force from time to time in respect of the Charged Assets) and any communication (including any bank statement) received by the Company from the Bank in relation to them.
- 4.6 On or about the date of this Deed, the Company and the Trustee shall enter into the Account Control Agreement with the Bank.
- 4.7 Promptly after execution of this Deed the Company shall serve a notice of assignment (substantially in the form set out in Schedule 1 to this Deed) on the Bank in respect of the Custodian Agreement, shall provide evidence satisfactory to the Trustee (acting reasonably) of the delivery of that notice and shall use reasonable endeavours to ensure that the Bank acknowledges the notice.
- 4.8 If at any time either Party becomes aware that either the Bank has ceased to be authorised by the Financial Conduct Authority and/or that its credit rating has dropped materially, the Company and the Trustee shall use their respective reasonable endeavours promptly to agree an alternative Acceptable Bank as appropriate to hold the Account subject to the same terms as set out in this Deed.
- 4.9 The Company will not take any action or omit to take any action which might result in (i) the alteration or impairment of any rights in the Charged Assets; (ii) any default of any of its obligations under the Custodian Agreement; (iii) the right to terminate being exercisable by the Bank under the Custodian Agreement; or (iv) any counter-claims or set off arising under the Custodian Agreement.
- 4.10 The Company will use reasonable endeavours to ensure that the Bank takes all customary measures to ensure that those Securities which are held in a Clearance System are held in a manner which is consistent with such Securities being subject to a fixed charge.

5. **Investment of the Account and Account Balance**

The provisions of clause 6 (*Investment of Accounts and Escrow Account Balances*) of the Funding Agreement shall apply in respect of the investment of the Account and Account Balance.

6. **Payments from the Account**

The provisions of clause 7 (*Payments from the Accounts and reduction in the Letter of Credit Amount and/or the Surety Bond Amount*) and clause 16.2.2 (*Funding Level Provisions*) of the Funding Agreement shall apply to determine the circumstances in which amounts may be withdrawn from the Account.

7. **Effect of a Funding Agreement Event of Default**

7.1 Upon the occurrence of an Event of Default:

7.1.1 all present and future obligations and liabilities (whether actual or contingent) of each Employer to make payments to Section A of the Scheme (including, without limitation, any actual or contingent debt under Section 75 or Section 75A of the Pensions Act 1995) up to a maximum amount equal to the Account Balance shall be immediately due and payable by the Company (the "**Enforcement Amount**"); and

7.1.2 the Trustee may issue a demand for payment of the Enforcement Amount by the Company to Section A of the Scheme which will include a confirmation that such demand will be satisfied by the enforcement of the Security and the receipt of the proceeds of such Security.

7.2 Upon the occurrence of a Lattice Event of Default:

7.2.1 all present and future obligations and liabilities (whether actual or contingent) of each Employer to make payments to Section A (including, without limitation, any actual or contingent debt under Section 75 or Section 75A of the Pensions Act 1995) up to a maximum amount equal to the Lattice Event of Default Enforcement Amount shall be immediately due and payable by the Company; and

7.2.2 the Trustee may issue a demand for payment of the Lattice Event of Default Enforcement Amount by the Company to Section A which will include confirmation that such demand will be satisfied by enforcement of the Security and receipt of the proceeds of such Security.

7.3 Any demand for payment and/or confirmation of satisfaction of such demand under either **clause 7.1** or **7.2** shall not affect, in any manner whatsoever:

7.3.1 the present and future obligations and liabilities (whether actual or contingent) of any Employer to make payments to Section A including, without limitation, under all of the Trust Deed, the statutory schedule of contributions in force in respect of Section A from time to time and Section 75 or 75A of the Pensions Act 1995; or

7.3.2 the right of the Trustee to make any demand against any Employer or take any action in respect of any amounts which are required to be paid to Section A; or

7.3.3 in the case of a demand under clause 7.2, the making of further demands by the Trustee under clause 7.1 provided always that the Company's maximum liability pursuant to any and all demands made under clause 7.1 and/or 7.2 shall be an amount equal to the Account Balances.

8. **When Security becomes enforceable**

- 8.1 This Security will become immediately enforceable if a Funding Agreement Event of Default occurs.
- 8.2 After the Security has become enforceable, the Trustee may in its absolute discretion without notice to the Company or authorisation from any court:
- (a) enforce all or any part of this Security at the times in the manner and on the terms it sees fit and appropriate, hold, sell, or otherwise dispose of the Charged Assets; and
 - (b) whether or not it has appointed a Receiver, exercise all or any of its powers, authorisations conferred by the Law of Property Act 1925 (as varied or extended by this Deed) on a chargee and by this Deed on any Receiver or otherwise conferred by law on any chargee or Receiver.
- 8.3 The provisions contained in Schedule 3 shall apply to any enforcement or as otherwise applicable.

