

DATED

[INSERT DATE]

UK INFRASTRUCTURE BANK LIMITED
(as assignor)

and

[NAME OF BENEFICIARY**]**
(as assignee)

SECURITY ASSIGNMENT

-in respect of -

[INSERT DESCRIPTION OF GUARANTEED BONDS]

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THIS DEED is made on [insert date]

BETWEEN:

- (1) **UK Infrastructure Bank Limited**, a private limited company incorporated in England and Wales (with company number 06816271) whose registered office address is One Embankment, Neville Street, Leeds, England, LS1 4DW (the "**Guarantor**"); and
- (2) [*****name of beneficiary*****], a [private limited company] incorporated in [England and Wales] (with company number [*******]) whose registered office address is [*******] and/or any additional or successor trustee appointed pursuant to the Bond Trust Deed and notified to the Guarantor, each acting in its capacity as trustee for the Holders (the "**Beneficiary**").

RECITALS:

- (A) The Guarantor has issued the UKIB Guarantee in favour of the Beneficiary to cover certain liabilities of the Company under the UKIB Guaranteed Bonds.
- (B) The Guarantor has agreed to provide security to the Beneficiary to support the Guarantor's obligations under the UKIB Guarantee. Such security is over certain of the Guarantor's rights under the SIG which arise in relation to the UKIB Guarantee, and is granted upon the terms of this Deed.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed the following expressions have the following meanings (and to the extent not defined in this Deed, terms defined in the UKIB Guarantee shall have the same meanings when used in this Deed):

"Assigned Rights" means the Guarantor's present and future right:

- (a) to make claims on HMT pursuant to the SIG; and
- (b) to receive any proceeds of any claim made on HMT pursuant to the SIG,

if and to the extent such rights relate to the UKIB Guarantee, together with any of the Guarantor's present and future rights, title, benefit, claims, proceeds and interest in and to the SIG which are ancillary to such rights or are otherwise necessary to give effect to the assignment of such rights by the Guarantor to the Beneficiary.

"Delegate" means a delegate or sub-delegate appointed under clause 7.2 (*Delegation*).

"HMT" means The Lords Commissioners Of His Majesty's Treasury of 1 Horse Guards Road, London SW1A 2HQ.

"Insolvency Act" means the Insolvency Act 1986.

"LPA" means the Law of Property Act 1925.

"Parties" means the Parties as parties to this Deed.

"Receiver" means any receiver, receiver and manager or administrative receiver (or equivalent officer in any applicable jurisdiction) appointed under this Deed and any party substituted for such appointee.

"Secured Obligations" means all obligations at any time due, owing or incurred by the Guarantor to the Beneficiary under the UKIB Guarantee or this Deed, whether present or future, actual or contingent (and whether incurred as principal or surety or in some other capacity).

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

"Security Assignment" means all or any of the Security including the assignment by way of security created, or expressed to be created, by or pursuant to this Deed.

"SIG" means the Sovereign Infrastructure Guarantee (SIG) (governed by English law) dated [***] between HMT, as payer, and the Guarantor, as payee (a copy of which has been provided by the Guarantor to the Beneficiary).

"UKIB Guarantee" means the [deed of guarantee] (governed by English law) dated [***] issued by the Guarantor, as guarantor, in favour of the Beneficiary.

1.2 Interpretation

Unless a contrary indication appears, a reference in this Deed to:

- (a) the **"Guarantor"**, the **"Beneficiary"**, any **"Party"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Guaranteed Bonds and/or this Deed and, in the case of the Beneficiary, any person for the time being appointed as trustee for the Holders in accordance with the Bond Trust Deed and notified to the Guarantor;
- (b) this **"Deed"** or any other agreement or instrument is a reference to this Deed or other agreement or instrument as amended, novated, supplemented, extended or restated;
- (c) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (d) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- (e) a provision of law is a reference to that provision as amended or re-enacted from time to time;
- (f) to **"including"** or **"in particular"** shall not be interpreted narrowly, but shall be deemed to be a reference to "including without limitation" and "in particular without limitation"; and
- (g) a time of day is a reference to London time.

