



**Registration of a Charge**

Company name: **NATWEST MARKETS PLC**

Company number: **SC090312**



X7J6JOTN

Received for Electronic Filing: **21/11/2018**

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**Details of Charge**

Date of creation: **16/11/2018**

Charge code: **SC09 0312 0132**

Persons entitled: **BANK OF AMERICA, N.A.**

Brief description:

**Contains fixed charge(s).**

**Contains floating charge(s) .**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

Certified by: **LINKLATERS LLP**



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

Company number: 90312

Charge code: SC09 0312 0132

The Registrar of Companies for Scotland hereby certifies that a charge dated 16th November 2018 and created by NATWEST MARKETS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st November 2018 .

Given at Companies House, Edinburgh on 22nd November 2018

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

Dated November 16, 2018

**NATWEST MARKETS PLC,**  
as Pledgor  
and  
**BANK OF AMERICA, N.A.,**  
as Secured Party

**SECURITY AGREEMENT**

Linklaters LLP  
1345 Avenue of the Americas  
New York, NY 10105

Telephone (+1) 212 903 9000  
Facsimile (+1) 212 903 9100

Ref L-276831

**This Agreement** is made on November 16, 2018 **between**:

- (1) NATWEST MARKETS PLC**, a corporation incorporated and existing under the laws of England and Wales (the "**Pledgor**"); and
- (2) BANK OF AMERICA, N.A.** (the "**Secured Party**").

**Witnesses:**

**Whereas**, the Pledgor, acting in its capacity as a purchaser, has entered into a Purchase Agreement (as defined in the Confirmation).

**Whereas**, in connection with the funding of its share of any Increase (as defined in the Purchase Agreement), the Pledgor and the Secured Party have entered into the 2002 ISDA Master Agreement (including its Schedule), dated as of November 24, 2000, as amended and supplemented from time to time (the "**ISDA Master**"), including as supplemented by a certain Confirmation, dated on or about the date hereof, by and between the Pledgor and the Secured Party (the "**Confirmation**" and, together with the ISDA Master, the "**Loan Agreement**") setting forth the terms on which the Secured Party shall loan Eligible Securities (as defined in the Loan Agreement) to the Pledgor.

**Whereas**, the Pledgor, the Secured Party and Bank of America, N.A., acting through its Global Custody and Agency Services ("**GCAS**") and in its capacity as custodian and securities intermediary (the "**Securities Intermediary**"), have entered into an account control agreement, dated on or about the date hereof, as amended and supplemented from time to time (the "**Account Control Agreement**"), whereby the Securities Intermediary has agreed to act on behalf of the Secured Party and the Pledgor in respect of the Collateral (as defined in Section 2.1) delivered to the Securities Intermediary by the Pledgor for the benefit of the Secured Party.

**Whereas**, the Pledgor, the Secured Party and GCAS, acting in its capacity as custodian (the "**Custodian**") have entered into a custodial services agreement, dated on or about the date hereof, as amended and supplemented from time to time (the "**Custody Agreement**"), setting forth the terms on which the Custodian shall establish and maintain the Cash Collateral Account and Securities Collateral Accounts (each as defined below) included in the Collateral.

**Whereas**, the Pledgor owns the Collateral described and defined in Section 2.1.

**Now, therefore**, the parties hereto agree as follows:

## **SECTION 1 DEFINITIONS; RULES OF INTERPRETATION**

### **Section 1.1 Definition of Terms Used Herein**

Terms defined in the Loan Agreement have the same meanings in this Agreement except where otherwise defined in this Agreement. In addition, the following expressions have the following meanings:

"**Account Control Agreement**" has the meaning assigned to it in the Recitals hereto.

"**Agreement**" means this Security Agreement, as amended, supplemented or otherwise modified from time to time.

**“Bail-In Action”** means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

**“Bail-In Legislation”** means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

**“Bankruptcy Laws”** means the Bankruptcy Code and all other bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, and general equitable principles (whether considered in a proceeding in equity or at law).

**“Cash Collateral Account”** means the account(s) listed under the heading “Deposit Accounts” in Schedule 4.5.

**“Collateral”** has the meaning assigned to it in Section 2.1.

**“Collateral Documents”** means this Agreement, the Account Control Agreement, any account control agreement entered into pursuant to Section 5.4(b) and the Custody Agreement, and **“Collateral Document”** means any of them.

**“Confirmation”** has the meaning assigned to it in the Recitals hereto.

**“Credit Support Balance”** means, with respect to a Business Day, the aggregate Value of all Eligible Credit Support held by the Pledgor in the Pledged Accounts.

**“Custody Agreement”** has the meaning assigned to it in the Recitals.

**“Delivery Amount”** has the meaning assigned to it in Section 5.6(a).

**“Delivery Amount Request”** has the meaning assigned to it in Section 5.6(a)(i).

**“Delivery Amount Request Date”** has the meaning assigned to it in Section 5.6(a)(i).

**“Dispute”** has the meaning assigned to it in Section 7.1(a).

**“Disputed Value”** has the meaning assigned to it in Section 7.1(a).

**“Dispute Notice”** has the meaning assigned to it in Section 7.1(a).

**“Dispute Notice Date”** has the meaning assigned to it in Section 7.1(a).

**“Early Termination Amount”** has the meaning assigned to it in the Loan Agreement.

**“Early Termination Date”** has the meaning assigned to it in the Loan Agreement.

**“EEA Financial Institution”** means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

**“EEA Member Country”** means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**“EEA Resolution Authority”** means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

**“Effective Date”** has the meaning given to it in the Confirmation.

**“Eligible Credit Support”** means:

- (a) in respect of the Cash Collateral Account, USD cash;
- (b) in respect of the UST Securities Collateral Account, Eligible Securities; and
- (c) in respect of the VFN Securities Collateral Account, the VFN.

**“Eligible Securities”** has the meaning assigned to it in the Loan Agreement.

**“Enforcement Event”** has the meaning assigned to it in Section 8.1.

**“EU Bail-In Legislation Schedule”** means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

**“Event of Default”** has the meaning assigned to it in the Loan Agreement.

**“Filing”** means, to the extent the same is still in effect, (a) any UCC financing statement (including fixture filings, continuation statements and amendment statements, as applicable) or (b) any analogous filing, registration or Record under applicable law, in each case covering any Collateral (including any written agreement in which such the Pledgor grants a security interest in or collateral assignment of any Collateral) that is filed, registered or recorded with any relevant governmental, municipal or other office, including, for the avoidance of doubt, the Companies House.

**“Further Notice Contest”** has the meaning given to it in Section 5.5(a)(i)(D).

**“Further Notice Effective Time”** has the meaning given to it in Section 5.5(a)(i)(D).

**“Increase Amount”** has the meaning given to such term in the Purchase Agreement.

**“Increase Date”** has the meaning given to such term in the Purchase Agreement.

**“Increase Notice”** has the meaning given to such term in the Purchase Agreement.

**“Indenture”** has the meaning assigned to it in the Loan Agreement.

**“ISDA Master”** has the meaning assigned to it in the Recitals hereto.

**“Issuer”** has the meaning assigned to it in the Recitals.

**“Lien”** means any mortgage, pledge, hypothecation, assignment, deposit agreement, encumbrance, lien (statutory or other), or preference, priority or other security agreement of any kind or nature whatsoever, including, without limitation, the security interests in the Collateral granted hereunder and the filing of any financing statement or similar instrument under the UCC or comparable law of any jurisdiction, domestic or foreign.

**“Loan Agreement”** has the meaning assigned to it in the Recitals.

**“Location”** means, with respect to any Person, its “location” within the meaning of § 9-307 of the UCC.

**“Notice Period”** means, with respect to any applicable Collateral acquired after the date hereof, the period beginning with such acquisition and ending 5 days thereafter.

**“Original Collateral”** has the meaning assigned to it in Section 5.6(c)(i).

**“Permitted Liens”** means, with respect to the Collateral (i) any lien or right of set-off in favour of the Securities Intermediary or the Custodian arising under or in connection with the Account Control Agreement or the Custody Agreement, respectively, and (ii) any lien or right of set-off arising pursuant to the rules of any Clearance System (as defined in the Custody Agreement) or by operation of law.

**“Person”** means an individual, corporation, partnership, joint venture, firm, limited partnership, limited liability company, association, trust or any other enterprise, entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

**“Pledged Account”** means any Securities Account or Deposit Account constituting part of the Collateral.

**“Pledgor”** has the meaning assigned to it in the Preamble.

**“Pledgor Further Notice”** has the meaning assigned to it in Section 5.5(a)(i)(D).

**“Pledgor Increase Amount”** has the meaning assigned to it in Section 5.5(a)(i)(A)(I).

**“Portal”** has the meaning assigned to it in Section 12.1.

**“Posted Collateral”** means, with respect to a Business Day, the assets constituting the Credit Support Balance.

**“Posted Securities”** means, collectively, the Eligible Securities posted by the Pledgor to the UST Securities Collateral Account, and which have not been withdrawn from the UST Securities Collateral Account pursuant to Section 5.5(a)(i)(D), Section 5.6(b)(iii) or Section 5.6(c)(iii).

**“Posted Securities Withdrawal Amount”** has the meaning assigned to it in Section 5.5(a)(i)(A)(I).

**“Proposed Return Collateral”** has the meaning assigned to it in Section 5.6(b)(i).

**“Purchase Agreement”** has the meaning assigned to it in the Loan Agreement.

**“Relevant Agreement”** means any lease, license, contract, permit, Instrument, Security, franchise or other agreement to which the Pledgor is a party, together with the Pledgor’s rights or interests thereunder.

**“Repayment Notice”** has the meaning assigned to it in Section 5.5(a)(ii)(A).

**“Return Amount”** has the meaning assigned to it in Section 5.6(b).

**“Return Amount Instruction”** has the meaning assigned to it in the Loan Agreement.

**“Return Amount Request”** has the meaning assigned to it in Section 5.6(b)(i).

**"Return Amount Request Date"** has the meaning assigned to it in Section 5.6(b)(i).

**"Secured Obligations"** means all obligations, liabilities and indebtedness of every nature of the Pledgor to the Secured Party (in its capacity as Lender), individually or collectively, whether direct or indirect, joint or several, actual or contingent, due or to become due, now existing or hereafter incurred, arising under or in connection with any Transaction Document (including, without limitation, all costs incurred by and fees (including without limitation all attorneys' fees and legal expenses) of the Secured Party in connection with the enforcement or remedies with respect to, the Collateral, solely to the extent such costs and fees are reimbursable to such party under the Transaction Documents), including, for the avoidance of doubt, any obligation of the Pledgor to pay to the Secured Party an amount under Section 6(e) of the ISDA Master.