9. Application of Proceeds

- 9.1 Any moneys received by the Trustee or any Receiver after the Security created under this Deed has become enforceable must be applied in the following order of priority:
- 9.1.1 in or towards payment of or provision for all costs and expenses incurred by the Trustee or Receiver under or in connection with the Funding Agreement and this Deed, as applicable;
 - 9.1.2 in payment of remuneration to the Receiver;
 - 9.1.3 in or towards payment of or provision for the Secured Liabilities; and
 - 9.1.4 in payment of the surplus (if any) to the Company or other person entitled to it.

This clause does not prejudice the right of the Trustee or Receiver to recover any shortfall from the Company.

10. Payment Provisions

- 10.1 Payment of any sum due or required to be paid to the Account under this Deed shall be made in immediately available funds, by electronic transfer.
- 10.2 The Company shall make any payments due in full without any deduction or withholding in respect of Tax unless the deduction or withholding is required by law, in which event the Company shall pay to the Account an additional amount or amounts such that the net amount received by the Account will equal the full amount which would have been received by it had no such deduction or withholding been required.
- 10.3 Unless otherwise specified in this Deed, if any payment to be made falls due on a date which would not otherwise be a Business Day, such payment shall be due on the first following day that is a Business Day unless that day falls in the next calendar month, in which case payment shall be due on the first preceding day that is a Business Day.

11. **Preservation of Security**

- 11.1 This Security is continuing and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.
- 11.2 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 or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of the Company under this Deed will continue as if the discharge or arrangement had not occurred. The Trustee may however concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.
- 11.3 No delay in exercising or non-exercise by the Trustee of any of its rights under or in connection with this Deed shall operate as a waiver or release of that right. Rather, any such waiver or release must be specifically granted in writing signed by the Trustee and shall:
- (a) be confined to the specific circumstances in which it is given;
 - (b) not affect any other enforcement of the same or any other right; and
 - (c) (unless it is expressed to be irrevocable) be revocable at any time in writing.
- 11.4 The rights and remedies of each Party under this Deed are cumulative and not exclusive of any rights or remedies of that Party under the general law. Each Party may exercise each of its rights as often as it thinks necessary.
- 11.5 Without prejudice to **clauses 11.3 and 11.4**, this Deed, and any action which the Trustee takes (or for avoidance of doubt does not take) in accordance with this Deed, does not constitute a waiver of or restriction on any rights the Trustee or the Actuary may have, whether under Section A of the Scheme or statute or otherwise, to call on any Employer (past or present) for contributions in respect of Section A of the Scheme.
- 11.6 In the case of the Company, its obligations under this Deed will not be affected by any act, omission, matter or thing which, but for this **clause 11.6**, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or the Trustee) including:
- (a) any time, waiver or consent granted to, or composition with, the Company or any other person;
 - (b) the release of either the Company or any other person under the terms of any composition or arrangement with any creditor of the Company or any other person;
 - (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 interest over assets of, the Company or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any document or any failure to realise the full value of any security interest;
 - (d) any incapacity or lack of power, authority or legal personality of or insolvency or change in the members or status of either or both of the Company or any other person;
 - (e) any amendment (however fundamental) or replacement of the Trust Deed or any other document or security interest;
 - (f) any unenforceability, illegality or invalidity of any obligation of any person under the Scheme or any other document or security interest; or
 - (g) any insolvency of either or both of the Company or any other person.

11.7 The Trustee may refrain from applying or enforcing any other monies, or rights held or received by it in respect of the obligations of the Company pursuant to this Deed, or may apply and enforce any of the same in such manner and order as it sees fit.

11.8 Unless:

- (a) all amounts which may be or become payable by the Employers to Section A have been irrevocably paid in full; or
- (b) the Trustee otherwise directs,

the Company 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) to be indemnified by any Employer;
- (ii) to be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Company'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, security or moneys held, received or receivable by the Trustee in respect of any Employer's obligations or liabilities to make payments to Section A, or under or pursuant to any guarantee or other security taken pursuant to or in connection with such obligations or liabilities of any Employer by the Trustee;
- (iv) to bring legal or other proceedings for an order requiring any Employer to make any payment, or perform any obligation, in respect of any Secured Liability
- (v) to exercise any right of set-off against any Employer; and/or
- (vi) to claim, rank, prove or vote as a creditor of any Employer or its estate in competition with the Trustee (or any trustee or agent on its behalf).