1.3 Any reference in this Deed to a clause or the Schedule is, unless otherwise stated, to a clause of this Deed or the Schedule to this Deed.

1.4 The headings in this Deed are inserted for convenience only and shall be of no legal effect.

1.5 Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.

1.6 **Third party rights**

- (a) A person (including a Holder) who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- (b) The consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

2. **AGREEMENT TO PAY SECURED OBLIGATIONS**

2.1 **Covenant to pay**

The Guarantor (as primary obligor and not merely as surety) covenants with the Beneficiary that it will pay or discharge the Secured Obligations at the times and in the manner provided in the UKIB Guarantee or (as applicable) this Deed.

2.2 **Proviso**

The covenants contained in this clause 2 shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law.

2.3 **Demands**

The making of one demand under this Deed shall not preclude the Beneficiary from making any further demands.

3. **SECURITY ASSIGNMENT**

3.1 **Security Assignment**

The Guarantor with full title guarantee hereby assigns, and agrees to assign, absolutely to the Beneficiary the Assigned Rights as security for the payment or discharge of all Secured Obligations.

3.2 **Guarantor still liable**

- (a) The Guarantor shall remain liable to perform all its obligations under and in respect of the SIG.
- (b) Neither the Beneficiary (nor any Delegate or any Receiver) shall be under any obligation or liability to the Guarantor or any other person under or in respect of the SIG.

4. **REPRESENTATIONS**

4.1 **General**

The Guarantor makes the representations and warranties set out in this clause 4 to the Beneficiary on the date of this Deed.

4.2 **Security**

- (a) No Security exists over the Assigned Rights except pursuant to this Deed.
- (b) The Guarantor has not assigned, charged, pledged or otherwise encumbered or disposed of any of the Assigned Rights except pursuant to this Deed.

4.3 **Legal and beneficial ownership**

It is the sole legal and beneficial owner of the Assigned Rights free from any claims, third party rights or competing interests except pursuant to this Deed.

4.4 **Assignable rights**

The Guarantor is permitted under the terms of the SIG or has otherwise received permission to grant the Security Assignment.

4.5 **SIG**

- (a) It is capable of performing and complying with its obligations under the SIG.
- (b) The SIG is in full force and effect.
- (c) There are no claims, liabilities or obligations in existence between the Guarantor and HMT or any other person that are or might reasonably be expected to be materially detrimental to the rights of the Beneficiary under or pursuant to the Security Assignment.

5. **UNDERTAKINGS**

The undertakings in this clause 5 remain in force from the date of this Deed for so long as the Guarantor has any actual or contingent liability under the UKIB Guarantee.

5.1 **Negative pledge**

The Guarantor shall not create or permit to subsist any Security over the Assigned Rights except for the Security Assignment.

5.2 **No disposals**

The Guarantor shall not enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any of the Assigned Rights except for the Security Assignment.

5.3 **Compliance with SIG**

The Guarantor shall comply in all material respects with its obligations under the SIG to the extent such obligations relate to the Assigned Rights, in the manner and at the times provided for in the SIG.

5.4 **Notice of assignment**

- (a) Promptly upon the execution of this Deed, the Guarantor shall give notice of the Security Assignment to HMT substantially in the form of the notice set out in the Schedule (*Form of notice of assignment*).
- (b) The Guarantor shall use reasonable efforts to provide reasonable evidence that such notice has been validly delivered to HMT.

5.5 **Dealings with HMT**

The Guarantor shall not without the prior written consent of the Beneficiary:

- (a) in respect of any matter under the SIG which relates to the Assigned Rights that, pursuant to the terms of the SIG, falls to be decided by mutual agreement of the parties thereto, negotiate or agree such matter except in accordance with the instructions of the Beneficiary, unless the negotiation of, or the agreement in respect

of such matter is not, or would not be reasonably likely to be, material or prejudicial to the interests of the Beneficiary under the UKIB Guarantee or this Deed;

- (b) rescind, amend, vary or waive (or agree to or permit any amendment to, or variation or waiver of) any term of the SIG which relates to the Assigned Rights, provided that the parties thereto may agree to amendments and/ or variations to and/or waivers of the SIG which are not material or prejudicial to the interests of the Beneficiary under the UKIB Guarantee or this Deed;
- (c) consent to the transfer by HMT of any of its right, title or interest in, or its obligations under, the SIG which relates to the Assigned Rights;
- (d) make or agree to any claim that the SIG is frustrated, or permit or agree to the cancellation, suspension, rescission, repudiation or other termination of the SIG, or accept any material breach thereof or default thereunder as repudiatory; or
- (e) seek relief from performance of its payment, delivery or other material obligations under the SIG which relates to the Assigned Rights whether under any force majeure, time limit for claims or any other provision.