**"Secured Party"** has the meaning assigned to it in the Recitals.

**"Secured Party Mark-Up Consent Notice"** has the meaning assigned to it in Section 5.5(a)(i)(B).

**"Secured Party Mark-Up Refusal Notice"** has the meaning assigned to it in Section 5.5(a)(i)(B).

**"Securities Collateral Accounts"** means, collectively, the UST Securities Collateral Account, and the VFN Securities Collateral Account, and includes all Securities, Financial Assets, funds, cash and any other property credited thereto or held therein.

**"Securities Intermediary"** has the meaning assigned to it in the Recitals hereto.

**"Security Interest"** means the continuing security interest in the Collateral granted to the Secured Party pursuant to Section 2.1.

**"Security Supplement"** means any supplement to this Agreement in substantially the form of Exhibit A to this Agreement, executed by an authorized officer of the Pledgor.

**"SP Repayment Notice"** has the meaning assigned to it in Section 5.5(a)(ii)(B).

**"Substitute Collateral"** has the meaning assigned to it in Section 5.6(c)(i).

**"Substitution Request"** has the meaning assigned to it in Section 5.6(c)(i).

**"Substitution Instruction"** has the meaning assigned to it in the Loan Agreement.

**"Threshold Amount"** has the meaning assigned to it in the Loan Agreement.

**"Transaction Documents"** means this Agreement, the Loan Agreement or any of the other Collateral Documents, and **"Transaction Document"** means any of them.

**"Transaction Notional Amount"** has the meaning given to it in the Confirmation.

**"UCC"** means the Uniform Commercial Code enacted in the State of New York, as in effect from time to time; **provided** that if by reason of mandatory provisions of law, the attachment, perfection, the effect of perfection or non-perfection, priority of a security interest or remedy is governed by the personal property security laws of any jurisdiction other than New York, "UCC" shall mean those personal property security laws as in effect, from time to time, in such other jurisdiction for the purposes of the provisions hereof relating to such attachment, perfection, priority or remedy and for the definitions related to such provisions.



**“U.S. Securities Laws”** means the Securities Act of 1933, applicable blue sky laws or other federal or state securities laws or similar laws analogous in purpose or effect.

**“UST Securities Collateral Account”** means the securities account referenced as such under the heading “Securities Accounts” in Schedule 4.5 and holding US Treasuries in accordance with the terms of this Agreement and the Custody Agreement.

**“Value”** means, in respect of a Business Day, and subject to Section 7.1, with respect to (i) Eligible Credit Support comprised in the Credit Support Balance on that Business Day or (ii) the determinations required to be made under Section 5.6 on that Business Day, if the Eligible Credit Support is:

- (a) an amount of cash, the relevant USD amount;
- (b) Eligible Securities, such price as is equal to the bid price for such Eligible Securities as at close of business on the previous Business Day, as determined by Secured Party in good faith and a commercially reasonable manner; and
- (c) VFNs, the principal amount of the VFNs multiplied by the VFN Valuation Percentage, as adjusted by any determination of a VFN Adjusted Value made in accordance with Section 5.6(a).

**“VFN Decreased Value”** has the meaning assigned to it in Section 5.6(a).

**“VFN Decreased Value Notice”** has the meaning assigned to it in Section 5.6(a)(A).

**“VFN Decreased Amount”** has the meaning assigned to it in Section 5.6(a)(A).

**“VFN Increased Value”** has the meaning assigned to it in Section 5.6(a)(iv).

**“VFN Increased Value Notice”** has the meaning assigned to it in Section 5.6(a)(iv).

**“VFN Increased Amount”** has the meaning assigned to it in Section 5.6(a)(iv).

**“VFN Mark-Down”** has the meaning assigned to it in Section 5.5(a)(ii)(B).

**“VFN Mark-Up”** has the meaning assigned to it in Section 5.5(a)(i)(C)(II).

**“VFN Repayment Date”** means, in respect of the receipt of any repayment or prepayment of principal in respect of the Credit Support Balance comprised of VFNs:

- (a) to the extent such repayment or prepayment is received at or prior to 11:00 a.m. (New York time), the day on which such repayment or prepayment is received; and
- (b) to the extent such repayment or prepayment is received after 11:00 a.m. (New York time), the Business Day following the day on which such repayment or prepayment is received.

**“VFN Securities Collateral Account”** means the securities account referenced as such under the heading “Securities Accounts” in Schedule 4.5 and holding the VFNs in accordance with the terms of this Agreement and the Custody Agreement.

**“VFNs”** means, collectively, the variable funding notes issued by the Issuer and purchased by the Borrower in accordance with the terms of the Purchase Agreement.

**"VFN Pre-Funded Increase Date"** has the meaning assigned to it in Section 5.5(a)(i)(C).

**"VFN Pre-Funded Upsize Request"** has the meaning assigned to it in Section 5.5(a)(i)(B).

**"VFN Pre-Funded Upsize Funding Evidence"** has the meaning assigned to it in Section 5.5(a)(i)(B).

**"VFN Substitution Date"** has the meaning assigned to it in Section 5.6(c)(v).

**"VFN Upsize Funding Evidence"** has the meaning assigned to it in Section 5.5(a)(i)(A).

**"VFN Upsize Request"** has the meaning assigned to it in Section 5.5(a)(i)(A).

**"VFN Valuation Percentage"** means 80 per cent.

**"Write-Down and Conversion Powers"** means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

## Section 1.2 UCC

Terms used herein that are defined in the UCC but not defined herein have the meanings given to them in the UCC, including the following which are capitalized herein:

Account	Financial Asset	Securities
Account Debtor	Goods	Intermediary
Bank	Instrument	Security
Certificated Security	Investment Property	Security Entitlement
Chattel Paper	Proceeds	Supporting Obligation
Deposit Account	Record	Uncertificated
Document	Securities Account	Security

## Section 1.3 Rules of Interpretation; Rules of Construction

- (a) If any conflict or inconsistency exists between this Agreement and the Loan Agreement, the Loan Agreement shall govern. If any conflict or inconsistency exists between this Agreement and any other Collateral Document, this Agreement shall govern.
- (b) Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. The word "will" will be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (i) any reference herein to any Person will be construed to include such Person's successors and permitted assigns, (ii) the words "herein," "hereof" and "hereunder," and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iii) all references herein to Sections, Exhibits and Schedules will be construed to refer to Sections of, and Exhibits and Schedules to, this Agreement, (iv) any reference to any law or regulation herein will, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, (v) all obligations of the Pledgor hereunder will be satisfied by the Pledgor at its sole cost and expense, and (vi) the words "asset" and "property" will be construed to have the same meaning and effect.

## SECTION 2 GRANT OF SECURITY

### Section 2.1 Grant of Security

As security for the prompt and complete payment and performance in full of all the Secured Obligations, the Pledgor hereby pledges, assigns, transfers and grants to the Secured Party a continuing security interest in and continuing Lien on all of its right, title and interest in, to and under all of the following property, in each case, whether now owned or existing or hereafter acquired or arising, and wherever located (all of which being hereinafter collectively called the "**Collateral**"):

- (a) the Cash Collateral Account and the Securities Collateral Accounts;
- (b) on any given date, the assets in the form of the Eligible Credit Support credited to the Cash Collateral Account and the Securities Collateral Accounts, Securities, Financial

Assets, Investment Property, Security Entitlements, Instruments, funds or cash and any security entitlements with respect to any of the foregoing and in each case credited to a Securities Collateral Account or the Cash Collateral Account;

- (c) all books and Records pertaining to the property described in this Section 2.1;
- (d) all rights accompanying the property described in this Section 2.1; and
- (e) to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of or in respect of any of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Pledgor from time to time with respect to the foregoing.

For the avoidance of doubt, it is expressly understood and agreed that, to the extent the UCC is revised subsequent to the date hereof such that the definition of any of the foregoing terms included in the description of Collateral is changed, the parties hereto desire that any property that is included in such changed definitions that would not otherwise be included in the foregoing grants on the date hereof be included in such grants immediately upon the effective date of such revision, it being the intention of the Pledgor that the description of Collateral set forth above be construed to include the broadest possible range of assets. Notwithstanding the immediately preceding sentence, the foregoing grants are intended to apply immediately on the date hereof to all Collateral to the fullest extent permitted by applicable law regardless of whether any particular item of Collateral is currently subject to the UCC.

### **Section 2.2 Pledgor Remains Liable**

Anything contained herein to the contrary notwithstanding:

- (a) the Pledgor will remain liable under any Relevant Agreement included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed;
- (b) the exercise by the Secured Party of any of its rights hereunder will not release the Pledgor from any of its duties or obligations under any Relevant Agreement included in the Collateral; and
- (c) the Secured Party will not have any obligation or liability under any Relevant Agreement included in the Collateral by reason of this Agreement, nor will the Secured Party be obligated to perform any of the obligations or duties of the Pledgor thereunder or to take any action to collect or enforce any claim for payment included in the Collateral.

### **Section 2.3 Voting Rights**

If the Custodian becomes aware of any voting rights becoming capable of exercise in respect of any of the Collateral, the Custodian, in accordance with Section 3(A)(b) of the Custody Agreement, will notify the Pledgor and the Secured Party as soon as reasonably practicable. Upon being notified by the Custodian in respect of any voting rights which become capable of exercise in respect of any of the Collateral (or otherwise becoming aware of the same), the Pledgor may give written notice to the Secured Party (a "**Voting Instruction**") instructing how such rights should be exercised and the Secured Party shall make the necessary instructions and take the necessary steps required under the Collateral Documents in relation thereto; **provided** that (i) no Event of Default has occurred and is continuing with respect to the Pledgor; (ii) the Voting Instruction is received by the Secured Party no later than three (3)

Business Days prior to the latest time the voting rights must be exercised under the terms of the Collateral; (iii) the Secured Party shall not be obliged to take any steps to arrange the exercise of such voting rights if such actions may contravene any law, regulation, order, promulgation or other decree or rule applicable to it; and (iv) unless otherwise agreed by the Secured Party, such instructions would not have the effect of materially amending the form and/or substance of the Collateral or the terms of the Purchase Agreement, the Indenture or any related documentation.