The Company must hold in trust for and immediately pay or transfer to the Trustee any payment or distribution or benefit of security received by it contrary to this Clause or in accordance with any directions given by the Trustee under this Clause as directed by the Trustee.

11.9 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 the Secured Liabilities.

12. **Attorney**

12.1 On the occurrence of a Funding Agreement Event of Default, the Company by way of security, irrevocably and severally appoints the Trustee, each Receiver and any person nominated for the purpose by the Trustee or any receiver (in writing and signed by an officer of the Trustee or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this deed, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Trustee or any Receiver under this deed or otherwise for any of the purposes of this deed, and the Company covenants with the Trustee and each Receiver to ratify and confirm all such acts or things properly made, done or executed by that attorney.

13. Costs and Expenses

13.1 Enforcement Expenses

Subject to **clause 9.1**, the Company will promptly on receipt of appropriate Invoices or such other information as the Company may reasonably require pay to each of the Trustee and/or any Receiver (as applicable) the amount of all reasonable costs and expenses (including legal fees and other out of pocket expenses and any value added tax or other similar tax thereon) reasonably incurred by any of them in connection with the preservation, enforcement or attempted preservation or enforcement of any of their rights under this Deed (and any documents referred to in this deed) or any of the Charged Assets.

13.2 Stamp Duties, etc

The Company will on demand indemnify each of the Trustee and any Receiver appointed under this Deed, from and against any liability for any stamp, documentary, filing and other duties and taxes (if any) which are or may become payable in connection with this Deed.

13.3 The Company will pay all amounts payable under this Deed without any set-off, counterclaim or deduction whatsoever unless required by laws in which event the Company will pay an additional amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made.

14. Further Assurance

14.1 Each of the Company and the Trustee shall so far as it is within their respective powers (in the case of the Trustee, taking into account its duties to the Scheme's beneficiaries, and their separate duties owed under the Scheme to the Employers) co-operate with each other and assist each other in implementing this Deed in good faith and do what is reasonably requested of them to give effect to this Deed.

14.2 The Company will, at its own expense, promptly following request by the Trustee, execute such deeds and other agreements and otherwise take whatever action the Trustee may reasonably require:

- (a) to perfect and/or protect the Security created (or intended to be created) by this Deed;
- (b) to facilitate the realisation or enforcement of the Security;
- (c) to facilitate the exercise of any of the Trustee's rights, powers or discretions under this Deed,

including the conversion of charges to assignments, equitable security to legal security, the execution of any transfer, conveyance, assignment or assurance whatsoever and the giving of all notices, orders, instructions and directions whatsoever.

15. Notices

15.1 All notices and other communications related to this Deed:

15.1.1 shall be in writing;

15.1.2 shall be delivered by hand or sent by post or sent by e-mail to the relevant Party's e-mail address;

15.1.3 (subject to **clause 15.1.4**) shall be delivered or sent to the Party concerned at the relevant address or e-mail address, as appropriate, and marked all as shown in **clause 15.2**, subject to such amendments as may be notified from time to time in accordance with this clause by the relevant Party to the other Parties by no less than 15 Business Days' notice, except that no Party may so notify an address outside England and Wales;