5.6 Information

The Guarantor shall:

- (a) deliver to the Beneficiary a copy of all material notices received or given by it in connection with the SIG which relates to the Assigned Rights as soon as reasonably practicable upon receipt or dispatch thereof (including any notice of default, termination, dispute or claim made against it under any the SIG together with details of any action it proposes to take in relation to the same); and
- (b) from time to time on request, and as soon as reasonably practicable following a request, provide the Beneficiary with such other information relating to the SIG which relates to the Assigned Rights (and its ability to perform its obligations thereunder) as the Beneficiary may reasonably require.

6. ENFORCEMENT

6.1 When security becomes enforceable

As between the Parties, the Security Assignment shall be enforceable (and the powers conferred by the LPA including section 101 as may be varied and extended by this Deed shall be exercisable) upon and for so long as any amount is due but unpaid by the Guarantor under the UKIB Guarantee, provided that if at the time that:

- (a) such an amount would have become due by the Guarantor under the UKIB Guarantee; or
- (b) a demand would have been made by the Beneficiary under the UKIB Guarantee,

the Guarantor has been dissolved, struck off or otherwise ceased to exist, for the purpose of this clause 6.1 such amount shall be deemed to have become due or (as the case may be) such demand shall be deemed to have been given.

6.2 Power of sale

The statutory power of sale, of appointing a receiver and the other statutory powers conferred on mortgagees by section 101 of the LPA as varied and extended by this Deed

shall arise on the date of this Deed, but shall not be exercised until the Security Assignment is enforceable.

6.3 **Section 103 LPA**

Section 103 of the LPA shall not apply to this Deed.

7. **RIGHTS ON ENFORCEMENT**

7.1 **Powers of Beneficiary**

Subject always to the provisions of clause 4.2 (*Security assignment to Covered Beneficiaries*) of the SIG, at any time after the Security Assignment is enforceable, the Beneficiary may take all appropriate action to enforce or protect its rights under this Deed and, in particular, the Beneficiary shall have the right (either in its own name or in the name of the Guarantor or otherwise and in such manner and upon such terms and conditions as the Beneficiary thinks fit and either alone or jointly with any other person), without notice to the Guarantor and without any further or other consent from the Guarantor, to:

- (a) give notice of the Security Assignment to HMT or any other person, get in and collect the Assigned Rights, and require payment to it of revenues deriving from the Assigned Rights;
- (b) exercise, perform waive, repudiate, rescind, terminate or vary any of the Assigned Rights or any obligations of the Guarantor under the SIG to the extent they relate to the Assigned Rights;
- (c) bring, prosecute, enforce, defend, compromise, abandon or settle any proceedings relating to the Assigned Rights;
- (d) sell, transfer, assign, exchange or otherwise dispose of or realise the Assigned Rights whether by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount, by instalments, spread over a period or deferred) to any other person on such terms as the Beneficiary thinks fit;
- (e) settle, adjust, refer to arbitration, compromise or arrange any claims, accounts, disputes, questions and demands with or by any person relating to the Assigned Rights;
- (f) redeem any Security (whether or not having priority to the Security Assignment) over the Assigned Rights and settle the accounts of any person in relation to the Assigned Rights;
- (g) manage and use the Assigned Rights and exercise and do (or permit the Guarantor or any nominee of it to exercise and do) all such rights and things as the Beneficiary would have been capable of exercising or doing if it were the absolute beneficial owner of the Assigned Rights; and
- (h) otherwise do anything else it may think fit for the enforcement, preservation or realisation of the Assigned Rights or any of the rights conferred on the Beneficiary under or by virtue of the UKIB Guarantee, this Deed, the LPA or the Insolvency Act.