### **SECTION 3**

#### **CUSTODY OF COLLATERAL**

The Pledgor will, if it has the option, elect to hold assets constituting the Collateral in uncertificated form. If any assets constituting the Collateral are in certificated form (the "**Certificated Collateral**"), the Certificated Collateral shall be delivered to the Custodian, acting in its capacity as Custodian under the Custody Agreement, to be held in accordance with the terms of the Custody Agreement and the instructions of the Custodian.

### **SECTION 4**

#### **REPRESENTATIONS AND WARRANTIES**

The Pledgor represents and warrants to the Secured Party on and as of the Effective Date:

##### **Section 4.1 Title**

The Pledgor owns or otherwise has rights in all assets constituting its Collateral, free and clear of any and all Liens, rights or claims of all other Persons, other than Permitted Liens. The Pledgor has not filed or consented to the filing of any Filing, in each case which is still in effect, except, in each case, for any Filing evidencing Liens being terminated on the date hereof or any Filing in respect of the Collateral pursuant to this Agreement.

##### **Section 4.2 Names, Locations**

- (a) Schedule 4.2 sets forth with respect to the Pledgor under the heading "Name", (i) its exact name, as such name appears in the public record of its jurisdiction of organization which shows the Pledgor to have been organized and (ii) the jurisdiction of organization of the Pledgor.
- (b) Schedule 4.2 sets forth with respect to the Pledgor under the heading "Location" the location of the chief executive office and principal place of business of the Pledgor.
- (c) Except as set forth on Schedule 4.2 under the heading "Changes in Identity or Organizational Structure", the Pledgor has not changed its (i) name or (ii) jurisdiction of organization, chief executive office, principal place of business in any way in the past four months. If any such change has occurred, Schedule 4.2 sets forth the date of, and all information applicable to, such change.

##### **Section 4.3 Filings, Consents**

- (a) The Pledgor has delivered to the Secured Party, for filing in each governmental, municipal or other office specified in Schedule 4.3, true, complete and correct copies of all Filings containing an accurate description of the Collateral. Such Filings are all of the Filings that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected Security Interest in favor of the Secured Party (for the benefit of the Secured

Parties) in respect of all Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States. No further or subsequent Filing is necessary in the United States, except as provided under applicable law, including, but not limited to, with respect to the filing of continuation statements, in order for the Secured Party to continue to have at all times following each such change a legal, valid and perfected Security Interest in all the Collateral.

- (b) All filing or recording fees and taxes payable in connection with the filings and Records described in paragraph (a) above have been or promptly will be paid by the Pledgor.

#### **Section 4.4 Security Interest**

Upon the execution and delivery of this Agreement, this Agreement will be effective to create legally valid and enforceable Liens on the Collateral in favor of the Secured Party. Such Liens will constitute, upon (i) the timely filing of the Filings in accordance with Section 4.3, (ii) the delivery of the tangible Investment Property held in the Pledged Accounts to the Custodian, in accordance with the terms of the Custody Agreement, and the Secured Party taking possession of such Investment Property in accordance with Section 4.5 (iii) the entering into of the Account Control Agreement by the parties thereto, and (iv) the occurrence of the Effective Date, a perfected security interest in all Collateral in which a security interest can be perfected by filing, recording or registering a financing statement or analogous document, or possessing such Collateral pursuant to the UCC or other applicable law in such jurisdictions. The Security Interest is, and will be, prior to any other Lien on any of the Collateral other than Permitted Liens.

#### **Section 4.5 Pledged Accounts**

- (a) In respect of the Pledged Accounts:
  - (i) Schedule 4.5 sets forth under the headings "Securities Accounts" and "Deposit Accounts", respectively, all of the Pledged Accounts in which the Pledgor has an interest for the purposes of this Agreement.
  - (ii) The Pledgor (A) is the sole entitlement holder of each such Securities Account, (B) is the sole account holder of each such Deposit Account, and (C) has not consented to, and is not otherwise aware of, any Person (other than the Secured Party pursuant to this Agreement, the Account Control Agreement and the Custody Agreement) having control over, or any other interest in, any Pledged Account or any Collateral deposited or carried therein or credited thereto, as applicable.
  - (iii) The Pledgor has taken all actions necessary, including those specified in Section 5.4, to establish the Secured Party's control over (i) any portion of the Investment Property constituting Securities Accounts or Security Entitlements, and (ii) all Deposit Accounts, in each case including, to the extent necessary, ensuring that all Pledged Accounts of the Pledgor are governed by the Account Control Agreement.
- (b) In respect of the VFN Securities Collateral Account, the VFNs or other Investment Property or Instruments held therein have been delivered to and registered in the name of the Custodian pursuant to the terms of the Custody Agreement.

- (c) Subject to the provisions of the Account Control Agreement and the Custody Agreement, no Person other than the Secured Party has control over any Pledged Account of the Pledgor.

#### **Section 4.6 VFN Documentation**

The Pledgor has delivered to the Secured Party, as of the Effective Date, a true and complete copy of the Purchase Agreement and the Indenture (including any amendments thereto) along with such other documentation related thereto or with respect to the transactions contemplated thereunder as reasonably requested by the Secured Party. The Pledgor acknowledges and agrees that for so long as the VFNs are in the VFN Securities Collateral Account it shall not enter into any amendment or restatement of the Purchase Agreement, the Indenture or any related documentation without the written consent of the Secured Party, which consent shall not be unreasonably withheld or delayed.

#### **Section 4.7 Regulatory Authority**

The Pledgor is a member of the London Stock Exchange, authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### **SECTION 5 COVENANTS**

#### **Section 5.1 Change of Name; Location of Collateral; Place of Business**

The Pledgor will not change any of the information described in Section 4.2 or take any action which would cause the information contained in any Filing in the form of a UCC financing statement made in connection with this Agreement to become misleading unless, within 120 calendar days following such change, it has given written notice thereof to the Secured Party. The Pledgor agrees to cooperate with the Secured Party in making all Filings that are reasonably required in order for the Secured Party to continue at all times following such change to have a legal, valid and perfected Security Interest in all the Collateral.

#### **Section 5.2 Security Supplement**

From time to time, as requested by the Secured Party following the occurrence and during the continuance of an Event of Default, the Pledgor will deliver to the Secured Party (a) a Security Supplement, together with all supplements to Schedules hereto or (b) a written confirmation executed and delivered by an officer of the Pledgor confirming that there has been no change in the information provided herein since the date such information was last provided. Notwithstanding anything to the contrary in this Agreement, (i) any Security Supplement delivered pursuant this Section 5.2, together with all applicable schedules, shall satisfy the requirements of each other provision of this Agreement requiring delivery of such a Security Supplement, and (ii) the Security Interest of the Secured Party will attach to all additional Collateral immediately upon the Pledgor's acquisition of rights therein and will not be affected by the failure of the Pledgor to deliver any required Security Supplement.

#### **Section 5.3 Protection of Collateral**

The Pledgor will take any and all actions necessary or desirable to defend (i) title to the Collateral (except to the extent the Transaction Documents permit disposal of the Collateral) and (ii) the Security Interest of the Secured Party in the Collateral and the first priority thereof against any Lien (excluding any Permitted Liens), in each case against all claims and demands of all Persons at any time. The Pledgor

will not enter into any agreement or take or cause to be taken any action that could materially impair the Secured Party's rights in the Collateral, except as permitted under the Transaction Documents.

#### **Section 5.4 Pledged Accounts**

- (a) The Pledgor will use its best efforts to enforce all of its rights with respect to any Pledged Accounts except as otherwise permitted by the terms of this Agreement or the Loan Agreement.
- (b) With respect to any Pledged Accounts hereafter acquired by the Pledgor, it will (A) within the Notice Period, deliver to the Secured Party a completed Security Supplement, together with all supplements to Schedules hereto, reflecting such Pledged Accounts and all other Pledged Accounts, and (B) comply with the remaining provisions of this Section 5.4(b) promptly, and in any event within ten (10) days (or, in the case of Pledged Accounts, sixty (60) days) or such other period of time as agreed to by the Secured Party, in its reasonable discretion, of the Pledgor acquiring rights therein, in each case in form and substance satisfactory to the Secured Party. With respect to any Pledged Accounts, or Securities Entitlements, it will cause the Securities Intermediary or the Bank, as applicable, maintaining the same to enter into an account control agreement in a form reasonably satisfactory to the Secured Party, to the extent necessary to establish the Secured Party's Control thereof.

#### **Section 5.5 Treatment of Investment Property in VFN Securities Collateral Account**

- (a) With respect to the VFNs pledged by the Pledgor to the Secured Party and delivered to the Custodian in accordance with Section 4.5(b), which VFNs shall be held in the VFN Securities Collateral Account:
  - (i) Following the receipt of an Increase Notice delivered to the Pledgor in accordance with the terms of the Purchase Agreement, the Pledgor may seek to increase the principal amount of the VFNs held in the VFN Securities Collateral Account, in which case:
    - (A) if the Pledgor has not already disbursed funds to the Issuer in relation to such Increase Notice, the Pledgor agrees to:
      - (I) provide a notice to the Secured Party (copied to the Custodian) of such Increase Notice no later than 5:00 p.m. (New York time) on the date that it receives such Increase Notice (the "**VFN Upsize Request**"); **provided, however**, that to the extent such Increase Notice is received by the Pledgor after 5:00 p.m. (New York time) on a given Business Day, the Pledgor shall use reasonable efforts to provide the VFN Upsize Request on the same Business Day that it receives the relevant Increase Notice, but in any case, shall provide the VFN Upsize Request no later than 9:00 a.m. (New York time) on the Business Day immediately following the day on which it receives such Increase Notice. The VFN Upsize Request:
        - (1) shall set forth (x) the relevant proposed Increase Date and (y) the Pledgor's pro rata share of the requested Increase Amount (the "**Pledgor Increase Amount**"); and