- 15.1.4 may in the alternative in the case of any claim, form, judgment or other notice of process on the Company be delivered or sent to its registered office from time to time; and
- 15.1.5 shall take effect only upon actual receipt at the appropriate address and for these purposes, an e-mail is received at the time of sending the e-mail (except that if an automatic electronic notification is received by the sender within 24 hours after sending the e-mail informing the sender that the e-mail has not been delivered to the recipient or that the recipient is out of the office, that e-mail will be deemed not to have been served). However, if any communication would otherwise become effective on a non-Business Day or after 5 pm on a Business Day, it shall instead become effective at 10 am on the next Business Day.
- 15.2 The initial details for the purposes of **clause 15.1** are the same as those set out in clause 18 (*Notices*) of the Funding Agreement.
- 16. Entire Agreement**
- 16.1 This Deed and the Funding Agreement constitute the entire agreement between the parties in relation to the provision by the Company of the Security in respect of the Charged Assets.
- 16.2 It is agreed that:
- (a) no Party has entered into this Deed in reliance on any representation, warranty or other statement which is not set out or referred to in this Deed (including the recitals thereto); and
 - (b) in the absence of fraud, no Party shall have any remedy (in contract, tort or otherwise) in respect of any untrue statement other than representations and warranties set out or referred to in this Deed.
- 17. Amendments and Release**
- 17.1 The provisions of clause 20.1 and 20.2 (*Amendments and Release*) of the Funding Agreement shall apply to this Deed as if they were expressly set out in this Deed with the necessary changes being made and with each reference in clause 20.1 and 20.2 (*Amendments and Release*) of the Funding Agreement to "this Deed" (or to like references) being a reference to this Deed.
- 17.2 The Trustee shall take all necessary steps to release the Charged Assets from the Security in the circumstances and to the extent set out in the Funding Agreement.
- 18. Severability**
- 18.1 If all or any part of any provision of this Deed shall be illegal, invalid or unenforceable, then the remainder of that provision and all other provisions of this Deed shall remain valid and enforceable.
- 19. Successors, Assignment and Third Party Rights**
- 19.1 This Deed shall be binding on the respective successors to the Company and the Trustee as parties to this Deed and shall continue in full force for the benefit of the Trustee from time to time of the Scheme including any corporate trustee for the time being of the Scheme.
- 19.2 The Company shall not assign all or any of its rights or transfer all or any of its obligations under this Deed without the written consent of the Trustee (such consent not to be unreasonably withheld or delayed).

19.3 The Company acknowledges that the rights and obligations of the Trustee under this Deed may be transferred to the Pension Protection Fund as a result of the operation of Section 161 of and Schedule 6 to the Pensions Act 2004.

19.4 Except as mentioned in **clauses 19.1, 19.2 and 19.3** the parties of this Deed do not intend that any of its terms should be enforceable by a third party under the Contracts (Rights of Third Parties) Act 1999. The Deed can be amended in accordance with **clause 17** without the need for the consent of any other party.

20. Capacity of Trustee

20.1 Each Party acknowledges that:

- (a) the Trustee is entering into this Deed in its capacity as a trustee of the Scheme;
- (b) no director of the Trustee shall have any liability pursuant to this Deed, except to the extent he or she is entitled to a lien or indemnity against the assets of the Scheme.

21. Confidentiality

21.1 Each of the parties to this Deed undertakes to the others that it will not at any time hereafter divulge or communicate to any person, except:

- (a) to its employees, agents, professional advisers and those of any other company in the group of companies for the time being comprising the Company, its Subsidiaries, any company of which the Company is a Subsidiary and any other Subsidiary of such company, or
- (b) as may be required by law or any legal or regulatory authority or Stock Exchange Listing or disclosure rules (provided that the disclosing party shall, where legally permitted, promptly inform the other party of the requirement to disclose), or
- (c) to the extent that the information is (without the default of the disclosing party) in the public domain or already in the possession of the recipient who is not subject to a duty of confidentiality to the other party, or
- (d) to Members or other beneficiaries of Section A of the Scheme for the purposes of reporting on the outcome of any actuarial valuation of Section A,

the whole or any part of the terms of this Deed without the prior written consent of the other parties.

22. Counterpart

This deed may be executed in any number of counterparts, each of which will constitute an original, but which will together constitute one agreement. This deed will not be effective until each Party has executed at least one counterpart. The term "counterpart" includes a facsimile or scanned copy of this deed.

23. Applicable Law

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).

EXECUTED as a deed and delivered on the date stated at the beginning of this deed.

EXECUTED AS A DEED

by **LATTICE GROUP LIMITED**

acting by a director

)
)
)

Director Signature:

Name: HARRIET HILL

in the presence of:

Witness Signature:

Name: YAMIN KASRI

Address: 1-3 STRAND, LONDON
WC2N 5EM

Occupation: TRAINEE SOLICITOR

EXECUTED AS A DEED

by **NATIONAL GRID UK PENSION
SCHEME TRUSTEE LIMITED**

acting by:

)
)
)
)

Director

Director/Secretary

SCHEDULE 1

Custody Agreement Assignment Notice

[On the letterhead of Lattice Group Limited]

The Bank of New York Mellon, London Branch
One Canada Square,
London E14 5AL
(the "**Custodian**")

]

Copy to:

National Grid UK Pension Scheme Trustee Limited, 1-3 Strand, London WC2N 5EH (the "**Secured Party**")

Dear Sirs

Account Security Agreement between Lattice Group Limited (the "Company") and National Grid UK Pension Scheme Trustee Limited dated [] 2019 (the "Account Security Agreement")

Assignment Notice

Dated:

We notify you that pursuant to the Account Security Agreement the Company has assigned to the Secured Party all its right, title and interest in the Custody Agreement between the Company and the Custodian dated [] 2019 (the "**Custody Agreement**") as security for certain obligations owed by the Company to the Secured Party.

