



**Registration of a Charge**

Company Name: **LLOYDS BANK CORPORATE MARKETS PLC**

Company Number: **10399850**



Received for filing in Electronic Format on the: **06/01/2022**

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**Details of Charge**

Date of creation: **17/12/2021**

Charge code: **1039 9850 0013**

Persons entitled: **LLOYDS BANK PLC**

Brief description:

**Contains fixed charge(s).**

**Contains floating charge(s) (floating charge covers all the property or undertaking of the company).**

**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: **TONY ANDERSON**



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

Company number: 10399850

Charge code: 1039 9850 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th December 2021 and created by LLOYDS BANK CORPORATE MARKETS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th January 2022 .

Given at Companies House, Cardiff on 6th January 2022

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 17 December 2021

Lloyds Bank Corporate Markets plc  
(as CREST Sponsored Member)

- and -

Lloyds Bank PLC  
(as CREST Settlement Bank)

**SECURITY DEED CREATING CHARGES OVER  
CREST STOCK (GILTS AND EQUITIES) AND  
RECEIVABLES TO SECURE THE LIABILITIES OF A  
CREST MEMBER OR SPONSORED MEMBER**

We certify this document as a true copy of the original,  
save for material redacted pursuant to section 859G  
Companies Act 2006



.....  
Eversheds Sutherland (International) LLP

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THIS SECURITY DEED is made on 17 December 2021

**BETWEEN:**

- (1) **Lloyds Bank Corporate Markets plc**, a company incorporated in England and Wales (registered number 10399850 ) whose registered office is at 25 Gresham Street, London, EC2V 7HN (the "**Company**") and
- (2) **Lloyds Bank PLC** (a company incorporated in England and Wales (registered number 00002065) whose registered office is at 25 Gresham Street, London, EC2V 7HN (the "**Bank**").

**WHEREAS:**

- (A) The Company is or proposes to become a CREST Member (as defined below).
- (B) By the Facility Agreement (as defined below):
  - (i) the Bank has agreed to act, or to continue to act, as Settlement Bank for the Company for the purposes described in, but subject to the terms of, the Facility Agreement;
  - (ii) the Company has undertaken to reimburse the Bank for:
    - (a) US Dollar Payments (as defined below),
    - (b) Pounds Sterling Payments (as defined below);
    - (c) Euro Payments (as defined below); and
  - (iii) the Company has agreed to make certain other payments to the Bank and to indemnify the Bank against any Liabilities which the Bank may suffer or incur in the course of or as a result of acting as Settlement Bank for the Company;
  - (iv) the Company has agreed to execute this Deed for the purpose of securing, inter alia, its obligations and liabilities to the Bank in relation to US Dollar Payments, Pounds Sterling Payments and Euro Payments made by the Bank for its account and its obligations and liabilities to the Bank under the Facility Agreement and this Deed.

**WITNESSES as follows:**

**1. INTERPRETATION**

- 1.1 In this Deed (including its recitals), except insofar as the context otherwise requires, the following words and expressions shall have the meanings set out opposite them below:

"Act" means the Law of Property Act 1925;

"Authorised CREST Sponsor" means the Bank in its capacity as CREST Sponsor of the Company, or any person appointed by the Bank as CREST Sponsor of the Company, pursuant to clause 15.2 (*Further assurance and power of attorney*);

**"Authorised CREST Sponsor's Agreement"**

means the CREST sponsor's agreement for the time being in force between EUI and the Authorised CREST Sponsor, providing for the Authorised CREST Sponsor to act as the CREST Sponsor of the Company under the realisation procedures set out in Chapter Six, Section 7, of the CREST Manual;

**"Bank"**

includes any transferee or successor (whether immediate or derivative) of the Bank and any company with which it may amalgamate;

**"Business Day"**

means a day on which the Bank is ordinarily open to provide services of the kind contemplated in this Deed and also on which the CREST Service is fully open and operational;

**"Cash Memorandum Account" or "CMA"**

means an account maintained by EUI in the name of a system-member which records the cumulative (net) balance at any time in the course of a Settlement Day of US Dollar Payments Obligations due to or from, Euro Payment Obligations due to or from, and/or Pounds Sterling Payment Obligations paid by or received from, a Settlement Bank (in its capacity as Settlement Bank for the relevant system-member) in the relevant Designated Currency;

**"Charged Property"**

means the property, assets, rights, receivables and benefits of the Company which are for the time being comprised in or subject to the Security Interests constituted by this Deed, and references to the Charged Property include references to any part of it;

**"Controlled Accounts"**

means the accounts specified in Schedule 1 maintained by the Company with the Bank or any one or more of them and includes (unless the context otherwise requires) any additional or substitute account maintained by the Company with the Bank from time to time specified as being a "Controlled Account" for the purposes of this Deed or any other account which is not so designated but is referable to Debts and/or US Dollar Payments and/or Pounds Sterling Payments and/or Euro Payments received by the Bank for the account of the Company (in each case as re-numbered or redesignated from time to time);

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| <b>"CREST"</b>  | means the computer-based system and procedures established by EUI to enable title to units of stock to be evidenced and transferred without a written instrument and to facilitate supplementary and incidental matters;   |
| <b>"CREST Euro Inter-Bank Settlement Agreement"</b>   | means the agreement entitled <b>"CREST Euro Inter-Bank Settlement Agreement"</b> entered into between EUI and each of the Euro Settlement Banks for the time being, which contains the terms and conditions governing the relationship between those Euro Settlement Banks, and between those Euro Settlement Banks and EUI, as a result of their admission to settlement bank status under the Euro Payments Mechanism; |
| <b>"CREST Glossary of Terms"</b>                      | means the CREST glossary of terms issued by EUI and for the time being in force;   |
| <b>"CREST Manual"</b>                                 | means the document entitled "CREST Reference Manual" relating to the operation of CREST issued by EUI;   |
| <b>"CREST Member"</b>                                 | means a person who has been admitted by EUI as a system-member of CREST and (unless the context otherwise requires) includes a CREST sponsored member;   |
| <b>"CREST Pounds Sterling RTGS Payment Agreement"</b> | means the agreement entered into between EUI and each of the Sterling Settlement Banks for the time being, which contains the terms and conditions governing the relationship between the Sterling Settlement Banks and EUI, as a result of their admission to settlement bank status under the DvP Service;   |
| <b>"CREST Registrar"</b>                              | means a person who has been admitted by EUI as a system-participant to carry out the functions of a registrar and/or receiving agent;  |
| <b>"CREST Regulations"</b>                            | has the meaning given to it in the CREST Terms and Conditions;   |
| <b>"CREST relevant system"</b>                        | means the relevant system of which EUI has been approved under the UK Regulations as system-operator;  |
| <b>"CREST Requirements"</b>                           | has the meaning given to it in the terms and conditions forming part of the Facility Agreement;  |
| <b>"CREST Rules"</b>                                  | means rules within the meaning of the relevant CREST Regulations and/or the Financial  |

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|  | Services and Markets Act 2000 made by EUI in relation to CREST and any rules made by EUI as operator of a designated system pursuant to the Settlement Finality Regulations or operator of a recognised inter-bank payment system under Part V of the Banking Act 2009;  |
| "CREST Service"                                    | means the service(s) described from time to time within the CREST Manual as being made available by EUI;   |
| "CREST Sponsor"                                    | means a system-participant permitted by EUI to send properly authenticated dematerialised instructions attributable to a CREST Member and to receive properly authenticated dematerialised instructions on its behalf;   |
| "CREST sponsored member"                           | means a system-member who has appointed a CREST Sponsor to send and receive properly authenticated dematerialised instructions on its behalf;  |
| "CREST Terms and Conditions"                       | means the CREST Terms and Conditions issued by EUI and for the time being in force;  |
| "CREST US Dollars Inter-Bank Settlement Agreement" | means any agreement for the time being in force between EUI and each US Dollar Settlement Bank which contains the terms and conditions governing the relationship between the US Dollar Settlement Banks and EUI as a result of their admission to settlement bank status under the US Dollar Payments Mechanism;  |
| "Debts"  | means all sums and payments referred to in paragraphs (a), (b) and (c) of clause 3.1 ( <i>Creation of security</i> );  |
| "this Deed"  | means this present deed and any other document by which, pursuant to any of the provisions of this present deed, the Company may grant a Security Interest to the Bank for the payment or discharge of the Secured Amounts and also any fixed charge arising by virtue of a notice served under clause 14.2 ( <i>Fixed security</i> ), and " <b>charges contained in this Deed</b> " and similar expressions shall be construed accordingly; |
| "Default Notice"                                   | means a notice served by the Bank under clause 7 ( <i>Default</i> ) declaring all or any part of the Secured Amounts to be immediately due and payable;  |