- (2) may (in the sole and absolute discretion of the Pledgor) request to withdraw from the UST Securities Collateral Account an amount of Posted Securities with a Value not exceeding the product of the VFN Valuation Percentage and the Pledgor Increase Amount (the "**Posted Securities Withdrawal Amount**").
- (II) provide evidence to the Secured Party (copied to the Custodian) no later than 9:00 a.m. (New York time) on the relevant proposed Increase Date of the disbursement of funds by the Pledgor to the Issuer in an amount equal to the Pledgor Increase Amount, which evidence shall include the Fedwire Reference Number assigned by the sending (initiating) bank and a screenshot of the Fedwire system page demonstrating that the wire has been sent (including account details of the receiving account and time stamp), or such other form satisfactory to the Secured Party in its sole discretion (the "**VFN Upsize Funding Evidence**");
- (B) if the Pledgor has already disbursed funds to the Issuer in relation to that Increase Notice, the Pledgor agrees to provide (1) a notice to the Secured Party (copied to the Custodian) of such Increase Notice (the "**VFN Pre-Funded Upsize Request**"), which notice shall set forth the related Pledgor Increase Amount and, if applicable, the Posted Securities Withdrawal Amount and (2) evidence to the Secured Party (copied to the Custodian) of the disbursement of funds by the Pledgor to the Issuer in an amount equal to the Pledgor Increase Amount, which evidence shall include the Fedwire Reference Number assigned by the sending (initiating) bank and a screenshot of the Fedwire system page demonstrating that the wire has been sent (including account details of the receiving account and time stamp), or such other form satisfactory to the Secured Party in its sole discretion (the "**VFN Pre-Funded Upsize Funding Evidence**");
- (C) the Secured Party agrees (x), upon receipt of a VFN Upsize Request and the VFN Upsize Funding Evidence, promptly, but in any case no later than 10:00 a.m. (New York time) on the relevant proposed Increase Date, or (y) upon receipt of a VFN Pre-Funded Upsize Request and the VFN Pre-Funded Upsize Funding Evidence, promptly, but in any case no later than 10:00 a.m. (New York time) two (2) Business Days following such receipt (the "**VFN Pre-Funded Increase Date**"), to confirm in writing for the benefit of the Custodian (the "**Secured Party Mark-Up Consent Notice**"), which Secured Party Mark-Up Consent Notice shall be delivered in copy to the Pledgor, that:
- (I) it has received evidence satisfactory in form and substance of the disbursement of funds by the Pledgor to the Issuer in an amount equal to the Pledgor Increase Amount; and

- (II) it instructs the Custodian to (1) record on the books and records maintained by it the principal amount of the VFNs then held by the Pledgor in the VFN Securities Collateral Account, as adjusted by a principal amount equal to the Pledgor Increase Amount (the “**VFN Mark-Up**”) and (2) if applicable, free deliver from the UST Securities Collateral Account to the Pledgor the amount of Posted Securities equal to the Posted Securities Withdrawal Amount as requested in the VFN Upsize Request or VFN Pre-Funded Upsize Request (as applicable),

**provided, however**, that the Secured Party shall not be required to satisfy the obligations as set forth in this Section 5.5(a)(i)(C) if (i) it has not received evidence of the Pledgor’s funding of its obligations under the Increase Notice (in form and substance as described in Section 5.5(a)(i)(A)(II) or Section 5.5(a)(i)(B), as applicable) or (ii) an Event of Default or an Enforcement Event has occurred and is continuing at the time of the Secured Party’s receipt of the VFN Upsize Request or VFN Pre-Funded Upsize Request (as applicable); **provided further** that, to the extent that the Secured Party does not deliver the Secured Party Mark-Up Consent Notice due to the reasons set forth in (i) and/or (ii) above, the Secured Party shall provide written notice to the Custodian (the “**Secured Party Mark-Up Refusal Notice**”) of its refusal to satisfy the obligations as set forth in this Section 5.5(a)(i)(C), which Secured Party Mark-Up Refusal Notice shall describe the grounds for such refusal and shall be delivered in copy to the Pledgor; **provided further, however**, that if the Pledgor fails to timely deliver evidence of the disbursement of funds by the Pledgor to the Issuer as required under Section 5.5(a)(i)(A)(II) or Section 5.5(a)(i)(B), as applicable, the Secured Party nevertheless agrees to use its reasonable best efforts to make available such Posted Securities Withdrawal Amount on a same day basis as set forth herein; and

- (D) if the Secured Party fails to deliver the Secured Party Mark-Up Consent Notice or the Secured Party Mark-Up Refusal Notice by 10:00 a.m. (New York time) on the relevant proposed Increase Date or VFN Pre-Funded Increase Date (as applicable):
  - (I) the Pledgor may deliver promptly, but in any case no later than 10:30 a.m. (New York time), a further notice to the Custodian (copied to the Secured Party) (the “**Pledgor Further Notice**”), which Pledgor Further Notice shall: (1) identify the amount of the VFN Mark-Up and, if applicable, the Posted Securities Withdrawal Amount as requested in the VFN Upsize Request or VFN Pre-Funded Upsize Request (as applicable); (2) cite the Secured Party’s failure to satisfy its obligations in accordance with Section 5.5(a)(i)(B), (3) include a representation, to and for the benefit of the Custodian, that the Pledgor has sent a written notice to the Secured Party (in accordance with the notice provisions herein) regarding its failure to deliver the Secured Party Mark-Up

Consent Notice or Secured Party Mark-Up Refusal Notice in accordance with Section 5.5(a)(i)(B); (4) include a representation, to and for the benefit of the Custodian, that the Pledgor is delivering the Pledgor Further Notice in accordance with the provisions of this Agreement; (5) append a copy of the email in which Pledgor delivered the VFN Upsize Request or VFN Pre-Funded Upsize Request to the Secured Party in accordance with Section 5.5(a)(i)(A)(I) or Section 5.5(a)(i)(B); and (6) append a copy of the notice delivered by the Pledgor to the Secured Party containing the VFN Upsize Funding Evidence or the VFN Pre-Funded Upsize Funding Evidence in accordance with Section 5.5(a)(i)(A)(II) or Section 5.5(a)(i)(B), as applicable;

- (II) where a Pledgor Further Notice is delivered after 10.30 a.m. on an Increase Date or VFN Pre-Funded Increase Date (as applicable), the Custodian shall not carry out the instructions from the Pledgor set out therein until after 12.00 p.m. (New York time) on the following Business Day, subject to the provisions of Section 5.5(a)(i)(A)(IV) below;
- (III) upon receipt of such Pledgor Further Notice, the Custodian shall use best efforts to forward such Pledgor Further Notice on to the Secured Party as soon as reasonably practicable after its receipt thereof, in accordance with Section 4(A)(a)(ii) of the Custody Agreement;
- (IV) following receipt of such Pledgor Further Notice and provided that:
  - (i) the Custodian has forwarded the Pledgor Further Notice on to the Secured Party;
  - (ii) the Custodian is satisfied that the Pledgor Further Notice provided by the Pledgor purports to contain each of the items (1) to (6) that it is required to contain pursuant to Section 5.5(a)(i)(D) above (provided that the Custodian is under no duty or obligation to verify that such information so provided is accurate or genuine);
  - (iii) the Custodian did not receive a Secured Party Mark-Up Refusal Notice by 10.00 a.m. (New York time) on the relevant Increase Date or VFN Pre-Funded Increase Date (as applicable) and the Custodian does not receive a Further Notice Contest from the Secured Party by 12.00 p.m. (New York time) on the relevant Increase Date or VFN Pre-Funded Increase Date (as applicable) (or, if the Pledgor Further Notice was delivered by the Pledgor after 10.30 a.m. (New York time) on such Increase Date or VFN Pre-Funded Increase Date, the Business Day immediately following such Increase Date or VFN Pre-Funded Increase Date) (the "**Further Notice Effective Time**");

- (iv) if the Pledgor Further Notice was delivered by the Pledgor after 10.30 a.m. (New York time) on the relevant Increase Date or VFN Pre-Funded Increase Date (as applicable), the Pledgor provides an additional written notice to the Secured Party and the Custodian on the following Business Day by 10.30 a.m. (New York time) informing the Secured Party that, pursuant to the Pledgor Further Notice, the Custodian will carry out the instructions specified in the Pledgor Further Notice after 12.00 p.m. (New York time) on such Business Day) (subject to the provisions of this Section 5.5(a)(i)(A)(IV) being satisfied);
- (v) at or after 12.00 p.m. (New York time) on the relevant Increase Date or VFN Pre-Funded Increase Date (as applicable) (or, if the Pledgor Further Notice was delivered by the Pledgor after 10.30 a.m. (New York time) on such Increase Date or VFN Pre-Funded Increase Date, the Business Day immediately following such Increase Date or VFN Pre-Funded Increase Date), the Pledgor provides an additional notice to the Custodian (to be provided to the Custodian Final Instruction Contacts (as specified in the Custody Agreement) confirming the Instructions in the Pledgor Further Notice and representing that Pledgor has not received or been copied on a Secured Party Mark-Up Refusal Notice or a Further Notice Contest and that the Pledgor has delivered the Pledgor Further Notice to the Secured Party (a **"Pledgor Final Instruction"**) (provided that, for the avoidance of doubt, notwithstanding such representations provided by the Pledgor, the Custodian's receipt of a Secured Party Mark-Up Refusal Notice or a Further Notice Contest in accordance with Section 5.5(a)(i)(D)(IV)(iii) above shall override and invalidate any Pledgor Final Instruction), which the Pledgor will follow up with by contacting Custodian using the telephone details provided by the Custodian in Section 19 of the Custody Agreement,

the Custodian, in accordance with Section 4(A)(a) of the Custody Agreement, will promptly, and in any case no later than 3:00 p.m. (New York time) on the relevant proposed Increase Date or VFN Pre-Funded Increase Date (as applicable) (or, if the Pledgor Further Notice was delivered by the Pledgor after 10.30 a.m. (New York time) on such Increase Date or VFN Pre-Funded Increase Date, the Business Day immediately following such Increase Date or VFN Pre-Funded Increase Date), (1) record the principal amount of the VFNs then held by the Pledgor in the VFN Securities Collateral Account, as adjusted by the VFN Mark-Up, on the books and records maintained by it in accordance with the terms of the Custody Agreement and (2) if applicable, withdraw from the UST Securities Collateral Account and

make available to the Pledgor Posted Securities in an amount equal to the requested Posted Securities Withdrawal Amount;