We further notify you that:

1. the Company may not agree to amend or terminate the Custody Agreement without the prior written consent of the Secured Party;
2. subject to the account control agreement of even date sent to you by the Company (the "**Account Control Agreement**") in respect of the Posted Collateral (as defined in the Account Control Agreement) you may continue to deal with the Company in relation to the Custody Agreement until you receive written notice to the contrary from the Secured Party. Thereafter the Company will cease to have any right to deal with you in relation to the Custody Agreement and therefore from that time you should deal only with the Secured Party;
3. you are authorised to disclose information in relation to the Custody Agreement to the Secured Party in accordance with the Account Control Agreement and on request of the Secured Party;
4. after receipt of written notice in accordance with paragraph 2 above, you must pay all monies to which the Company is entitled under the Custody Agreement direct to the Secured Party (and not to the Company) unless the Secured Party otherwise agrees in writing; and
5. the provisions of this notice may only be revoked with the written consent of the Secured Party.

Please sign and return the enclosed copy of this notice to the Secured Party (with a copy to the Company) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;
- (b) you have not received notice that the Company has assigned its rights under the Custody Agreement to a third party or created any other interest (whether by way of security or otherwise) in the agreement in favour of a third party; and
- (c) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Company any right of set-off, counter-claim or other right relating to the Custody Agreement, except as set out in the Custody Agreement.

The provisions of this notice are governed by English law.

Yours faithfully

.....
for and on behalf of
Lattice Group Limited

[On acknowledgement copy]

To: **National Grid UK Pension Scheme Trustee Limited**

Copy to: **Lattice Group Limited**

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (c) above.

.....
for and on behalf of
The Bank of New York Mellon, London Branch
Dated:

SCHEDULE 2

Enforceability

1. Where obligations are to be performed in a jurisdiction outside England they may not be enforced or recognised by the English courts to the extent that performance would be illegal under the laws of that jurisdiction.
2. As used in this Deed, the terms "binding" and "enforceable" means that each obligation or document is of a type and form enforced by the English courts.
3. Many aspects of English law are not stated as fixed rules that can be applied to the facts in order to predict with certainty the judgement of a court on any application to enforce a provision of this Deed. Furthermore, there are legal principles which, in certain circumstances, restrict or prohibit the exercise of rights of action that might exist in other circumstances or impose conditions on their exercise that might not apply otherwise.
4. In relation to 3 above, the following illustrates the type of uncertainty and restriction referred to (this is not an exhaustive list):
 - 4.1. an English court will not necessarily grant any remedy the availability of which is subject to equitable considerations or which is otherwise in the discretion of the court; in particular orders for specific performance and injunctions are in general discretionary remedies and may not be available where damages are considered by the court to be an adequate remedy;
 - 4.2. enforcement may be limited by bankruptcy, insolvency, liquidation, reorganisation, moratorium and other similar laws of general application relating to or affecting the rights of creditors;
 - 4.3. claims may become barred under the Limitation Act 1980 or may become subject to defences of set-off or counterclaim; the failure to exercise a right of action for more than a certain period may operate as a bar to the exercise of such right or may constitute a waiver of such right (and notwithstanding any provision to the contrary in this Deed);
 - 4.4. a determination, calculation, certificate, notification or opinion of any Party in relation to any matter provided for in this Deed might be held by the English courts not to be conclusive notwithstanding any provision in the relevant deeds and/or agreements if it could be shown to have any unreasonable or arbitrary basis or in the event of manifest error or fraud;
 - 4.5. the English courts have power to, but need not necessarily, give judgments in a currency other than sterling if, subject to the terms of the contract, it is the currency which most truly expresses the claimant's loss;
 - 4.6. the effectiveness of clauses in this Deed relieving a Party from a liability or duty otherwise owed is limited by law;
 - 4.7. a prohibition on assignment may not be effective depending upon the wording and nature of the prohibition;
 - 4.8. enforcement of rights and obligations may be limited by relevant provisions of English law applicable to contracts held to have been frustrated by events happening after their execution;