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| <b>"Designated Currency"</b>     | means a currency for the time being specified as such in the Facility Agreement;  |
| <b>"document"</b>                | means any deed, instrument or other document of any kind;   |
| <b>"DvP Service"</b>             | means the several services, functions and facilities which in combination facilitate or otherwise relate to the making of a real-time payment in Pounds Sterling by means of the CREST system (under arrangements put in place between the Bank of England and EUI);  |
| <b>"Escrow Account"</b>          | means an escrow account in CREST in the Company's name or otherwise referable to the Company (the operating procedures for which permit only the Bank or its escrow agent to give instructions to EUI in respect of Charged Property held in such escrow account);  |
| <b>"Escrow Agent"</b>            | means the Bank (or any person appointed by the Bank to act) as escrow agent within CREST in relation to an Escrow Account;  |
| <b>"EUI"</b>                     | means Euroclear UK & Ireland Limited incorporated in England and Wales under number 2878738 acting as Operator of CREST as a relevant system under the UK Regulations;  |
| <b>"Euro" or "euro"</b>          | means the single currency of Participating Member States of the European Union;   |
| <b>"Euro Net Amount"</b>         | has the meaning given to that term in the CREST Euro Inter-Bank Settlement Agreement;   |
| <b>"Euro Payments Mechanism"</b> | means the payments mechanism described in Chapter 6, section 4B of the CREST Manual, under which Euro Payment Obligations are settled by way of end-of-day net settlement;  |
| <b>"Euro Payment Obligation"</b> | means an obligation of the Bank to pay a Euro Net Amount to another Euro Settlement Bank under the CREST Euro Inter-Bank Settlement Agreement or, as the context may require, a corresponding obligation by another Euro Settlement Bank to pay a Euro Net Amount under the CREST Euro Inter-Bank Settlement Agreement, and <b>"Euro Payment"</b> shall be construed accordingly; |
| <b>"Euro Settlement Bank"</b>    | means in relation to a CREST Member or CREST Registrar, a Settlement Bank which makes and/or receives payments denominated in   |

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|                                    | Euros for the account of that CREST Member or CREST Registrar by means of the CREST system;   |
| "Expenses"                         | includes costs and expenses (including legal and other professional fees and disbursements and VAT thereon) and liabilities to third parties;   |
| "Facility Agreement"               | means the Facility Agreement(s) for the time being in force between the Bank and the Company under which the Bank agrees to act as Settlement Bank for the Company for the purposes set out in the facility letter(s) addressed by the Bank to the Company together with the accompanying terms and conditions (including the schedules) and form of acceptance and any other documents or agreements referred to therein and as the same may be amended, varied, renewed, replaced or extended in accordance with its terms; |
| "Financial Collateral Regulations" | means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226);  |
| "FMI Regulations"                  | means the Financial Markets and Insolvency Regulations 1996 (SI 1996 No. 1469);   |
| "Gateway"                          | means the hardware and software comprising the Company's (or its CREST sponsor's) gateway at which dematerialised instructions are authenticated;   |
| "Group Company"                    | means any undertaking which is, in relation to the Company, a group undertaking (as those expression are defined in section 1161 ( <i>Meaning of "undertaking" and related expressions</i> ) of the Companies Act 2006);  |
| "investments"                      | has the meaning from time to time ascribed to it by Part II ( <i>Investments</i> ) of Schedule 2 to the Financial Services and Markets Act 2000;  |
| "Liabilities"                      | includes any liability, damage, loss, cost, claim or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise (including, without limitation, any loss of business, loss of goodwill, loss of profit, and business interruption or other loss);   |
| "Participating Member States"      | means each member state of the European Union whose lawful currency for the time being in force is the euro, as adopted in accordance with legislation of the European Union relating to economic and monetary union;   |

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| <b>"Pounds Sterling"</b>   | means the lawful currency of the United Kingdom of Great Britain and Northern Ireland;  |
| <b>"Pounds Sterling Payment Obligation"</b>                          | means an obligation of the Bank to pay an amount of Pounds Sterling to another Sterling Settlement Bank under the CREST Pounds Sterling RTGS Payment Agreement or the relevant Settlement Bank Agreement, or, as the context may require, a corresponding obligation by another Sterling Settlement Bank to pay Pounds Sterling in favour of the Bank under the CREST Pounds Sterling RTGS Payment Agreement or the relevant Settlement Bank Agreement, and "Pounds Sterling Payment" shall be construed accordingly; |
| <b>"powers"</b>  | means, in relation to the Bank and the Relevant Persons, their respective powers, discretions and rights under this Deed, any other document and the general law;   |
| <b>"Receiver"</b>  | means any Receiver appointed by the Bank under this Deed or the Bank's statutory powers, and includes more than one such Receiver and any successor or replacement Receiver;  |
| <b>"Relevant Persons"</b>  | means the Authorised CREST Sponsor, the Escrow Agent, the Receiver, any person to whom the Bank may delegate or sub-contract its powers under paragraph (e) of clause 8.1 ( <i>Powers of the Bank</i> ) and any person appointed to act as substitute attorney or delegate under clause 15.2 ( <i>Further assurance and power of attorney</i> ) and (unless the context otherwise requires) includes each or any of them and "Relevant Person" shall be construed accordingly;  |
| <b>"RTGS CREST Master Auto-Collateralising Repurchase Agreement"</b> | means the sale and repurchase agreement for the time being in force between the Company and the Bank as its Sterling Settlement Bank in relation to auto-collateralising repurchase transactions, as contemplated by the auto-collateralisation arrangements set out in the CREST Manual;   |
| <b>"Secured Amounts"</b>   | means the obligations, money and liabilities which the Company covenants in clause 2 ( <i>Covenant to pay Secured Amounts</i> ) to pay or discharge to the Bank (whether or not appearing on the Controlled Accounts) but excluding any sum which constitutes the unsecured limit of the Debit Cap (as defined in the Facility Agreement), and references to the Secured Amounts include references to any of them;   |

**"Security Interest"**

means:

- (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 whatsoever, 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 whatsoever having the same or a similar commercial or economic effect as security; and
- (d) any agreement for any of the foregoing;

**"Settlement Bank"**

means, in respect of any Designated Currency, a bank which has contracted with EUI and the other Settlement Banks to make and receive US Dollar Payments, Pounds Sterling Payments and/or Euro Payments for the account of CREST Members and CREST Registrars and continues so to act;

**"Settlement Bank Agreement"**

means the agreement(s) for the time being in force between a Settlement Bank and EUI which contains the terms and conditions governing the relationship between EUI and such Settlement Bank as a result of its admission to settlement bank status in respect of one or more Designated Currencies;

**"Settlement Day"**

means a Business Day on which US Dollar Payments Obligations, Pounds Sterling Payment Obligations and/or Euro Payment Obligations arising on that day fall to be settled in accordance with the provisions of the CREST Manual;

**"Settlement Finality Regulations"**

means the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 (SI 1999 No. 2979);

**"Sterling Settlement Bank"**

means in relation to a CREST Member or CREST Registrar, a Settlement Bank which makes and/or receives payments denominated in Pounds Sterling for the account of that CREST Member or CREST Registrar by means of the CREST system;