(V) upon the Secured Party's receipt of a Pledgor Further Notice from the Pledgor (or the Custodian, as applicable) (or upon the Secured Party otherwise becoming aware that a Pledgor Further Notice has been delivered by the Pledgor to the Custodian), the Secured Party may, reasonably and in good faith, dispute the Pledgor's right to deliver a Pledgor Further Notice by informing the Custodian that it has reasonable grounds to believe that the Pledgor Further Notice was delivered by the Pledgor otherwise than in accordance with this Agreement (including, for the avoidance of doubt, if the Secured Party has reasonable grounds to believe that (i) the VFN Mark-Up proposed pursuant to the Pledgor Further Notice is not at least equal to the Pledgor Increase Amount or (ii) the amount of Posted Securities proposed to be withdrawn pursuant to such Pledgor Further Notice are of a Value which exceeds the product of the VFN Valuation Percentage and the Pledgor Increase Amount) (such communication to the Custodian, the "**Further Notice Contest**"), provided that such Further Notice Contest must be communicated by the Secured Party to the Custodian no later than 12:00 p.m. (New York time) on the relevant proposed Increase Date or VFN Pre-Funded Increase Date (as applicable) or, if the Pledgor Further Notice was delivered by the Pledgor after 10.30 a.m. on such Increase Date or VFN Pre-Funded Increase Date, the Business Day immediately following such Increase Date or VFN Pre-Funded Increase Date, after the Secured Party's receipt of such Further Notice;

(VI) Following the Custodian's receipt of a Further Notice Contest, the Custodian shall not carry out the instructions specified by the Pledgor in the Pledgor Further Notice, in accordance with Section 4(A)(a)(vi) of the Custody Agreement.

(ii) Following the receipt of any repayment or prepayment of principal in respect of the Credit Support Balance comprised of VFNs made for any reason and deposited in the Cash Collateral Account in accordance with the Purchase Agreement:

(A) the Pledgor agrees promptly, but in any case no later than 12:00 p.m. (New York time) on the VFN Repayment Date, to provide notice of such repayment or prepayment (the "**Repayment Notice**") to the Secured Party (copied to the Custodian);

(B) upon receipt of the Repayment Notice, Secured Party agrees promptly, but in any case no later than 3:00 p.m. (New York time) on the date that the Secured Party receives the Repayment Notice, to provide written notice (the "**SP Repayment Notice**") to the Custodian, which notice shall include instructions to the Custodian to record on the books and records

maintained by it in accordance with the Custody Agreement, the principal amount of the VFNs then held by the Pledgor in the VFN Securities Collateral Account, as decreased by a principal amount equal to the amount of the repayment or prepayment deposited in the Cash Collateral Account (the “**VFN Mark-Down**”); and

- (C) upon receipt of the SP Repayment Notice, the Custodian shall, in accordance with Section 4(A)(b) of the Custody Agreement, so record the amount of the VFN Mark-Down.
- (iii) If the Secured Party fails to satisfy any of its obligations as set forth in Section 5.5(a)(i) or Section 5.5(a)(ii), which failure causes the Pledgor to default on its obligations to make available its pro rata share of any requested Increase Amount in accordance with the terms of the Purchase Agreement, the Secured Party shall pay the Pledgor all documented funding costs and related expenses reasonably incurred by the Pledgor directly as a result of such default under the Purchase Agreement and the Indenture.

## **Section 5.6 Posted Collateral**

### **(a) Delivery Amounts**

- (i) On each Business Day, the Secured Party shall calculate the Delivery Amount (if any) and, if such Delivery Amount exceeds the Threshold Amount, notify the Pledgor of such Delivery Amount, and if the Delivery Amount for that day exceeds the Threshold Amount, the Secured Party may, by no later than 9:00 a.m. (New York time) on such day, deliver to the Pledgor (copied to the Custodian) a signed demand (the “**Delivery Amount Request**”) (A) confirming the Delivery Amount as of that Business Day, the Business Day on which the demand is received being the “**Delivery Amount Request Date**” and (B) instructing the Custodian to free receive Eligible Credit Support in the form of cash or Eligible Securities to be delivered by the Pledgor in an amount equal to the Delivery Amount; **provided, however**, that if the Delivery Amount Request is received after 9:00 a.m. (New York time), the Delivery Amount Request Date shall be deemed to be the following Business Day.
- (ii) On receipt of the Delivery Amount Request, the Pledgor shall, (A) by no later than 10:00 a.m. (New York time) on the Delivery Amount Request Date, provide its consent in writing to the Delivery Amount Request to the Secured Party (copied to the Custodian) and (B) by no later than 3:00 p.m. (New York time) on the Delivery Amount Request Date, make a transfer (to be credited to the UST Securities Collateral Account and/or the Cash Collateral Account) of Eligible Credit Support in the form of cash or Eligible Securities and having a Value as of the Delivery Amount Request Date at least equal to the applicable Delivery Amount.

The “**Delivery Amount**” for any Business Day will equal the amount, determined by the Secured Party in good faith and a commercially reasonable manner, by which:

- (x) the Transaction Notional Amount

exceeds

(y) the Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant date of settlement falls on or after such Business Day).

(iii) If the Secured Party, at any time, determines in its sole discretion that the credit characteristics of the VFNs or the Issuer have changed such that the fair market value of the VFNs is less than the principal amount outstanding of the VFNs as of such time (a **"VFN Decreased Value"**):

(A) the Secured Party shall, by no later than 9:00 a.m. (New York time) on the date that it makes such determination, provide a written notice (a **"VFN Decreased Value Notice"**) to the Pledgor of the VFN Decreased Value, including in such notice, to the extent permitted under applicable law, any information it may have considered in making its determination of the VFN Decreased Value, and the amount due on such Business Day as a consequence of the VFN Decreased Value (the **"VFN Decrease Amount"**);

(B) upon receipt of the VFN Decreased Value Notice, subject to Section SECTION 7, the Pledgor shall, by no later than 3:00 p.m. (New York time) on the date that it receives the VFN Decreased Value Notice, make a transfer (to be credited to the Cash Collateral Account and/or the UST Securities Collateral Account) of Eligible Credit Support in the form of cash or Eligible Securities having a Value as of the same Business Day at least equal to the applicable VFN Decrease Amount.

(iv) If the Pledgor, at any time, determines in its sole discretion that the credit characteristics of the VFNs or the Issuer have changed such that the fair market value of the VFNs is more than the principal amount outstanding of the VFNs as of such time (a **"VFN Increased Value"**):

(A) the Pledgor may, by no later than 9:00 a.m. (New York time) on the date that it makes such determination, provide a written notice (a **"VFN Increased Value Notice"**) to the Secured Party of the VFN Increased Value, including in such notice, to the extent permitted under applicable law, any information it may have considered in making its determination of the VFN Increased Value, and the amount due on such Business Day as a consequence of the VFN Increased Value (the **"VFN Increase Amount"**).

(B) upon receipt of the VFN Increased Value Notice the Secured Party shall, by no later than 3:00 p.m. (New York time) on the date it receives the VFN Increased Value Notice, in a good faith and commercially reasonable manner, determine whether or not there has in fact been a VFN Increased Value and, if so, it shall notify the Pledgor of any amount due as a consequence of the VFN Increased Value (the **"VFN Increase Amount"**).

(b) **Return Amounts**

- (i) On each Business Day, the Pledgor shall calculate the Return Amount (if any) and, if such Return Amount exceeds the Threshold Amount, notify the Secured Party of such Return Amount, and if the Return Amount for that day exceeds the Threshold Amount, the Pledgor may, by no later than 9:00 a.m. (New York time) on such day, deliver to the Secured Party (copied to the Custodian) a signed demand (a **"Return Amount Request"**), which demand shall be in the form of a Return Amount Instruction, confirming (A) the Return Amount as of that Business Day, (B) the Posted Collateral, in an amount equal to the Return Amount as of such Business Day, that it proposes to withdraw from the Pledged Accounts (the **"Proposed Return Collateral"**), and (C) the account(s) to which the Proposed Return Collateral should be transferred, the Business Day on which the demand is received being the **"Return Amount Request Date"**; **provided, however**, that if the Return Amount Request is received after 9:00 a.m. (New York time), the Return Amount Request Date shall be deemed to be the following Business Day.
- (ii) On receipt of the Return Amount Request, the Secured Party shall, by no later than 10:00 a.m. (New York time) on the same Business Day, provide its written consent to the Return Amount Instruction and deliver it to the Pledgor (copied to the Custodian along with the Secured Party's instruction to the Custodian to free deliver to the Pledgor the Proposed Return Collateral in an amount equal to the Return Amount); **provided** that the Secured Party shall not be in breach of this requirement if, by such time, the Secured Party has certified in writing to the Pledgor that it has reasonable grounds to believe that the withdrawal of the Proposed Return Collateral will result in a Delivery Amount being due.
- (iii) On receipt of the Secured Party's consent to the Return Amount Instruction, the Custodian, in accordance with Section 4(B) of the Custody Agreement, will, by no later than 3:00 p.m. (New York time), free deliver the Proposed Return Collateral to the account(s) as directed by the Pledgor in the Return Amount Request.

The **"Return Amount"** for any Business Day will equal the amount, determined by the Pledgor in good faith and a commercially reasonable manner, by which:

- (x) the Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant date of settlement falls on or after such Business Day)

*exceeds*

- (y) the Transactional Notional Amount.

(c) **Substitutions**

- (i) On each Business Day, provided that there is no Delivery Amount that has become due but that has not been transferred, the Pledgor may, by no later than 10:00 a.m. (New York time) on such day, deliver to the Secured Party (copied to



the Custodian) a notice (a "**Substitution Request**"), informing the Secured Party that the Pledgor wishes to transfer or credit to the Pledged Accounts cash and/or Eligible Securities (the "**Substitute Collateral**") specified in the Substitution Request, in substitution for certain Posted Collateral (the "**Original Collateral**") specified in the Substitution Request, which Substitution Request.