- 4.9. prior representations, oral agreements and/or collateral agreements between the parties to an agreement may be incorporated into the agreement and/or have the effect of modifying its terms;
- 4.10. any obligation undertaken or given by one person in favour of another may be invalid if the obligation is, to the knowledge of that person, undertaken or given in breach of any other obligation of the first such person to a third party;
- 4.11. an obligation may be unenforceable in England if it is contrary to mandatory provisions implied by English law or to public policy in England, or, if it is to be performed in a jurisdiction other than England, if it is contrary to public policy in that jurisdiction;
- 4.12. the English courts have power to stay an action where it is shown that the action can, without injustice to the claimant, be tried in a more appropriate forum;
- 4.13. any provision in this Deed to the effect that a particular part of it (if void, illegal or unenforceable) should be deemed to have been severed from the other parts might not be upheld by the English courts.

Schedule 3

Enforcement Provisions

1. Powers of Trustee

1.1 Statutory Restrictions

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the Security.

1.2 Enforcement Powers

For the purpose of all rights and powers implied or granted by statute, the Secured Liabilities are deemed to have fallen due on the date of this deed. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this Deed shall be immediately exercisable at any time after a Funding Agreement Event of Default has occurred.

1.3 Statutory Powers

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the Security, to the extent possible, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in those Acts and those contained in this Deed, those contained in this Deed shall prevail.

1.4 Appointment of Receiver

At any time after a Funding Agreement Event of Default has occurred, or if so requested by the Company, the Trustee may, by writing under hand signed by any officer or manager of the Trustee, appoint any person (or persons) to be a Receiver of all or any part of the Charged Assets.

Section 109(1) of the Law of Property Act 1925 shall not apply to this Deed.

1.5 Exercise of Powers

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Deed, and all or any of the rights and powers conferred by this Deed on a Receiver (whether expressly or impliedly), may be exercised by the Trustee without further notice to the Company at any time after a Funding Agreement Event of Default has occurred, irrespective of whether the Trustee has taken possession or appointed a Receiver of the Charged Assets.

1.6 Certificate

A certificate in writing by an officer or agent of the Trustee that the power of sale or disposal has arisen and is exercisable shall be conclusive evidence of the fact, in favour of a purchaser or transferee of all or any part of the Charged Assets.

1.7 Chargee's liability

Neither the Trustee nor any Receiver will be liable to account as mortgagee or mortgagee in possession in respect of the Charged Assets or be liable for any loss upon realisation

or for any neglect or default of any nature whatsoever in connection with the Charged Assets for which a mortgagee or mortgagee in possession might as such be liable.

1.8 Right of Appropriation

To the extent that any Charged Assets constitute "financial collateral" and this Deed and the obligations of the Company hereunder constitute a "Security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**"), the Trustee shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be, in the case of the Securities, the market price of such Securities determined by the Trustee by reference to a public index or by such other process as the Trustee may select, including independent valuation and, in the case of any Account Balance, the amount of such Account Balance, together with any accrued but unposted interest that is paid in relation to that Account Balance, at the time the right of appropriation is exercised. The parties further agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

1.9 Cumulative Powers

The powers which this deed confers on the Trustee and any Receiver appointed under this deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Trustee or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Trustee and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

1.10 Delegation

The Trustee may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this deed to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Trustee will not be liable or responsible to the Company or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate.

1.11 Redemption of prior charges

The Trustee may, at any time after a Funding Agreement Event of Default has occurred, redeem any prior encumbrance on or relating to any of the Charged Assets or procure the transfer of that encumbrance to itself, and may settle and pass the accounts of any person entitled to that prior encumbrance. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Company. The Company will on demand pay to the Trustee all principal monies and interest and all losses incidental to any such redemption or transfer.

2. Protection of Third Parties

2.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Trustee or any Receiver (or their agents) shall be obliged or concerned to enquire whether:

- (a) the right of the Trustee or any Receiver to exercise any of the powers conferred by this deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Liabilities remains outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

2.2 Receipt Conclusive

The receipt of the Trustee or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys paid to or by the direction of the Trustee or any Receiver.

3. Protection of Trustee and Receiver

3.1 No Liability

Neither the Trustee nor any Receiver shall be liable in respect of any of the Charged Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his gross negligence or wilful default.

3.2 Possession of Charged Assets

Without prejudice to paragraph 3.1 (No Liability), if the Trustee or the Receiver enters into possession of the Charged Assets, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.