- "stock" means shares, stocks, debentures, debenture stock, UK government securities and (without limitation) any other securities and investments of any description or any of them (including, without limitation, all and any uncertificated units of any securities (as defined in the UK Regulations)) and shall include units (whether in uncertificated or certificated form) of, and interests in, any of them;
- "stock account" means a stock account maintained within the CREST relevant system in relation to each class of security held by a CREST Member as described in the CREST Manual;
- "UK Regulations" means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), and such other regulations made under section 785 (*Provision enabling procedures for evidencing and transferring title*) of the Companies Act 2006 or other successor or other applicable legislation, as are applicable to EUI and/or the CREST relevant system and are for the time being in force;
- "US Dollars" means the lawful currency of the United States of America;
- "US Dollars Payment Mechanism" means the payments mechanism described in Chapter 6, section 4A of the CREST Manual, under which US Dollar Payment Obligations are settled by way of end-of-day net settlement;
- "US Dollar Payment Obligation" means an obligation of a settlement bank arising pursuant to the CREST US Dollars Inter-Bank Settlement Agreement or the relevant Settlement **Bank Agreement** and "US Dollar Payment" shall be construed accordingly.
- "US Dollar Settlement Bank" means in relation to a CREST Member or CREST Registrar, a Settlement Bank which makes and/or receives payments denominated in US Dollars for the account of that CREST Member or CREST Registrar by means of the CREST system.
- 1.2 Subject to clause 1.3, terms which are used in this Deed but are not defined in this Deed shall have the meanings given to them in the UK Regulations, the FMI Regulations or the Settlement Finality Regulations, as the case may require.
- 1.3 Terms relating to CREST or the CREST relevant system which are used in this Deed, but not defined in this clause 1, have the meanings given to them in the CREST Glossary of Terms.

- 1.4 In this Deed, references to "**uncertificated**" have the meaning given to that expression by regulation 3(1) of the UK Regulations and "**certificated**" means a unit of a security which is not uncertificated, and references to "**property**" includes any interest (legal or equitable) in personal property and any thing in action.
- 1.5 Reference to a "**person**" includes a reference to 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.
- 1.6 References to the Company and to the Bank include references to the persons deriving title under them respectively.
- 1.7 References to the singular include the plural and vice versa and references to any gender include any other gender.
- 1.8 Any reference to an enactment is a reference to it as it has been or may be amended, or as it may be re-enacted with or without modifications.
- 1.9 References in this Deed to numbered clauses or schedules are to clauses of or schedules to this Deed.
- 1.10 Any reference to "**this Deed**" or to any "**agreement**" or "**document**" (including, without limitation, the CREST Manual, the CREST Terms and Conditions and the CREST Rules) shall be construed as a reference to this Deed (including any Schedules) or such agreement or document as the same may from time to time be amended, varied, supplemented, novated or replaced and shall include any document which is supplemental to, or is expressed to be collateral to, or is entered into pursuant to or in accordance with the terms of, this Deed or, as the case may be, such agreement or document.
- 1.11 In construing this Deed, general words whether or not introduced by the word "**other**" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.
- 1.12 In the event that the functions and facilities comprised in CREST are used for any purposes which are outside the scope of the UK Regulations, terms defined in the UK Regulations which are used in this Deed in relation to any functions or facilities comprised in CREST shall be taken to have a corresponding meaning when used for purposes that are not within (or to the extent that the same are not within) the scope of the UK Regulations.
- 1.13 In this Deed any provision to the effect that the Bank or any Relevant Person shall not be liable in respect of a particular matter shall be construed to mean that the Bank or such Relevant Person shall not have any liability which it or he might, in the absence of such provision, incur, whether the Bank or such Relevant Person incurs such a liability (i) under the terms of the Facility Agreement and/or this Deed (whether such terms are express or implied by statute, law or otherwise); (ii) in tort; (iii) for misrepresentation; (iv) for breach of any other duty imposed by law; or (v) in any other way. Provided that nothing in this Deed shall be construed as excluding or limiting liability on the part of the Bank or such Relevant Person for death or personal injury resulting from its own negligence or as excluding liability for fraud.
- 1.14 The clause headings in this Deed shall not affect its interpretation.

## 2. COVENANT TO PAY SECURED AMOUNTS

2.1 The Company covenants with the Bank that it will duly and punctually pay or discharge to the Bank all debts, obligations and liabilities whatsoever now and from time to time hereafter (whether before or after the service of a Default Notice) due, owing or incurred by the Company to the Bank (whether solely or jointly, or jointly and severally, with another or others, whether as principal or surety, and whether actual or contingent, present or future) including (whether before or after any judgment) all interest, costs and other charges whatsoever and including, without limitation, any such debts, obligations and liabilities of the Company to the Bank which arise under or in connection with:

- (a) the Facility Agreement and/or this Deed; or
- (b) the making of any US Dollar Payment, Pounds Sterling Payment and/or Euro Payments by the Bank for the account of the Company; or
- (c) any transfer of stock to the Company by means of CREST; or
- (d) any transfer of stock to the Company by means of CREST, whether the Company is acting for itself or on behalf of a system-beneficiary; or
- (e) any transfer by a system-beneficiary to the Company, as system-beneficiary, by means of CREST of the first system-beneficiary's interest in stock held by a relevant nominee where the relevant nominee will continue to hold the stock on behalf of the Company; or
- (f) any agreement to make a transfer of the kind specified in paragraphs (c), (d) or (e) above;
- (g) any issue of stock to the Company by means of CREST, whether the Company is acting for itself or on behalf of a system-beneficiary; or
- (h) the operation of the RTGS CREST Master Auto-Collateralising Repurchase Agreement or the provision by the Bank of any other service to the Company in connection with CREST;

whether such debts, obligations or liabilities are incurred by the Company on its own account or on behalf of a system-beneficiary.

2.2 Notwithstanding that the Bank may permit the Company:

- (a) to participate in any auto-transfer, composite account netting or other cash management system with the Bank (a "Cash Management Arrangement") whereby credit and debit balances on the Controlled Accounts will (or may) be transferred to the credit or debit of an account within the Cash Management Arrangement or any other account in the name of the Company or another Group Company (a "Group Account"); or
- (b) to transfer amounts standing to the debit or credit of its Cash Memorandum Account direct to a Group Account (which term for the purposes set out below and in this paragraph (b), shall include the Controlled Account(s) and any account entries on or made to or from such Controlled Account(s);

the Company shall nevertheless remain liable to the Bank for the full amount of what would have been the aggregate debit balance (if any) on the Controlled Accounts or otherwise

comprised within the Secured Amounts at the close of business on each day if the Cash Management Arrangement had not been entered into or implemented or if such transfers had been made from the Cash Memorandum Account to a Controlled Account and retained in it. The presumption of appropriation known as the Rule in Clayton's Case shall not apply, as between the Company and the Bank, in relation to amounts so debited or credited to a Group Account. Such transfers of debit or credit balances made to a Group Account shall be conditional until the Bank is satisfied that all liabilities of the Company to the Bank represented by any debit balance so transferred and all liabilities (if any) subsequently arising on the Controlled Accounts will be unconditionally paid in full on the relevant day out of cleared same day funds and, to the extent that the Bank is not so satisfied, such transfers may be wholly or partly reversed or redirected by the Bank (if it thinks fit) at any time to the debit or credit (as the case may be) of the relevant Controlled Account.