- (ii) On receipt of the Substitution Request, the Secured Party shall, by no later than 12:00 p.m. (New York time) on the same Business Day, provide its written consent to the Substitution Request to the Pledgor (copied to the Custodian along with the Secured Party's instruction to the Custodian to free receive from the Pledgor the proposed Original Collateral and to free deliver to the Pledgor the proposed Substitute Collateral); **provided** that the Secured Party shall not be in breach of this requirement if, by such time, the Secured Party has certified in writing to the Pledgor that it has reasonable grounds to believe that either (A) the substitution of the Substitute Collateral for the Original Collateral would likely result in a Delivery Amount or (B) the Substitute Collateral is comprised of VFNs and, unless otherwise agreed with the Secured Party, the form and/or substance of such VFNs has, or the terms of the Purchase Agreement, the Indenture or any related documentation have, been materially amended since the date on which the VFNs were last credited to the VFN Securities Collateral Account.
- (iii) On receipt of the Secured Party's consent to the Substitution Request, the Pledgor shall, by no later than 3:00 p.m. (New York time) on the same Business Day:
  - (A) to the extent the Substitute Collateral is comprised of cash and/or Eligible Securities, transfer the cash and/or Eligible Securities to the Cash Collateral Account or UST Securities Collateral Account, as applicable; and
  - (B) to the extent the Substitute Collateral is comprised of VFNs, instruct the Secured Party to provide an instruction to the Custodian to record on the books and records maintained by it under the Custody Agreement the principal amount of the VFNs then held by the Pledgor in the VFN Securities Collateral Account, as adjusted by a principal amount equal to the principal amount of the Substitute Collateral.
- (iv) On the Business Day following the transfer or crediting of the Substitute Collateral to the Pledged Accounts, the Custodian, in accordance with Section 4(B) of the Custody Agreement, shall, by no later than 3:00 p.m. (New York time) on such Business Day:
  - (A) to the extent the Original Collateral is comprised of cash and/or Eligible Securities, free deliver the cash and/or Eligible Securities from the Cash Collateral Account or UST Securities Collateral Account, as applicable, to the Pledgor, as directed by the Pledgor in the Substitution Request; and
  - (B) to the extent the Original Collateral is comprised of VFNs, record on the books and records maintained by it in accordance with the Custody

Agreement the principal amount of the VFNs then held by the Pledgor in the VFN Securities Collateral Account, as decreased by a principal amount equal to the principal amount of the Original Collateral.

- (v) Subject to the final sentence of this sub-paragraph (v), on the Business Day immediately preceding the 25th calendar day following on a given day (the “**VFN Substitution Date**”), the Pledgor shall substitute all Posted Collateral comprised of Eligible Securities with other Eligible Credit Support in accordance with sub-paragraphs (i) to (iv) of this Section 5.6(c). Notwithstanding any other provision of the Transaction Documents the Pledgor may waive or defer its obligation to effect such a substitution without the consent of the Secured Party or any other party but the Pledgor shall notify the Secured Party of such waiver or deferral as soon as reasonably practicable thereafter.

## **SECTION 6 FURTHER ASSURANCES**

### **Section 6.1 Further Assurances**

- (a) The Pledgor agrees that from time to time, it will execute and deliver to the Secured Party all further instruments and documents and take all further action, that may be reasonably necessary, or that the Secured Party may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any Security Interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Pledgor will:
  - (i) execute, acknowledge, deliver and cause to be duly filed all such further instruments, documents, endorsements, powers of attorney or notices, and take all such actions as may be reasonably necessary, or as the Secured Party may from time to time reasonably request, to preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements or other documents in connection herewith or therewith;
  - (ii) at the Secured Party's reasonable request, appear in and defend any action or proceeding that could reasonably be expected to materially and adversely affect the Pledgor's title to or the Secured Party's Security Interest in all or any material part of the Collateral.
- (b) To the extent permitted by applicable law, the Pledgor hereby authorizes the Secured Party to make Filings in all jurisdictions and with all filing offices as the Secured Party may reasonably determine, in its reasonable discretion, are necessary or advisable to perfect the Security Interest granted to the Secured Party herein, without the signature of the Pledgor. Such Filings may describe the Collateral in the same manner as described herein.

- (c) The Secured Party shall provide to the Pledgor copies of all filings made in accordance with paragraph (b) above.

## **SECTION 7**

### **DISPUTE RESOLUTION**

#### **Section 7.1 Dispute Resolution**

- (a) The Pledgor may, at any time, reasonably and in good faith dispute any determination made by the Secured Party under Section 5.6(a)(iii) or Section 5.6(a)(iv) of this Agreement by providing notice (such notice a "**Dispute Notice**", such dispute a "**Dispute**", such disputed value of the VFNs, the "**Disputed Value**" and the date of provision of such notice, the "**Dispute Notice Date**") to the Secured Party no later than 5:00 p.m. (New York time) on the date that it receives the VFN Adjusted Value Notice; **provided, however**, that the Pledgor shall be obligated to make a transfer of Eligible Credit Support in respect of the VFN Adjustment Amount in accordance with Section 5.6(c)(iii) and maintain such Eligible Collateral Support in the Collateral Accounts.
- (b) In case of a Dispute, the Pledgor and the Secured Party shall consult together (each acting in good faith), with a view to resolving such Dispute within three Business Days of the Dispute Notice Date. If the Dispute is resolved during such three (3) Business Day period, the Value of the VFNs will be the market value agreed between the Pledgor and Secured Party and such market value shall be used with effect from the day following the resolution of the Dispute.
- (c) In the event that the Dispute cannot be resolved within such three Business Day period, the Pledgor may:
  - (i) solicit a written firm tender from a third party for repayment or prepayment of the VFNs in full from the Issuer, with such tender based on repayment occurring on the 7th Business Day after the Dispute Notice Date; and/or
  - (ii) seek a written firm bid from a third party to acquire the VFNs in full, based on such acquisition occurring on the seventh Business Day after the Dispute Notice Date; **provided** that if a bid is expressed to be conditional on the Issuer consenting to such acquisition, such consent shall not, of itself, prevent such bid from being a firm bid for the purposes of this Section 7.1(c)(ii).
- (d) If the Pledgor obtains a tender or bid in accordance with paragraph (c) above within seven (7) Business Days of the Dispute Notice Date, such tender or bid will be the Value for the VFNs with effect on and from the fourth Business Day after the Dispute Notice Date.
- (e) If the Pledgor does not produce such a tender or bid within such seven (7) Business Day period or such tender or bid is not more than three per cent. higher than the Disputed Value, the Value of the VFNs will be the Disputed Value.
- (f) Until such Dispute has been resolved in accordance with the provisions above, the Value will be the Disputed Value.

- (g) The failure by the Pledgor to make a transfer of any amount which is the subject of a Dispute to which this Section 7 applies, will not constitute an Event of Default or Termination Event for so long as the procedures set out in this Section 7 are being carried out.

## **SECTION 8 ENFORCEMENT EVENT**

### **Section 8.1 Enforcement Event**

- (a) For the purposes of this Agreement, an "Enforcement Event" will have occurred if:
  - (i) an Early Termination Date has occurred or has been designated in respect of all transactions under the Loan Agreement as a result of either (A) an Event of Default with respect to the Pledgor or (B) an Illegality, Tax Event, Tax Event Upon Merger or Credit Event Upon Merger with respect to the Pledgor;;
  - (ii) an Early Termination Date has been designated in respect of the transaction evidenced by the Confirmation only pursuant to paragraph 7 of the Confirmation where the Pledgor is the sole Affected Party (as defined under the Loan Agreement); or
  - (iii) an Early Termination Date has occurred or has been designated in respect of all Transactions under the Agreement and the Early Termination Amount in connection with such Early Termination Date is payable by the Pledgor and the Pledgor has not paid such amount when due.

## **SECTION 9 SECURED PARTY APPOINTED ATTORNEY-IN-FACT**

### **Section 9.1 Power of Attorney**

The Pledgor hereby irrevocably makes, constitutes and appoints the Secured Party (and all officers, employees or agents designated by the Secured Party) as its true and lawful agent and attorney-in-fact (such appointment coupled with an interest), with full authority in the place and stead of the Pledgor and in its name, the Secured Party or otherwise, from time to time in the Secured Party's reasonable discretion (subject to the limitations set forth in clause (b) below, with respect to actions taken pursuant thereto):

- (a) to prepare and make Filings as further described in Section 6.1(a); and
- (b) after the occurrence of an Enforcement Event (and after notice to the Pledgor, it being understood that the failure to provide such notice shall not limit the rights of the Secured Party hereunder), to take any action and to execute any instrument that the Secured Party may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including:
  - (i) to receive, endorse, assign, collect and deliver any and all notes, acceptances, checks, drafts, Cash orders or other instruments, documents and Chattel Paper or other evidences of payment relating to the Collateral;

- (ii) to ask for, demand, collect, sue for, recover, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral;
- (iii) to sign the name of the Pledgor on any invoice or Document relating to any of the Collateral;
- (iv) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral;
- (v) to settle, compromise, adjust or defend any claims, actions, suits or proceedings relating to all or any of the Collateral;
- (vi) to notify, or to require the Pledgor to notify, Account Debtors of the Pledgor to make payment directly to the Secured Party ;
- (vii) to make, settle and adjust claims in respect of the Collateral under policies of insurance, to endorse the name of the Pledgor on any check, draft, instrument or other item of payment for the Proceeds of such policies of insurance and to make all determinations and decisions with respect thereto;
- (viii) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral; and
- (ix) subject to Section 10.1(a)(v), generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Secured Party's option and the Pledgor's expense, at any time or from time to time, all acts and things that the Secured Party deems reasonably necessary to protect, preserve or realize upon the Collateral and the Secured Party's Security Interest therein in order to effect the intent of this Agreement, all as fully and effectively as the Pledgor might do.

## **Section 9.2 No Duty on the Part of Secured Party**

Notwithstanding any other provision of this Agreement, nothing herein contained will be construed as requiring or obligating the Secured Party to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Secured Party, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the cash due or to become due in respect thereof or any property covered thereby, and no action taken or omitted to be taken by the Secured Party with respect to the Collateral or any part thereof will give rise to any defense, counterclaim or offset in favor of the Pledgor or to any claim or action against the Secured Party, except to the extent such action constitutes gross negligence, bad faith or willful misconduct. The provisions of this Section 9.2 will in no event relieve the Pledgor of any of its obligations hereunder or under any other Transaction Document with respect to the Collateral or any part thereof or impose any obligation on the Secured Party to proceed in any particular manner with respect to the Collateral or any part thereof, or in any way limit the exercise by the Secured Party of any other or further right that it may have on the date of this Agreement or hereafter, whether hereunder, under any other Transaction Document, by law or otherwise. The Secured Party will be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents will be responsible to the Pledgor for any act or failure to act hereunder, except for their own

officers', directors', employees' or agents' breach of contract, gross negligence, bad faith or willful misconduct.