7.2 **Delegation**

The Beneficiary may delegate in any manner to any person selected by it in its discretion any rights exercisable by it under this Deed. Any such delegation may be made upon such terms and conditions as the Beneficiary thinks fit, provided that the rights of any such delegate shall be subject to the same limitations as the rights of the Beneficiary under this Deed. For the avoidance of doubt, this clause 7.2 applies only to delegation of the rights of the Beneficiary, not to the assignment or transfer of such rights. The Beneficiary shall

not be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate.

7.3 **Receivers**

- (a) Unless precluded by law, the Beneficiary may appoint in writing one or more Receivers to exercise any of its powers set out in clause 7.1 (*Powers of Beneficiary*). If the Beneficiary appoints more than one Receiver they shall have the power to act separately or as otherwise specified in the terms of their appointment. The Beneficiary may determine the remuneration of a Receiver, remove a Receiver or vary the terms of appointment of a Receiver.
- (b) The Receiver shall be an agent of the Guarantor and the Guarantor shall be solely liable for the acts, default and remuneration of any Receiver.

8. **PROTECTIONS OF THE BENEFICIARY AND DELEGATES/ RECEIVERS**

8.1 **No liability**

- (a) Neither the Beneficiary nor any Delegate or Receiver shall be obliged to:
 - (i) investigate whether any amount collected pursuant to the Assigned Rights is sufficient to discharge the obligations of HMT in respect of such Assigned Rights;
 - (ii) take any action or commence any proceedings to collect any amount due in respect of any Assigned Rights or protect or enforce any of the Assigned Rights;
 - (iii) perform any obligations of the Guarantor under the SIG; or
 - (iv) invest the proceeds of the collection of any amount due in respect of any of the Assigned Rights in an interest-bearing bank account.
- (b) Neither the Beneficiary nor any Delegate or Receiver shall (either by reason of or arising out of this Deed or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Guarantor or any other person for any costs, losses, liabilities or expenses relating to the realisation of the Assigned Rights or arising from any act, default, omission or misconduct of the Beneficiary, any Delegate or any Receiver or their respective officers, employees or agents in relation to any Assigned Right or in connection with the SIG except to the extent caused by its own fraud, wilful misconduct or gross negligence.

8.2 **Third party protections**

No person dealing with the Beneficiary or any Delegate or Receiver shall be required or concerned to enquire:

- (a) whether the rights and powers conferred on or vested in any of those persons have arisen or are being properly exercised;
- (b) whether the Secured Obligations have become payable;
- (c) whether any authorisations, regulations, restrictions or directions relating to the exercise of any rights by those persons have been obtained or complied with;
- (d) as to the validity of any demand made under this Deed;
- (e) otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any rights by those persons; or

(f) about the application of any money received, paid or applied.

8.3 **Protections under applicable legislation**

All of the protections contained in sections 104 and 107 of the LPA, section 42(3) of the Insolvency Act or in any other applicable legislation shall apply to any person dealing with the Beneficiary, any Delegate or any Receiver.

9. **APPLICATION OF AMOUNTS RECEIVED**

All amounts received or recovered by the Beneficiary, any Delegate or any Receiver in exercise of its rights under this Deed shall be applied in accordance with [the Security Sharing and Intercreditor Agreement].

10. **POWER OF ATTORNEY**

10.1 **Appointment**

The Guarantor, by way of security, irrevocably appoints the Beneficiary, any Delegate and any Receiver severally to be its attorney (with full power of substitution) on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit:

- (a) to do anything which the Guarantor is obliged to do (but has not done within any applicable grace period) pursuant to this Deed or, once the Security Assignment is enforceable, relating to the Assigned Rights (including to execute charges over, transfers, conveyances, assignments and assurances of, and other instruments, notices, orders and directions relating to, the Assigned Rights);
- (b) once the Security Assignment is enforceable, to exercise any of the rights conferred on the Beneficiary, any Delegate or any Receiver in relation to the Assigned Rights or under the SIG, the LPA or the Insolvency Act; and
- (c) to perform any other act or do any other thing on behalf of the Guarantor which the Beneficiary considers (acting reasonably) is necessary or desirable to protect or enforce the Security Assignment and which the Guarantor has failed to do within the timeframe provided for under this Deed.

10.2 **Ratification**

The Guarantor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in clause 10.1 (*Appointment*).

11. **CONTINUING SECURITY**

This Deed shall be a continuing security, notwithstanding any intermediate payment or settlement of account or any other matter whatsoever.

12. **DISCHARGE OF SECURITY**

12.1 **Final redemption**

Subject to clause 12.2 (*Retention of security*), upon irrevocable payment in full of the Secured Obligations and the termination of all obligations which might give rise to Secured Obligations, the Beneficiary shall, at the request and cost of the Guarantor, release, reassign or discharge (as appropriate) the Assigned Rights from the Security Assignment and (also at the cost of the Guarantor) take all such other steps as the Guarantor may reasonably request in connection with the reassignment and discharge of the Security Assignment.

12.2 **Retention of security**

If any amount paid or credited to the Beneficiary under the SIG is reasonably likely to be avoided or otherwise set aside on the insolvency or winding-up of the Guarantor or any other person, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Obligations have been irrevocably paid.

12.3 **Consolidation**

Section 93 of the LPA shall not apply to the Security Assignment.

13. **PARTIAL INVALIDITY**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

14. **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of the Beneficiary, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed. No election to affirm this Deed on the part of the Beneficiary shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

15. **GOVERNING LAW**

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

16. **ENFORCEMENT**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Parties agree that courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

17. **WAIVER OF IMMUNITY**

- (a) The Guarantor waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:
 - (i) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and
 - (ii) the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues.
- (b) The Guarantor agrees that in any proceedings in England & Wales this waiver shall have the fullest scope permitted by the State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of the State Immunity Act 1978.

IN WITNESS whereof this Deed has been executed and delivered as a deed by the Guarantor and signed under hand by the Beneficiary on the date stated at the start of this Deed.

SCHEDULE

Form of notice of assignment

From: **UK Infrastructure Bank Limited**
To: **The Lords Commissioners Of His Majesty's Treasury ("HMT")**
Copy to: **[***name of beneficiary***]** (the "**Beneficiary**")
Date: {***}

Dear Sirs

NOTICE OF ASSIGNMENT BY WAY OF SECURITY

1. We, UK Infrastructure Bank Limited, refer to:
 - (a) the Sovereign Infrastructure Guarantee (SIG) (governed by English law) dated [***] between HMT, as payer, and us, as payee (the "**SIG**"); and
 - (b) the inclusion notice dated on or about the date of this notice of assignment delivered by us to HMT relating to the [deed of guarantee] (governed by English law) dated on or about the date of this notice of assignment (the "**UKIB Guarantee**") issued by us, as guarantor, in favour of the Beneficiary.

2. We hereby give you notice that under a security assignment (governed by English law) dated on or about the date of this notice of assignment between us, as assignor, and the Beneficiary, as assignee (the "**UKIB Security Assignment**"), we have assigned, and agreed to assign, absolutely to the Beneficiary, by way of security, our present and future right:
 - (a) to make claims on HMT pursuant to the SIG; and
 - (b) to receive any proceeds of any claim made on HMT pursuant to the SIG,if and to the extent such rights relate to the UKIB Guarantee, together with any of the Guarantor's present and future rights, title, benefit, claims, proceeds and interest in and to the SIG which are ancillary to such rights or are otherwise necessary to give effect to the assignment of such rights by the Guarantor to the Beneficiary.

Please acknowledge receipt of this notice of assignment by [***].

This notice of assignment is governed by, and shall be construed in accordance with, English law.

Executed by
UK Infrastructure Bank Limited
acting by:

.....
Name: _____
Title: _____

EXECUTION PAGE

THE GUARANTOR

Executed as a deed by
UK Infrastructure Bank Limited
acting by:

.....
Name: _____
Title: _____

.....
Name: _____
Title: _____

THE BENEFICIARY

Executed by
[name of beneficiary**]**
acting by:

.....
Name: _____
Title: _____

[.....
Name: _____
Title: _____]