### 3. CREATION OF SECURITY

As continuing security for the payment or discharge of the Secured Amounts, the Company with full title guarantee hereby charges to the Bank:

#### 3.1 by way of first fixed charge:

- (a) all sums and payments now and from time to time hereafter receivable by or for the account of the Company by reason or in respect of any transfer or debit of, or agreement to transfer or debit, stock from any stock account of or in the name of or otherwise referable to the Company in CREST or of any transfer by the Company of any of its right, title or interest to or in stock represented or to be represented by any credit balance for the time being on any such stock account in CREST, together with all rights and interests in such sums and payments; and
- (b) all sums and payments from time to time hereafter receivable by or for the account of the Company by reason of or in respect of the closing out or liquidation of any unsettled contract relating to any stocks in CREST; and
- (c) all right, title and interest of the Company to or in all money now or at any time hereafter standing to the credit of the Controlled Accounts, together with all rights relating or attaching thereto, including interest accruing thereon; and
- (d) all right (including property rights), title and interest of the Company to or in all securities now or at any time hereafter held in each Escrow Account, together with all rights relating or attached thereto or any sum or benefit deriving from stock which is no longer in an uncertificated form, whether by reason of the Company (or any person holding stock for or on behalf of the Company) having become a former system-member of CREST, or such stock being converted into certificated form at the request of the Company, the Bank or any Relevant Person or otherwise, save to the extent that such stock derives from an excluded stock account; and

#### 3.2 by way of first floating charge:

- (a) all stock held by, or on behalf of or for the account of, the Company in CREST;
- (b) all and any property, property rights or interest of the Company in, or rights of the Company to, stock in CREST, including (without limitation) interests of the kind specified in sub-sections (2)(b) and (4)(b) of section 31 (*Position of a transferee prior to entry on an issuer register of securities*) of the UK Regulations;



- (c) all and any sums or other benefits due or becoming due to the Company or its nominee by reason of its holding of or entitlement to stock in CREST, including, without limitation, sums or benefits due or becoming due by way of repayment, bonus, allotment, dividend, interest, preference, redemption or conversion or accruing or offered in respect of stock in CREST in which the Company has an interest;
- (d) all and any stock or rights (including property rights), title or interest of the Company in, or any sum or benefit deriving from, stock which is no longer in an uncertificated form, whether by reason of the Company (or any person holding stock for or on behalf of the Company) having become a former system-member of CREST, or such stock being converted into certificated form at the request of the Company, the Bank or any Relevant Person or otherwise;
- (e) all and any right, title and interest of the Company in any of the assets or property described in clause 3.1; and
- (f) all its right, title and interest in and to other property deliverable and all money payable to the Company by or on behalf of the Bank pursuant to any of the arrangements contemplated in the Facility Agreement or this Deed;

except in each case to the extent that such assets, property, stock, sums or benefits are effectively charged to the Bank by way of fixed charge under this Deed. The above floating charges nevertheless apply, without this exception, to all such assets, property, stock, sums or benefits in so far as they are for the time being situated in Scotland or otherwise governed by Scottish law.

- 3.3 The charges contained in clauses 3.1 and 3.2 shall apply to all sums and payments and to all rights, title and interests of the Company referable to stock for which US Dollar Payment Obligations, Pounds Sterling Payment and/or Euro Payment Obligations have been settled or are due to be settled by the Bank under the facility made available pursuant to the Facility Agreement, even if such facility is utilised by the Company for a purpose which is not permitted by the Facility Agreement.
- 3.4 It is agreed that the charges contained in this Deed constitute "system-charges" for the purposes of the FMI Regulations, "collateral security charges" for the purposes of the Settlement Finality Regulations and (to the extent applicable) "security financial collateral arrangements" for the purposes of the Financial Collateral Arrangements.

#### 4. CONTINUANCE OF SECURITY

Without prejudice to the generality of clause 2 (*Covenant to pay Secured Amounts*), the charges contained in this Deed are made for securing further advances, and the charges, covenants and provisions contained in this Deed shall remain in force as continuing security to the Bank notwithstanding any settlement of account or any other act, event or matter whatsoever, except only the execution by the Bank of an absolute and unconditional release.

#### 5. GENERAL COVENANTS

- 5.1 Except as otherwise expressly agreed in writing by the Bank, the Company further covenants with the Bank as follows:
  - (a) not to create or permit to subsist any Security Interest (except those contained in this Deed) affecting any of the Charged Property;

- (b) to pay or permit the Bank to pay into the Controlled Accounts any and all sums becoming due to the Company in respect of the Debts or pursuant to any US Dollar Payment, Pounds Sterling Payment or Euro Payment received by the Bank for the account of the Company and not to transfer, factor, discount, sell, release, compound, subordinate, defer, or vary the terms of any Debts nor otherwise to deal with the same except by getting in the same in the usual course of trading, and to pay into the Controlled Accounts all money which the Company may receive in respect of Debts (it being agreed that the Company shall not be entitled to withdraw any such money from any such account unless otherwise expressly agreed in writing by the Bank) and, if and whenever the Bank so requires, promptly to execute, at the Company's own cost, a legal assignment to the Bank in terms specified by the Bank of all or any Debts and any Security Interests or documents relating to them or to negotiate the same to the Bank;
- (c) not to withdraw, or attempt to withdraw, any stock from an Escrow Account unless otherwise expressly agreed in writing by the Bank;
- (d) to carry on the business of the Company in a proper and efficient manner and, except with the prior written consent of the Bank, not to make any substantial alteration to the nature of its business;
- (e) without prejudice to any other paragraph of this clause 5.1, not to part with, sell, transfer or otherwise dispose of any part of the Charged Property for the time being the subject of any of the fixed charges created by this Deed or any of its right, title or interest therein;
- (f) without prejudice to any other paragraph of this clause 5.1, not to part with, sell, transfer or otherwise dispose of any part of the Charged Property for the time being the subject of any of the floating charges created by this Deed or any of its right, title or interest therein except in the ordinary course of and for the purposes of the Company's trading activities;
- (g) without prejudice to any other paragraph of this clause 5.1, if the Company parts with, sells, transfers or otherwise disposes of any of its right, title and interest in the Charged Property, to collect in the usual course of trading any sum receivable by the Company in respect of such sale, transfer or other disposal and to pay the same to the credit of the Controlled Accounts;
- (h) to observe and comply with the CREST Requirements as far as applicable to the Company, to do all such acts and things as shall be within its power to enable or assist the Bank to comply with the CREST Requirements as far as they apply to the Bank, and to do nothing calculated or likely to prevent or hinder the Bank from complying with the CREST Requirements as far as applicable to the Bank;
- (i) promptly to pay all calls, fees, charges, fines and other payments which may become due in respect of any stock for the time being comprised in or represented by the Charged Property (and so that, in the event of default by the Company, the Bank shall be entitled to do so and the amount of any payment made by the Bank in that behalf shall be added to and form part of the Secured Amounts);
- (j) not, without the Bank's prior written consent, to withdraw from CREST and re-materialise any stock held in any stock account, either into its own name or into the name of any other person unless obliged to do so under the CREST Requirements (in which event the Company shall immediately inform the Bank of that fact in writing);

- (k) to allow the Bank (and any persons appointed in writing by the Bank) reasonable access to the computer or other systems of the Company or those to which the Company has access from its accredited network supplier for CREST purposes, and all accounting, security keys and passwords and other records of the Company (whether held by the Company or by a third party for or on behalf of the Company) relating to the Charged Property and, without limitation, to carry out any survey or inspection or to permit the Bank to access the CREST relevant system and the cash and stock accounts of the Company for the purposes of or in connection with the Charged Property and its realisation or the exercise of any powers by the Bank or any Relevant Person under this Deed;
  - (l) to allow the Bank (and any person(s) appointed in writing by the Bank) reasonable access to and to make use of the premises, equipment, accounting and other records of the Company (or used by or available for use by the Company) and the services of its staff for any of the purposes contemplated in the Facility Agreement or this Deed; and
  - (m) to comply with, and not contravene, the terms of the Facility Agreement (including the Bank's terms and conditions incorporated into the Facility Agreement) which from time to time shall apply to the Company.
- 5.2 If the Company for any reason fails to observe or punctually perform any of its obligations to the Bank, whether under this Deed, the Facility Agreement or otherwise, the Bank shall have power, on behalf of or in the name of the Company or otherwise, to perform the obligation and to take any steps which the Bank may, in its absolute discretion, consider appropriate with a view to remedying, or mitigating the consequences of, the failure, but so that the exercise of this power, or the failure to exercise it, shall in no circumstances prejudice the Bank's rights under clause 13 (*Indemnity*).
- 5.3 Where legal title to any Charged Property is held by a nominee of the Company, the Company shall if reasonably required by the Bank procure that such nominee grants a charge over its rights, title and interest to such Charged Property in favour of the Bank in such terms as the Bank may require.
- 6. EXPENSES**
- 6.1 The Company further covenants with the Bank to reimburse or pay to the Bank or a Relevant Person on demand (on the basis of a full indemnity) the amount of all Expenses incurred by the Bank or such Relevant Person in connection with:
- (a) any default or delay by the Company in the performance of any of its obligations under the Facility Agreement or this Deed;
  - (b) the exercise, or the attempted or purported exercise, by or on behalf of the Bank or such Relevant Person of any of its or his powers or any other action taken by or on behalf of the Bank or such Relevant Person with a view to or in connection with the recovery of the Secured Amounts, or the realisation of the charges contained in this Deed or any other purpose contemplated in this Deed;
  - (c) the carrying out or consideration of any other act or matter which the Bank or such Relevant Person may consider to be conducive to the preservation, improvement or benefit of the Charged Property; or
  - (d) any stamp duty, stamp duty reserve tax or similar tax which may be payable as a result of the execution or performance of this Deed.

- 6.2 The amounts payable under clause 6.1 shall carry interest, both before and after judgment, at the rate equal to the sum of one per cent and the Bank's base rate from time to time in each case from the date on which reimbursement or payment of the relevant amount was first demanded of the Company. Such amounts and interest may be debited by the Bank to any account of the Company with the Bank, and shall, in any event, form part of the Secured Amounts and accordingly be secured on the Charged Property under the charges contained in this Deed.

## 7. DEFAULT

- 7.1 If any of the following events occurs:

- (a) any of the Secured Amounts is not paid or discharged when the same ought to be paid or discharged by the Company (whether on demand or at scheduled maturity or by acceleration or otherwise as the case may be);
- (b) without prejudice to paragraph (a) above, the Company breaches any of the obligations binding on it under this Deed or any other charge given by the Company to secure any or all Secured Amounts or the Facility Agreement;
- (c) the presentation of any application for the winding-up of the Company or for the appointment of a receiver or an administrator in relation to the Company;
- (d) the taking of any step with a view to the voluntary winding-up of the Company;
- (e) the appointment or purported appointment of a receiver, administrative receiver, manager, administrator, liquidator, trustee or similar person in respect of the Company or any property of the Company, or possession being taken by any encumbrancer of any such property;
- (f) the service of any notice by any person of intention to appoint an administrator or administrative receiver in respect of the Company;
- (g) the Company becoming unable to pay its debts within the meaning of section 123 (*Definition of inability to pay debts*) of the Insolvency Act 1986 (but as if in sub-sections (1)(e) and (2) of that section the words "it is proved to the satisfaction of the court that" did not appear);
- (h) the proposal of a voluntary arrangement in respect of the Company under Part I (*Company voluntary arrangements*) of the Insolvency Act 1986;
- (i) the dissolution of the Company or the publication of a notice of prospective striking off pursuant to section 1000(2) (*Power to strike off company not carrying on business or in operation*) or the making of an application by the Company for its striking off pursuant to section 1003 (*Striking off on application by company*) of the Companies Act 2006;
- (j) the imposition of an assets requirement on the Company under the Financial Services and Markets Act 2000;
- (k) the Company stopping, suspending or threatening to stop or suspend payment of all or any part of its indebtedness, or the commencing of negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of all or any part of its indebtedness, or the making of a general assignment for the benefit of or

composition with its creditors, or if a moratorium is agreed, declared or otherwise obtained in respect of, or affecting, all or any part of its indebtedness;

- (l) the occurrence under the laws of any applicable jurisdiction of anything analogous to or having a substantially similar effect to any of the events described in paragraphs (c) to (k) above in relation to the Company;
- (m) the occurrence of any event (other than a fluctuation in the market price of any stock forming part of the Charged Property) which puts in jeopardy all or any part of the Charged Property or the security afforded by this Deed;
- (n) the suspension or termination of the Company's membership of CREST; or
- (o) the occurrence of any other event which has been agreed by the Company and the Bank as an event upon the occurrence of which this or any other security for all or any of the Secured Amounts shall be enforceable;

then, immediately or at any time thereafter, the Bank may:

- (i) by notice in writing to the Company declare immediately due and payable any part of the Secured Amounts which are not already due and payable, and they shall thereupon become immediately due and payable;
- (ii) exercise all or any rights or powers granted to it under this Deed; and/or
- (iii) appoint by deed or by writing under the hand of a duly authorised officer of the Bank any one or more person or persons to be Receiver (jointly and severally where more than one person, unless the Bank shall otherwise determine) of all or any of the Charged Property and may from time to time by deed or by writing under the hand of a duly authorised officer of the Bank remove any person so appointed as Receiver and may in like manner appoint another Receiver or Receivers in his place.

7.2 The Company shall notify the Bank immediately when becoming aware of the occurrence of any event referred to in clause 7.1 and shall thereafter promptly notify the Bank of the making of any order or appointment or the occurrence of any event, consequent upon any event referred to in clause 7.1.

## 8. POWERS OF THE BANK

8.1 The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Bank under the Act and the statutory powers of sale and of appointing a Receiver shall be exercisable without the restrictions contained in section 103 (*Regulation of exercise of power of sale*) and section 109 (*Appointment, powers, remuneration and duties of receiver*) of the Act or otherwise and the power to appoint a Receiver conferred by this Deed or by statute shall be and remain exercisable by the Bank notwithstanding any prior appointment in respect of all or any part of the Charged Property and, in addition to all statutory and other powers of the Bank, the Bank shall be entitled at its absolute discretion:

- (a) to sell or procure the sale of all title to or any interest in the Charged Property and to do so in consideration of an agreement to pay all or part of the purchase price at the date of the sale or at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by a Security Interest or a guarantee, or for such other consideration whatsoever as the Bank may think fit, and also to grant any option to purchase any interest in the Charged Property;

- (b) to transfer or procure the transfer of the whole or any part of the Charged Property into one or more Escrow Accounts, or into one or more accounts in CREST in the name of the Bank or a person nominated (including a subsidiary nominee company) by the Bank and, in connection with the exercise of any of its rights or powers, to transfer any interest in the Charged Property into the name of the Bank or any such nominee of the Bank and, for the purpose of this clause 8.1(b), the Bank shall notify the details of its Escrow Agent to the Company where the Bank requires the Company to lodge in escrow any Charged Property with the Escrow Agent;
- (c) with a view to, or in connection with, the sale of the Charged Property, to carry out any transaction, scheme or arrangement which the Bank may, in its absolute discretion, consider appropriate;
- (d) to do all or any of the things or exercise all or any of the powers (*mutatis mutandis*) which are mentioned or referred to in clause 9.4 (*Receiver*) and which are not included in paragraphs (a) to (c) above; and/or
- (e) to delegate or sub-contract to any person the exercise of any of the powers conferred on the Bank by this clause 8.1 on such terms as the Bank may, in its absolute discretion, consider appropriate.

The powers contained in paragraphs (a) to (e) above shall be exercisable by the Bank at any time or times as it thinks fit in its entire discretion without the necessity for any event of default howsoever described having occurred first or any other condition having been fulfilled first.

- 8.2 All money standing to the credit of the Controlled Accounts may be applied by the Bank (notwithstanding any purported appropriation by the Company) at any time, whether or not an event mentioned in clause 7 (*Default*) shall have occurred, in or towards discharge of the Secured Amounts.
- 8.3 The Bank may place and keep for such time as it may think prudent any money received, recovered or realised under or by virtue of this Deed on a separate or suspense account to the credit of either the Bank or the Company (as the Bank thinks fit), without any intermediate obligation on its part to apply the same or any part of it in or towards the discharge of the Secured Amounts.
- 8.4 The Bank may, on or at any time, by notice in writing to the Company appropriate with immediate effect all or any of the Charged Property comprising financial collateral which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Regulations) and apply it in or towards the discharge of the Secured Amounts in such manner as the Bank may determine, whether such Charged Property is held by the Bank or otherwise.
- 8.5 The value of any Charged Property appropriated under clause 8.4 shall be:
  - (a) in the case of cash, its face value at the time the right of appropriation is exercised; and
  - (b) in the case of other Charged Property, the value of the relevant Charged Property at the time of appropriation, as determined (after appropriation) by the Bank on the basis of the sale price(s) obtained from an applicable generally recognised source selected by the Bank (converted, where necessary, into sterling at a market rate of exchange prevailing at the time of appropriation selected by the Bank).

8.6 The Bank will account to the Company for any amount by which the value of the appropriated Charged Property exceeds the Secured Amounts then due and the Company shall remain liable to the Bank for any amount by which the value of the appropriated Charged Property is less than the Secured Amounts then due.

8.7 The Company agrees that the method of valuing such Charged Property under clause 8.5 is commercially reasonable.

## 9. RECEIVER

9.1 The exclusion of any part of the Charged Property from the appointment of the Receiver shall not preclude the Bank from subsequently extending his appointment to that part.

9.2 The Receiver shall, as far as the law permits, be the agent of the Company, which shall be solely responsible for his acts and defaults and liable on any contracts or engagements made or entered into by him, and in no circumstances whatsoever shall the Bank be in any way responsible for any breach, fraud, misconduct, negligence or default by him.

9.3 The remuneration of the Receiver may be fixed by the Bank (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise), but such remuneration shall be payable by the Company alone, and the amount of such remuneration may be debited by the Bank to any account of the Company (other than an account which the Bank knows is held by the Company only as a fiduciary) and shall, in any event, form part of the Secured Amounts and accordingly be secured on the Charged Property under the charges contained in this Deed.

9.4 The Receiver shall have full power, at his absolute discretion:

- (a) to take possession of, get in and collect the Charged Property, to carry on and manage and concur in the carrying on and managing of all or part of the business of the Company, to make use of such of the assets and property (whether or not charged hereby) of the Company including, without limitation, the services of its employees, as may to him seem expedient and to enter upon and make use of any land, buildings and equipment of the Company or used by or available for use by the Company and all its accounting and other records;
- (b) to sell, exchange, surrender, redeem or otherwise dispose of or in any way whatsoever deal with the Charged Property and to transfer all or any of the Charged Property to any other person or persons, whether or not a company or body corporate formed or acquired for the purpose, in each case for such consideration (if any), including cash or stock or any other consideration whatsoever, and upon such terms as he may think fit and whether for a lump sum or for a consideration payable in instalments;
- (c) to appoint and engage employees, managers, agents and advisers of the Company upon such terms as to remuneration and otherwise and for such periods as he may determine, and to dismiss them;
- (d) in connection with the exercise, or the proposed exercise, of any of his powers or in order to obtain payment of his remuneration (whether or not it is already due) to borrow or raise money from any person, including the Bank, without security or on the security of the Charged Property and generally in such manner and on such terms as he may think fit;

- (e) to give any notices, make any demands and bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Charged Property and to make any arrangements between the Company and any other person in respect of all or any part of the Charged Property;
- (f) to pay all calls and other payments which may become due in respect of any securities for the time being comprised in or represented by the Charged Property;
- (g) to exercise all powers provided for in Schedule 1 to the Insolvency Act 1986 as if the same were set out herein, irrespective of whether the Receiver is an administrative receiver;
- (h) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Property which he may consider expedient, as effectually as if he were solely and absolutely entitled to it;
- (i) to communicate with EUI, any CREST Registrar and/or the regulator of EUI or the CREST relevant system in all matters relating to the Charged Property and, without limitation, to take over the use of the Gateway and to send or receive properly authenticated dematerialised instructions to or from EUI on behalf of the Company with respect to the Charged Property and to sign any document or take any step to facilitate the exercise of such powers;
- (j) to keep the securities comprised in the Charged Property in uncertificated form or to give instructions for all or part of the securities comprised in the Charged Property to be converted into certificated form and for the relevant certificates to be delivered to the Receiver (or as he may direct) or to be converted or reconverted into uncertificated form;
- (k) to pay the Bank's charges for time spent by its employees and agents in dealing with matters raised by the Receiver or relating to the receivership;
- (l) in connection with the exercise of any of his powers, to execute or do, or cause or authorise to be executed or done, on behalf or in the name of the Company or otherwise, as he may think fit, all documents, acts or things which he may consider appropriate; and
- (m) to exercise any of the above powers in the name of the Company or otherwise notwithstanding its liquidation.

9.5 All money arising from the exercise of the powers of the Bank or any Relevant Person and all other money received by the Bank or any Relevant Person after the service of a Default Notice shall be applied, subject to any claims ranking in priority to the Secured Amounts, in or towards discharging, in the following order of priority:

- (a) the amount of all Expenses paid, incurred or charged by the Bank or such Relevant Person in connection with or as a result of the exercise of its or his powers, including the remuneration of such Relevant Person, or otherwise in relation to this Deed or the Facility Agreement, in such order as the Bank may from time to time determine;
- (b) all other Secured Amounts in such order as the Bank may from time to time determine; and



(c) the claims of those entitled to any surplus.

9.6 Sub-sections (6) and (8) of section 109 (*Appointment, powers, remuneration and duties of receiver*) of the Act shall not apply in relation to the Receiver.

## 10. SET-OFF AND DEPOSITS

10.1 Without prejudice to the Bank's other rights under this Deed and as a separate and independent stipulation, the Company agrees that any money from time to time deposited or paid by the Company with or to the Bank including in respect of the Controlled Accounts (each a "Deposit") and any payment obligation or the value of any delivery obligation owed by the Bank to the Company may, at any time without notice to the Company, be applied and set off by the Bank in or towards the discharge of the Secured Amounts or such part of them as the Bank may select, regardless of the place of payment, delivery and/or currency of the obligation.

10.2 The Bank may make any currency conversion necessary to give effect to such set-off. If any obligation is unliquidated or unascertained, the Bank may set off an amount estimated by it in good faith to be the amount of that obligation. The Bank will endeavour to notify the Company following the exercise of any such right of set-off but any failure to do so will not affect the validity of such right or its exercise.

10.3 Except with the Bank's prior written consent and subject to Clause 10.4, each Deposit shall be maintained on the terms that it shall mature on the earlier of:

- (a) the first time at which (i) there are no remaining Secured Amounts and (ii) the Bank is not under any obligation or liability (actual or contingent) to make advances or provide other financial accommodation to the Company under or pursuant to the terms of the Facility Agreement which, if made or provided, would give rise to any Secured Amounts; and
- (b) close of business in London on the date on which any of the Secured Amounts shall have become due and payable and shall not have been paid upon becoming so due and payable;

so that, at such time as any such Deposit shall mature (or at any time thereafter), the Bank may exercise in relation to that Deposit any rights of set-off, combination or consolidation to which the Bank may be entitled under this Agreement or at law, including, but not limited to, under clause 10.1 above.

10.4 If on any day any of the Secured Amounts become due and payable and have not been paid by close of business in London on the same day, then only so much of the Deposit shall mature as equals the amount of the Secured Amount which became due and payable and had not been paid by close of business on that day.

10.5 Subject to clause 2.2(a) (*Covenant to pay Secured Amounts*), the Company shall not be entitled to receive, withdraw or otherwise transfer all or any part of the credit balance from time to time on the Deposits:

- (a) except with the prior written consent of the Bank; or
- (b) unless there are no remaining Secured Amounts and the charges created under this Deed have been discharged in full by the Bank.

## 11. PROTECTION OF THIRD PARTIES

- 11.1 Neither EUI nor any purchaser from, or other person dealing with, the Bank or any Relevant Person shall be concerned to enquire whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable, or whether the Secured Amounts remain outstanding, or whether any event or cause has happened to authorise the Bank or any Relevant Person to act or as to the propriety or validity of the exercise or purported exercise of any such power, and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters.
- 11.2 The receipt of the Bank or any Relevant Person shall be an absolute and conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any money paid to or by the direction of the Bank or any Relevant Person.
- 11.3 In clauses 11.1 and 11.2, "purchaser" includes any person acquiring, for money or money's worth, any Security Interest over, or any other interest or right whatsoever in relation to, the Charged Property.

## 12. PROTECTION OF THE BANK AND THE RELEVANT PERSONS

- 12.1 The Bank and the Relevant Persons shall not be liable in respect of any Liability which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise, any of their respective powers, except if and insofar as such Liability results from its or his own gross negligence, wilful default or fraud.
- 12.2 The Authorised CREST Sponsor shall not be liable to the Company for any Liabilities which may be sustained or incurred by the Company as a result of anything done or omitted to be done by the Authorised CREST Sponsor for any purpose contemplated by this Deed or the Authorised CREST Sponsor's Agreement.
- 12.3 Without prejudice to the generality of clauses 12.1 and 12.2, entry into possession of Charged Property or the use of the Gateway and the sending or receiving of dematerialised instructions to or from EUI on behalf of the Company with respect to any Charged Property shall not render the Bank or any Relevant Person liable to account as mortgagee in possession or otherwise for any sum not actually received by it or him. If and whenever the Bank or any Relevant Person enters into possession of the Charged Property or commences to act as CREST Sponsor of the Company, it or he shall be entitled at any time at its or his discretion to go out of possession or to cease so to act.
- 12.4 The Company shall not have any claim against the Bank or any Relevant Person in respect of any Liability arising out of the sale of any Charged Property effected pursuant to this Deed from whatever cause and whether or not a better price could have been obtained on the sale by deferring or advancing the date of such sale or otherwise.

## 13. INDEMNITY

- 13.1 The Company covenants with the Bank fully to indemnify the Bank and each Relevant Person against all Liabilities which the Bank or such Relevant Person may incur at any time while this Deed continues in force:
- (a) in consequence of anything done or purported to be done by the Bank or such Relevant Person under this Deed, the Facility Agreement or any other document relating to either of them or of any failure by the Company to comply with its obligations to the Bank thereunder or otherwise in connection therewith;

- (b) in consequence of any payment in respect of the Secured Amounts (whether made by the Company or a third person) being impeached or declared void or avoided for any reason whatsoever;
- (c) in consequence of anything done or purported to be done by the Authorised CREST Sponsor as CREST Sponsor of the Company for any purpose contemplated by this Deed or the Authorised CREST Sponsor's Agreement or any document authorising it to act in such capacity, or any failure by the Authorised CREST Sponsor to comply with its obligations as CREST Sponsor of the Company (whether under the Authorised CREST Sponsor's Agreement or otherwise); or
- (d) in consequence of any indemnity, undertaking, representation or warranty required to be given by the Bank or any Relevant Person to EUI pursuant to the CREST Manual;

except if and insofar as any such Liability results from its or his own gross negligence, wilful default or fraud.

- 13.2 The Bank shall give notice to the Company of any legal proceedings brought against it by any third party in respect of which it may seek indemnity from the Company under clause 13.1, provided that the failure to give such notice shall not prejudice the Bank's rights or the Company's obligations under clause 13.1.
- 13.3 The costs recoverable from the Company by the Bank or a Relevant Person under clause 13.1 shall include, without limitation, their charges for time spent by them or their employees and agents in connection with the affairs of the Company.
- 13.4 The amounts payable under clause 13.1 shall carry interest and be secured on the Charged Property on the basis applicable under clause 6.2 (*Expenses*).

#### **14. FIXED SECURITY**

- 14.1 The Company further covenants with the Bank upon demand to execute, at the Company's own cost, as a continuing security for the payment or discharge of the Secured Amounts, a first fixed charge in terms specified by the Bank of all or any part of the Charged Property which is for the time being subject to any floating charge created by this Deed.
- 14.2 The Bank may, at any time, by notice in writing served on the Company, convert any floating charge created by this Deed into a fixed charge over all or such part as the Bank may specify of the property, assets and rights for the time being subject to such floating charge.
- 14.3 If legal title to any Charged Property is or becomes vested in the Bank or its nominee, then, unless and until the security constituted by this Deed becomes enforceable or the Bank otherwise directs, all voting and other rights attaching to such Charged Property may be exercised by the Bank or its nominee in accordance with instructions in writing from time to time received from the Company and, in the absence of such instructions, the Bank or its nominee shall refrain from exercising any such rights.

#### **15. FURTHER ASSURANCE AND POWER OF ATTORNEY**

- 15.1 The Company further covenants with the Bank from time to time (and, for the purpose mentioned in paragraphs (a) and (b) below, notwithstanding that the Bank may not have served a Default Notice) upon demand to execute, at the Company's own cost, any document or do any act or thing which:

- (a) the Bank may specify with a view to constituting or perfecting any legal or other fixed charge or security in favour of the Bank, or enhancing or perfecting any charge or security created or intended to be created by this Deed, or vesting title to any Charged Property in the Bank or its nominee or any purchaser; or
- (b) the Bank or any Relevant Person may specify with a view to facilitating the exercise, or the proposed exercise, of any of their powers.

15.2 For the purposes of securing the interest of the Bank in the Charged Property and the performance of its obligations to the Bank, whether under this Deed, the Facility Agreement or otherwise, the Company irrevocably and by way of security hereby appoints each of the Bank (which shall include, for this purpose only, the Escrow Agent) and the Receiver to be its attorney (with full power to appoint substitutes and to sub-delegate, including power to authorise the person so appointed to make further appointments, in both cases, with regard to all or any part of the Charged Property) on behalf of the Company and in its name or otherwise to execute any document or do any act or thing which the Bank or the Receiver or such substitute or delegate may, in its or his absolute discretion, consider appropriate in connection with the exercise of any of the powers of the Bank or the Receiver or which the Company is obliged by the Bank to execute or do, whether under this Deed, the Facility Agreement or otherwise, and in addition:

- (a) to act as CREST Sponsor on behalf of the Company with full authority to communicate with EUI, any CREST Registrar and/or the regulator of EUI or the CREST relevant system in all matters relating to the Charged Property and, without limitation, to take over the use of the Gateway and to send and receive properly authenticated dematerialised instructions on behalf of the Company with respect to the Charged Property;
- (b) to sign any document and to take any step to confirm, perfect or implement the appointment of the Bank as CREST Sponsor of the Company or to appoint any other person to act as a CREST Sponsor of the Company with full authority in each case to communicate with EUI, any CREST Registrar and/or the regulator of EUI or the CREST relevant system in all matters relating to the Charged Property including, without limitation, taking over the use of the Gateway and sending or receiving properly authenticated dematerialised instructions on behalf of the Company to or from EUI with respect to the Charged Property, and to suspend the authority of any other CREST Sponsor to act for the Company;
- (c) to keep the securities comprised in the Charged Property in uncertificated form or to give instructions for all or part of the securities comprised in the Charged Property to be converted into certificated form and for the relevant certificates to be delivered to the Bank or the Receiver (or as it or he may direct) or to be converted or reconverted into uncertificated form.

Without prejudice to the generality of its power to appoint substitutes and to sub-delegate, the Bank may appoint the Receiver as its substitute or delegate, and any person appointed the substitute of the Bank or the Receiver shall, in connection with the exercise of such power of attorney, be the agent of the Company and the Company shall be solely responsible for his acts and defaults and liable on any contracts or engagements made or entered into by him, and in no circumstances whatsoever shall the Bank be in any way responsible for any misconduct, negligence or default on his part.

15.3 The power of attorney contained in clause 15.2 shall be exercisable by the Bank at any time or times as it thinks fit in its entire discretion (without the necessity for any event of default

howsoever described or any other condition having been fulfilled first) and shall continue in force until the Security Interests constituted by this Deed are absolutely and unconditionally released in writing by the Bank.

**16. ADDITIONAL SECURITY, CONSOLIDATION OF MORTGAGES, OPENING OF NEW ACCOUNTS, CUMULATIVE REMEDIES**

16.1 The charges contained in this Deed are 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 Bank may now or at any time hereafter hold or have (or would apart from this Deed hold or have) as regards the Company or any other person in respect of the Secured Amounts, whether by virtue of contract, statute or otherwise.

16.2 Section 93 of the Act (*Restriction on consolidation of mortgages*) shall not apply in relation to any of the charges contained in this Deed.

16.3 Without prejudice to clause 5.1(a) (*General covenants*), if the Bank receives notice of any Security Interest or any other interest affecting the Charged Property:

(a) the Bank may open a new account with the Company and, if it does not, it shall nevertheless be deemed to have done so at the time it received such notice; and

(b) all payments made to the Bank for the account of the Company after the Bank receives such notice shall be credited or deemed to have been credited to the new account, and in no circumstances whatsoever shall operate to reduce the Secured Amounts as at the time the Bank received such notice.

16.4 The powers which this Deed confers on the Bank and each Relevant Person are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the Bank or each Relevant Person thinks appropriate. The Bank or any Relevant Person may, in connection with the exercise of its or his powers, join or concur with any person in any transaction, scheme or arrangement. The Company agrees that the respective powers of the Bank and each Relevant Person shall in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing.

**17. PAYMENT OF SECURED AMOUNTS**

The Company shall pay all Secured Amounts when due to the Bank in full without (and free and clear of any deduction for or on account of) any counterclaim, set-off or analogous right and all such rights of counterclaim or set-off and all such analogous rights are hereby waived by the Company (to the fullest extent permitted by law) in relation to the Secured Amounts.

**18. EVIDENCE OF SECURED AMOUNTS**

A certificate signed (or, where reliance is being placed on it by EUI or any third party, appearing to be signed) by an officer of the Bank as to the Secured Amounts for the time being due or owing from the Company to the Bank shall be treated, in favour of the Bank, EUI and any other person to whom such certificate is issued, as conclusive evidence for all purposes against the Company and binding on it (save in the case of manifest error or fraud) and such certificate may be relied upon by EUI and any other such person in all circumstances without further enquiry.

## **19. THIRD PARTY RIGHTS**

- 19.1 The provisions of clause 11 (*Protection of third parties*) and clause 18 (*Evidence of Secured Amounts*) shall be directly enforceable in relation to the Company by EUI and (in the case of clause 18) by any other person to whom a certificate is issued under clause 18 and all powers conferred by this Deed on a Relevant Person and all protections made available to him under this Deed shall be directly exercisable or enforceable by such Relevant Person, pursuant to the Contracts (Rights of Third Parties) Act 1999. The successors in title to the Bank and EUI and the assignees of the rights of either of them are deemed to be a party to this Deed.
- 19.2 The Bank and the Company may by agreement rescind or vary any term of this Deed (including this clause 19) without the necessity of obtaining any consent from EUI, any Relevant Person or any other person.
- 19.3 Save as otherwise expressly provided in clause 19.1, 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 this is without prejudice to any right or remedy of the third party which may exist or be available apart from that Act.

## **20. STAMP DUTY**

The Company shall, if so requested by the Bank, promptly countersign any letter of direction required for the purpose of paying fixed stamp duty in respect of any securities of the Company which are or become subject to a legal or equitable mortgage or (if applicable) a fixed charge in favour of the Bank.

## **21. TRANSFER AND DISCLOSURE**

- 21.1 The Bank may at any time transfer all or any part of its rights in relation to this Deed and the Secured Amounts to any person or otherwise grant an interest in them to any person.
- 21.2 The Company irrevocably authorises the Bank, at its discretion, at any time or from time to time, to disclose any information concerning the Company, this Deed and the Secured Amounts to any associated company of the Bank or to any prospective transferee or grantee referred to in clause 21.1 and any other person considered by the Bank to be concerned in the prospective transactions. The above authority is without prejudice to the Bank's right of disclosure implied by law.

## **22. DEMANDS, NOTICES, ETC**

- 22.1 Any demand or notice on the Company hereunder shall be effective if made in writing by an officer of the Bank and served:
- (a) by personal delivery on any officer of the Company; or
  - (b) by personal delivery to the address of the Company shown in clause 22.2 (or any address in the United Kingdom subsequently notified to and agreed by the Bank for the purpose), or to the registered office of the Company or its existing or last known place of business; or
  - (c) by prepaid first class letter or airmail, if from one country to another, to any such address or office of the Company or the Bank as applicable; or

- (d) by e-mail to the Company's e-mail address specified in clause 22.2 or by any other form of electronic communication which may be available.

22.2 The Company's address for service of any demand or notice is as follows:

**Lloyds Bank Corporate Markets plc**

10 Gresham Street, London, EC2V 7AE

E-mail address: phil.rawlins@lloydsbanking.com

For the attention of: Treasurer

22.3 Service by personal delivery on the Company or any officer shall be deemed to be effective upon delivery; service by post shall be deemed to be effective on the second Business Day (or, if by airmail, on the fourth Business Day) after the day of posting, and service by telex, facsimile or e-mail or other electronic communication on the Company or the Bank shall be deemed to be effective as at the time of dispatch or transmission and as regards the Bank upon receipt in legible form.

## **23. SEVERABILITY**

If any provision or any part of any provision of this Deed is or becomes invalid or unenforceable, the other provisions or parts of such provision (as the case may be) will remain valid and enforceable.

## **24. GOVERNING LAW AND JURISDICTION**

24.1 This Deed, the jurisdiction clause contained in it, all documents referred to in this Deed, and all non-contractual obligations (if any) arising in any way out of or in connection with this Deed shall be governed by, and construed and take effect in accordance with, English law.

24.2 The parties irrevocably agree, for the exclusive benefit of the Bank, that the English courts shall have jurisdiction to settle any legal action or proceedings to enforce this Deed and to settle any dispute arising out of or in connection with this Deed ("**proceedings**"). The Company waives any objection to proceedings in such courts on the grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum.

24.3 The agreement in clause 24.2 shall not affect the right of the Bank to take proceedings in any other jurisdiction nor shall the taking of proceedings in any jurisdiction preclude the Bank from taking proceedings in any other jurisdiction.

24.4 For the purpose of any proceedings and the enforcement of any award or judgment obtained through any proceedings, the Company hereby waives absolutely any immunity to which it or its assets may be entitled in any jurisdiction.

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

SCHEDULE 1

The Controlled Accounts

| <u>Designated Currency</u> | <u>Account Title</u>                                      | <u>Account Number</u> |
|----------------------------|---|-----------------------|
| Pounds Sterling            | Market Ops – Lloyds Bank Corporate Markets                |                       |
| Euro                       | Market Ops – Lloyds Bank Corporate Markets – Euro Account |                       |
| US Dollars                 | Market Ops – Lloyds Bank Corporate Markets – USD Account  |                       |



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EXECUTION PAGE

THE COMPANY

EITHER  
EXECUTED and DELIVERED  
as a Deed by  
Lloyds Bank Corporate Markets plc  
acting by:  
Julienne Daglish

) DocuSigned by:  
)  
) *Julienne Daglish*  
) 050C146B464A4AF...  
Director

Director/Secretary

In the presence of:  
Witness

Name: Emma Bennett  
Occupation: PA To Julienne Daglish

) DocuSigned by:  
)  
) *Emma Bennett*  
) 526FA5E62312428...

Address: 10 Gresham St  
London  
EC2V7AE

THE BANK

SIGNED by

for and on behalf of  
Lloyds Bank PLC

-I-

EXECUTION PAGE

THE COMPANY

**EITHER**

EXECUTED and DELIVERED )

as a Deed by )

**Lloyds Bank Corporate Markets plc** )

acting by: )

Director

Director/Secretary

**OR**

THE COMMON SEAL of )

**Lloyds Bank Corporate Markets plc** )

was hereunto affixed )

in the presence of: )

Director

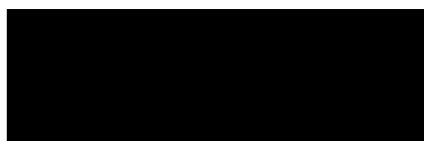
Director/Secretary

THE BANK

SIGNED by

for and on behalf of

**Lloyds Bank PLC**



PETER LEFT

HEAD OF PRUDENTIAL LIQUIDITY MGMT

22 NOV NOV 2021