## **SECTION 10 REMEDIES**

### **Section 10.1 Remedies Upon Enforcement Event**

- (a) Upon the occurrence and during the continuance of an Enforcement Event with respect to the Pledgor, the Secured Party may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it at law or in equity, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) or any other applicable law, and also may pursue any of the following separately, successively or simultaneously:
  - (i) require the Pledgor to, and the Pledgor hereby agrees that it will promptly upon request of the Secured Party, assemble all or part of the Collateral as directed by the Secured Party and make it available to the Secured Party at a place to be designated by the Secured Party that is reasonably convenient to both parties;
  - (ii) with or without legal process and with or without prior notice or demand for performance, to take possession of the Collateral and to enter without breach of the peace any premises owned or leased by the Pledgor where the Collateral may be located for the purpose of taking possession of or removing the Collateral;
  - (iii) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Secured Party deems appropriate;
  - (iv) exercise dominion and control over, issue a Notice of Exclusive Control (as defined in the Account Control Agreement) with respect to and refuse to permit further withdrawals (whether of Cash, securities, instruments or other property) from any Pledged Account;
  - (v) without notice to the Pledgor, (A) transfer all or any portion of the Collateral held in the Pledged Accounts to its name or the name of its nominee or agent and/or (B) exchange any certificates or Instruments representing any Collateral held in the Pledged Accounts for certificates or Instruments of smaller or larger denominations;
  - (vi) without prior notice (except as specified herein and otherwise in accordance with the terms of the UCC), sell, assign, lease, license (on an exclusive or non-exclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale or at any broker's board or on any securities exchange, at any of the Secured Party's offices or elsewhere, for Cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable; **provided** that (i) the Secured Party will be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the

Collateral for their own account for investment and not with a view to the distribution or sale thereof, (ii) upon consummation of any such sale the Secured Party will have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold, (iii) each such purchaser at any such sale will hold the property sold absolutely, free from any claim or right on the part of the Pledgor, and (iv) the Pledgor hereby waives (to the extent permitted by law) all rights of redemption, stay, valuation and appraisal that it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted;

- (vii) take any such action prescribed to it and permitted in accordance with the terms of the Loan Agreement; and
  - (viii) with respect to any Collateral consisting of Relevant Agreements, the Secured Party may notify or require the Pledgor to notify any counterparty to any such Relevant Agreement to make all payments thereunder directly to the Secured Party.
- (b) In accordance with the terms of the UCC, the Secured Party may be the purchaser of any or all of the Collateral at any sale thereof and the Secured Party will be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Secured Party at such sale.
- (c) The Secured Party will have no obligation to marshal any of the Collateral.

#### **Section 10.2 Application of Proceeds**

- (a) The Secured Party will apply the proceeds of any collection or sale of the Collateral as provided in the Loan Agreement. To the extent not specified in the Loan Agreement, the Secured Party will have discretion as to the time and manner of application of any such proceeds. Any such proceeds will continue to be held as collateral security for the Secured Obligations (and will not constitute payment thereof until so applied).
- (b) For the avoidance of doubt, all proceeds received by the Secured Party in respect of any part of the Collateral prior to the occurrence and continuance of an Enforcement Event shall be returned to the Pledgor to the extent such proceeds are not required to be applied in any other manner under the Transaction Documents.

#### **Section 10.3 U.S. Securities Laws**

The Pledgor understands that compliance with the U.S. Securities Laws might very strictly limit (a) the course of conduct of the Secured Party were to attempt to dispose of all or any part of the Investment Property held in the Pledged Accounts, and (b) limit the extent to which or the manner in which any subsequent transferee of any such Investment Property could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Secured Party in any attempt to dispose of all or part of the Investment Property under the U.S. Securities Laws. The Pledgor recognizes that, in light of such restrictions and limitations, the Secured Party may, with respect to any sale of such Investment Property, limit the purchasers to those who will agree, among other things, to acquire such Investment Property for their own account, for investment, and not with a view to the distribution or resale thereof.

The Pledgor acknowledges and agrees that, in light of such restrictions and limitations, upon the occurrence of and during the continuance of an Event of Default, the Secured Party, in its sole and absolute discretion exercised in good faith, (i) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Investment Property or part thereof has been filed under the U.S. Securities Laws and (ii) may approach and negotiate with a single potential purchaser to effect such sale. The Pledgor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Secured Party will incur no responsibility or liability for selling all or any part of the Investment Property contained in the Pledged Accounts at a price that the Secured Party, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section 10.3 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices might exceed substantially the price at which the Secured Party sells.

## **SECTION 11**

### **SECURED PARTY MAY PERFORM**

#### **Section 11.1 Performance by Secured Party**

To the extent limited by the terms of this Agreement and the Loan Agreement, if the Pledgor fails to perform any agreement contained herein, the Secured Party may, to the extent necessary to protect its interest in the Collateral only, itself perform, or cause performance of, such agreement, and the reasonable and documented out-of-pocket expenses of the Secured Party incurred in connection therewith will be payable by the Pledgor in accordance with Section 12.5(a).

## **SECTION 12**

### **MISCELLANEOUS**

#### **Section 12.1 Notices**

All communications and notices hereunder will (except as otherwise permitted herein) be in writing and delivered (i) to the Pledgor and the Secured Party in accordance with the notice provisions set forth in Section 19 of the Custody Agreement and (ii) to the Custodian in accordance with the notice provisions set forth in Section 19 of the Custody Agreement, which communications or notices may be delivered (x) via electronic mail to the address for each respective party hereto or (y) in the case of such notices to be delivered by the Secured Party to the Custodian, via the Custodian's "portal", being GCAS' electronic messaging system (as the same may be changed from time to time) which allows the Secured Party to provide written instructions to the Custodian (the "**Portal**").

#### **Section 12.2 Security Interest Absolute**

All rights of the Secured Party hereunder, the Security Interest and all obligations of the Pledgor hereunder will be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Loan Agreement, (b) except with respect to, or as a result of, any amendment to the obligations of the Pledgor hereunder, any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Loan Agreement, (c) any exchange, release or non-perfection of any Lien on Collateral, or except with respect to, or as a result of, any amendment to the obligations of the Pledgor



hereunder, any release or amendment or waiver of or consent under or departure from any Collateral Document, or (d) except with respect to, or as a result of, any amendment to the obligations of the Pledgor hereunder, any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Pledgor in respect of the Secured Obligations or this Agreement (other than the indefeasible payment in full in Cash of the Secured Obligations).

### **Section 12.3 Survival of Agreement**

- (a) All covenants, agreements, representations and warranties made by the Pledgor herein and in the certificates or other instruments prepared or delivered pursuant to this Agreement will be considered to have been relied upon by the the Secured Party and will survive the making by the Secured Party of any extensions of credit, regardless of any investigation made by the Secured Party or on their behalf, and will continue in full force and effect until this Agreement terminates in accordance with the terms hereof.
- (b) To the extent that the Pledgor makes a payment or payments to the Secured Party (or to any Agent for the benefit of the Secured Party), or the Secured Party enforces any security interests or exercises its rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any Bankruptcy Law, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

### **Section 12.4 Successors and Permitted Assigns**

This Agreement will be binding upon and inure to the benefit of each of the parties hereto, and the successors and permitted assigns of each of the foregoing, except that the Pledgor may not assign or otherwise transfer any of its rights or obligations hereunder or any interest in the Collateral (and any such assignment or transfer will be null and void) unless permitted under or otherwise contemplated the Pledgor as debtor-in-possession and any receiver or trustee for the Pledgor in any Insolvency Proceeding. Nothing herein is intended, or will be construed, to give any other Person any right, remedy or claim under, to or in respect of this Agreement or any Collateral.

### **Section 12.5 Secured Party's Fees and Expenses; Indemnification**

- (a) Without limitation of its reimbursement obligations under the other Transaction Documents, the Pledgor agrees to pay upon demand to the Secured Party the amount of any and all reasonable and documented out-of-pocket expenses incurred under or in respect of this Agreement (including, for the avoidance of doubt, any reasonable and documented out-of-pocket expenses incurred in connection with the Secured Party's enforcement of any of its rights under this Agreement).
- (b) Without limitation of its indemnification obligations under the other Transaction Documents, the Pledgor agrees to indemnify, reimburse and hold the Secured Party and each of its officers, directors, employees, representatives and agents (each an "**Indemnified Party**") harmless from any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs or expenses or disbursements (including reasonable attorneys' fees and expenses) of whatsoever kind or nature which

may be imposed on, asserted against or reasonably incurred by any Indemnified Party in any way relating to or arising out of this Agreement, the Account Control Agreement, the Custody Agreement or the transactions contemplated hereby (or thereby); **provided** that such indemnity shall not be available to the extent that such losses, claims, damages, liabilities, settlements or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the breach of this Agreement, gross negligence or willful misconduct of such Indemnified Party; **provided further** that where such losses, claims, damages, liabilities, settlements and related expenses arise from the actions or assertions of the parties hereto, then the Pledgor shall only be responsible for fees, charges and disbursements of only one counsel in each relevant jurisdiction for all Indemnified Parties. The Indemnified Party shall not, without the prior written consent of the Pledgor (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceedings in respect of which indemnity could have been sought hereunder. The obligations of the Pledgor under this Section 12.5(a) shall survive payment and performance or discharge of the Secured Obligations and the termination of this Agreement.

#### **Section 12.6 Applicable Law**

This Agreement, and the rights and obligations of the parties hereunder, are governed by, and will be construed and enforced in accordance with, the internal laws of the State of New York (including § 5-1401 of the New York General Obligations Law), without regard to conflict of laws principles that would require application of another law (other than any mandatory provisions of the UCC relating to the law governing perfection or priority of the Security Interests).

#### **Section 12.7 Waivers; Amendment**

- (a) No failure on the part of the Secured Party to exercise and no delay in exercising any power or right hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Secured Party hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provisions of this Agreement or consent to any departure by the Pledgor therefrom will in any event be effective unless the same is permitted by paragraph (b) below, and then such waiver or consent will be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Pledgor in any case will entitle it to any other or further notice or demand in similar or other circumstances.
- (b) Neither this Agreement nor any provision hereof may be waived, amended or modified except (i) as provided herein with respect to any Security Supplement or (ii) pursuant to an agreement or agreements in writing entered into by the Secured Party and the Pledgor, subject to any consent required in accordance with the Loan Agreement.

#### **Section 12.8 Waiver of Jury Trial**

**Each of the parties to this Agreement hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising out of this Agreement or any dealings between them relating to the subject matter of this Agreement or any transactions provided**

hereunder or contemplated hereby to the fullest extent permitted by applicable law. The scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this Agreement, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into a business relationship, that each party has already relied on this waiver in entering into this Agreement, and that each party will continue to rely on this waiver in their related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. This waiver is irrevocable, meaning that it may not be modified either orally or in writing (other than by a mutual written waiver specifically referring to this Section 12.8 and executed by each of the parties hereto), and this waiver will apply to any subsequent amendments, renewals, supplements or modifications to this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

#### **Section 12.9 Severability**

In case any provision in or obligation under this Agreement is invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, will not in any way be affected or impaired thereby. The parties hereto shall endeavor in good faith negotiations to replace any invalid, illegal or unenforceable provision or obligation with a valid provision or obligation, the economic effect of which comes as close to that of the invalid, illegal or unenforceable provision or obligation.

#### **Section 12.10 Counterparts; Effectiveness**

This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith (a) may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered will be deemed an original, but all such counterparts together will constitute but one and the same instrument (and signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document, and (b) will become effective upon the execution and delivery of a counterpart hereof by each of the parties hereto. Delivery of an executed facsimile or “.PDF” (“**PDF**”) counterpart of a signature page to this Agreement or any such amendments, waivers, consents or supplements shall be effective as delivery of an original executed counterpart hereof or thereof. The Secured Party may also request that any such facsimile or PDF signatures be confirmed by a manually signed original thereof; **provided** that the failure to request or deliver the same shall not limit the effectiveness of any facsimile or PDF signature delivered.

#### **Section 12.11 Section Titles**

The section titles contained in this Agreement are and will be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

#### **Section 12.12 Consent to Jurisdiction and Service of Process**

**All judicial proceedings brought against the Pledgor arising out of or relating to this agreement, or any obligations hereunder, may be brought in any state or federal court of competent jurisdiction in the State, County and City of New York (each, a “NY Court”). By executing and delivering this agreement, the Pledgor, for itself and in connection with its properties, irrevocably:**

- (A) **accepts generally and unconditionally the nonexclusive jurisdiction and venue of such NY Courts;**
- (B) **waives any defense of forum *non conveniens*;**
- (C) **agrees that service of all process in any such proceeding in any such NY Court may be made by registered or certified mail, return receipt requested, to the Pledgor at its address provided in accordance with Section 12.1 or to the Process Agent;**
- (D) **agrees that service as provided in clause (C) above is sufficient to confer personal jurisdiction over the Pledgor in any such proceeding in any such NY Court, and otherwise constitutes effective and binding service in every respect;**
- (E) **agrees that the Secured Party retain the right to serve process in any other manner permitted by law or to bring proceedings against the Pledgor in the courts of any other jurisdiction; and**
- (F) **agrees that the provisions of this Section 12.12 relating to jurisdiction and venue will be binding and enforceable to the fullest extent permitted by law (under New York General Obligations Law Section 5-1402 or otherwise).**

#### **Section 12.13 Appointment of Process Agent**

The Pledgor hereby (i) irrevocably designates and appoints NatWest Markets Securities Inc., 600 Washington Boulevard, Stamford, CT 06901, United States (the "**Process Agent**") as its agent to receive on its behalf service of all process brought against it with respect to any such proceeding in any NY Court, such service being hereby acknowledged by the Pledgor to be effective and binding on it in every respect, and (ii) confirms that the Process Agent has accepted such designation and appointment. If for any reason the Process Agent shall cease to be available to act as such, then the Pledgor will promptly designate a new agent for service of process in the State, County and City of New York.

#### **Section 12.14 Termination**

- (a) This Agreement and the Security Interest will terminate upon the earlier to occur of (i) the satisfaction in full (through payment or otherwise) of all Secured Obligations, and (ii) the satisfaction in full (through payment or otherwise) of all of the Pledgor's actual obligations to the Secured Party (in its capacity as Lender only) under the Confirmation (including, for the avoidance of doubt, any amount payable by the Pledgor to the Secured Party under Section 6(e) of the ISDA Master that arises on account of any Additional Termination Event under paragraph 7 ("*Additional Termination Events*") of the Confirmation) and any amounts then due but unpaid by the Pledgor to the Secured Party (in its capacity as Lender only) under the Collateral Documents.
- (b) Upon any sale, lease, transfer or other disposition of any item of Collateral of the Pledgor to a Person that is not an Affiliate in accordance with the terms of the Loan Agreement, the Security Interest of the Secured Party in such item of Collateral will be automatically released.
- (c) Upon any termination or release pursuant to this Section 12.14, the Secured Party will execute and deliver to the Pledgor, at the Pledgor's expense, all UCC termination statements, releases and similar documents that the Pledgor may reasonably request to effect and/or evidence such termination or release. Any such execution and delivery of

termination statements, releases or other documents will be without recourse to or warranty by the Secured Party.

#### **Section 12.15 Acknowledgement and Consent to Bail-in of EEA Financial Institutions**

Notwithstanding anything to the contrary in the Transaction Documents or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under the Transaction Documents, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or the Loan Agreement; or
  - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Pledgor and the Secured Party have caused this Agreement to be duly executed and delivered by their respective officers or representatives thereunto duly authorized as of the date first written above.

**NATWEST MARKETS PLC,**  
as Pledgor

By



**BANK OF AMERICA, N.A.,**  
as Secured Party

By


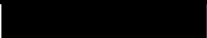
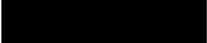
\_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the Pledgor and the Secured Party have caused this Agreement to be duly executed and delivered by their respective officers or representatives thereunto duly authorized as of the date first written above.

**NATWEST MARKETS PLC,**  
as Pledgor

By \_\_\_\_\_  
Name:  
Title:

**BANK OF AMERICA, N.A.,**  
as Secured Party

By   
Name:   
Title: 

## Schedule 4.2

### Names and Locations

#### Names

<b>Pledgor's correct legal name</b>		<b>Jurisdiction of organization</b>
Natwest Markets Plc		Scotland

#### Locations

<b>Pledgor</b>	<b>Location of chief executive office</b>		
Natwest Markets Plc	Edinburgh, Scotland London, England		

#### Changes in Identity or Organizational Structure

<b>Pledgor</b>	<b>Description and date of relevant change:</b>



### Schedule 4.3

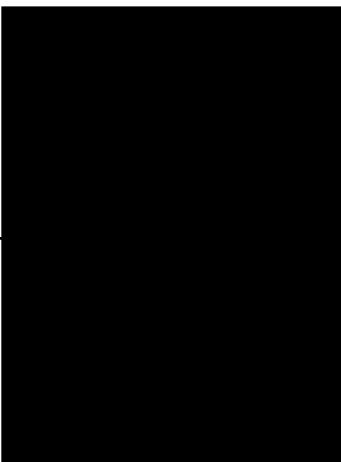
#### Filings

<b>Pledgor</b>	<b>Filing Office(s)</b>
UCC-1 Financing Statement	Washington D.C. Recorder of Deeds
Form MR01	Companies House

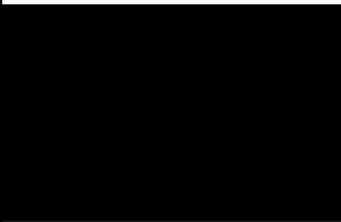
## Schedule 4.5

### Pledged Accounts

#### Securities Accounts

<b>Pledgor</b>	<b>Bank Name and Address of Bank or Securities Intermediary, Account Number(s)</b>	<b>Purpose of Account(s)</b>
Natwest Markets Plc		UST Securities Collateral Account
Natwest Markets Plc		VFN Securities Collateral Account

#### Deposit Accounts

<b>Pledgor</b>	<b>Bank Name and Address of Bank or Securities Intermediary, Account Number(s)</b>	<b>Purpose of Account(s)</b>
Natwest Markets Plc		Cash Collateral Account

## EXHIBIT A

### FORM OF SECURITY SUPPLEMENT

This **SECURITY SUPPLEMENT**, dated as of [●], is delivered pursuant to the Security Agreement, dated as of [●] (as it may from time to time be amended, modified or supplemented in accordance with its terms, the "**Security Agreement**"), among NatWest Markets Plc, a corporation incorporated under the laws of [●] ("**Pledgor**"), and Bank of America, N.A. (the "**Secured Party**"). Capitalized terms used herein but not defined herein are used with the meanings given them in the Security Agreement.

The Pledgor confirms, as set forth in the Security Agreement, that it has pledged, assigned, transferred and granted (and, to the extent necessary, it hereby pledges, assigns, transfers and grants) to the Secured Party, a continuing security interest in, and Lien on, all of its right, title and interest in, to and under the Collateral as security for the prompt and complete payment and performance in full when due (whether at stated maturity, by acceleration or otherwise) of all Secured Obligations (as defined in the Security Agreement) in accordance with the terms of and subject to the limitations specified in the Security Agreement.

The Pledgor represents and warrants that the attached Supplements to Schedules accurately and completely set forth all information required pursuant to the Security Agreement and hereby agrees that such Supplements to Schedules will [constitute part of][replace] the Schedules to the Security Agreement.

**IN WITNESS WHEREOF**, the Pledgor has caused this Security Supplement to be duly executed and delivered by its duly authorized officer or representative as of the date first written above.

#### **NATWEST MARKETS PLC**

By: \_\_\_\_\_  
Name:  
Title:

#### **ACKNOWLEDGED AND AGREED:**

**BANK OF AMERICA, N.A.**,  
as Secured Party

By: \_\_\_\_\_  
Name:  
Title: