



Registration of a Charge

Company Name: **CITADEL SECURITIES FINANCE (UK) LIMITED**

Company Number: **11966286**



XBBXHDD5

Received for filing in Electronic Format on the: **05/09/2022**

Details of Charge

Date of creation: **29/08/2022**

Charge code: **1196 6286 0003**

Persons entitled: **MERRILL LYNCH INTERNATIONAL**

Brief description: **NONE**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **ADAM GARDENER**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11966286

Charge code: 1196 6286 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th August 2022 and created by CITADEL SECURITIES FINANCE (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th September 2022 .

Given at Companies House, Cardiff on 8th September 2022

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

(Security interest over Posted Collateral
(IM) held with a Custodian (IM) on behalf
of the Security-provider)

(ISDA 2019 Security Agreement for Initial
Margin (IM) subject to New York Law)



2019 NEW YORK LAW SECURITY AGREEMENT FOR INITIAL MARGIN (IM)

Between

CITADEL SECURITIES FINANCE (UK) LIMITED
(*"Security-provider"*)

and

MERRILL LYNCH INTERNATIONAL
(*"Security-taker"*)

made on August 29, 2022

relating to the:

ISDA Master Agreement between Security-provider and Security-taker;

and

Collateral Transfer Agreement

dated August 29, 2022 between Security-provider and Security-taker.

This Agreement is entered into in relation to the ISDA Master Agreement and Collateral Transfer Agreement. Accordingly, the parties agree as follows:

Paragraph 1. Definitions, Inconsistency and Headings

(a) **Definitions and Inconsistency.** Unless otherwise defined in this Agreement, capitalized terms defined in the Collateral Transfer Agreement have the same meanings in this Agreement. Capitalized terms not otherwise defined in this Agreement or in the Collateral Transfer Agreement have the meanings specified pursuant to Paragraph 6, and all references in this Agreement to Paragraphs are to Paragraphs of this Agreement. In the event of any inconsistency between this Agreement and the provisions of the ISDA Master Agreement and the Collateral Transfer Agreement, the provisions of the ISDA Master Agreement and the Collateral Transfer Agreement (as applicable) shall prevail and in the event of any inconsistency between Paragraph 7 and the other provisions of this Agreement, Paragraph 7 will prevail.

- (b) **Headings.** Headings are for ease of reference only and shall be ignored in interpreting this Agreement.

Paragraph 2. Security Interest

The Security-provider hereby pledges to the Security-taker, as security for its Obligations, and grants to the Security-taker a first priority continuing security interest in, lien on and right of Set-off against each Segregated Account and all Posted Collateral (IM) transferred to the Security-taker under the Collateral Transfer Agreement. Upon the transfer of Posted Collateral (IM) to the Security-provider on the instruction of the Security-taker or as otherwise permitted under the Collateral Transfer Agreement, this Agreement or agreed by the parties, the security interest and lien granted hereunder on that Posted Collateral (IM) will be released immediately and, to the extent possible, without any further action by either party.

Paragraph 3. Certain Rights and Remedies

- (a) **Security-taker's Rights and Remedies.** If at any time a Security-taker Rights Event has occurred and is continuing, then, unless the Security-provider has paid in full all of its Obligations, the Security-taker may exercise one or more of the following rights and remedies:

- (i) all rights and remedies available to a secured party under applicable law with respect to Posted Collateral (IM);
- (ii) the right to Set-off (A) any amounts payable by the Security-provider with respect to any Obligations and (B) any Cash amounts and the Cash equivalent of any non-Cash items posted to the Security-provider by the Security-taker as margin under any Other CSA (other than any Other CSA Excluded Credit Support) the return of which is due to the Security-taker against any Posted Collateral (IM) or the Cash equivalent of any Posted Collateral (IM) (or any obligation of the Security-taker to transfer that Posted Collateral (IM)); and
- (iii) the right to liquidate any Posted Collateral (IM) through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Security-provider, including any equity or right of redemption by the Security-provider (with the Security-taker having the right to purchase any or all of the Posted Collateral (IM) to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral (IM) to: (A) any amounts payable by the Security-provider with respect to any Obligations and (B) any Cash amounts and the Cash equivalent of any non-Cash items posted to the Security-provider by the Security-taker as margin under any Other CSA (other than any Other CSA Excluded Credit Support) the return of which is due to the Security-taker in such order as the Security-taker may elect.

Each party acknowledges and agrees that Posted Collateral (IM) in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Security-provider is not entitled to prior notice of any sale of that Posted Collateral (IM) by the Security-taker, except any notice that is required under applicable law and cannot be waived.

- (b) **Security-provider's Rights and Remedies.** If at any time a Security-provider Rights Event has occurred and is continuing, then:

- (i) the Security-provider may exercise all rights and remedies available to a pledgor under applicable law with respect to Posted Collateral (IM);

(ii) the Security-taker will be obligated immediately to transfer all Posted Collateral (IM) to the Security-provider; and

(iii) to the extent that Posted Collateral (IM) is not so transferred pursuant to Paragraph 3(b)(ii) above, the Security-provider may:

(A) Set-off any amounts payable by the Security-provider with respect to any Obligations against any Posted Collateral (IM) or the Cash equivalent of any Posted Collateral (IM) (or any obligation of the Security-taker to transfer that Posted Collateral (IM)); and

(B) to the extent that the Security-provider does not Set-off under Paragraph 3(b)(iii)(A) above, withhold payment of any remaining amounts payable by the Security-provider with respect to any Obligations, up to the Value of any remaining Posted Collateral (IM), until that Posted Collateral (IM) is transferred to the Security-provider.

(c) ***Deficiencies and Excess Proceeds.***

(i) The Security-provider will remain liable for all Obligations of it remaining unsatisfied after the exercise of rights and remedies by the Security-taker under Paragraph 3(a) of this Agreement, provisions relating to the exercise of rights and remedies by a security-provider in the Other Security Agreement, or equivalent provisions of any Other CSA.

(ii) Following the exercise of such rights and remedies, the Security-taker will transfer or instruct the Custodian (IM) to transfer to the Security-provider any proceeds and Posted Collateral (IM) remaining after satisfaction in full of all payment and delivery Obligations of the Security-provider, including (if applicable) the transfer and release to the Security-taker by the Security-provider, in its capacity as the "Security-taker" under the Other Security Agreement or equivalent provisions of any Other CSA, of all "Posted Collateral (IM)" as defined thereunder and the return of any other amounts and items posted by the Security-taker to the Security-provider as credit support under any Other CSA.

(d) ***Final Returns.*** Subject to Paragraph 3(c), upon satisfaction in full of all Obligations of the Security-provider (except for any potential liability under Section 2(d) of the ISDA Master Agreement or any obligation to transfer any interest payment under any Other CSA), the Security-taker will transfer or instruct the Custodian (IM) to transfer to the Security-provider all Posted Collateral (IM), if any.

Paragraph 4. Expenses

All reasonable costs and expenses incurred by or on behalf of the Security-taker in connection with the liquidation, appropriation and/or application of any Posted Collateral (IM) under Paragraph 3 or the Control Agreement, as applicable, will be payable, on demand, by the Defaulting Party (as defined in the ISDA Master Agreement) or, if there is no Defaulting Party, equally by the parties.

Paragraph 5. Miscellaneous

(a) ***Further Assurances.*** Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document, and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Agreement with respect to the Posted Collateral (IM) or to effect or document a release of a security interest on Posted Collateral (IM).

(b) ***No Waiver of Rights.*** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power

or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(c) **Further Protection.** The Security-provider will promptly give notice to the Security-taker of, and defend against, any suit, action, proceeding or lien that involves Posted Collateral (IM) transferred by the Security-provider or that could adversely affect the security interest granted by it under Paragraph 2.

(d) **Entire Agreement.** Each of the parties acknowledges that in entering into this Agreement it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in this Agreement) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Agreement will limit or exclude any liability of a party for fraud.

(e) **Demands and Notices.** All demands and notices made by a party under this Agreement will be made in accordance with the Collateral Transfer Agreement.

(f) **Partial Invalidity.** If at any time any provision of this Agreement 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.

(g) **Counterparts.** This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

(h) **Amendments.** An amendment, modification or waiver in respect of this Agreement will only be effective if in writing and executed by each of the parties.

(i) **Governing Law.** This Agreement, and any non-contractual obligations arising out of or in connection with this Agreement, are governed by and construed in accordance with the laws of the State of New York.

(j) **Jurisdiction.** With respect to any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Agreement, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it ("**Proceedings**"), and unless otherwise specified in Paragraph 7, each party irrevocably:

(i) submits to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City;

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party; and

(iii) agrees, to the extent permitted by applicable law, that the bringing of Proceedings in any one or more jurisdictions will not preclude the bringing of Proceedings in any other jurisdiction.

(k) **Service of Process.** Each party irrevocably appoints the Process Agent, if any, specified opposite its name in Paragraph 7 to receive, for it and on its behalf, service of process in any Proceedings before the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City. If for any reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and may within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12 of the ISDA Master Agreement, except as otherwise provided in Paragraph 7. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by applicable

law.

(1) **Interpretation.** Unless otherwise specified in Paragraph 7, references to a law, statute or statutory provision include: (i) such law, statute or statutory provision as from time to time amended, modified, re-enacted or consolidated whether before or after the date of this Agreement; and (ii) any subordinate legislation from time to time made, amended, modified, re-enacted or consolidated, whether before or after the date of this Agreement, under any such law, statute or statutory provision.

Paragraph 6. Definitions

As used in this Agreement:

“Collateral Transfer Agreement” has the meaning given to it on the first page of this Agreement (as amended and supplemented from time to time).

“Control Agreement” means the “Control Agreement” defined in the Collateral Transfer Agreement under which the Security-provider is the Security-provider, the other party is the Security-taker and they entered into it with the relevant Custodian (IM) in relation to the Segregated Account.

“ISDA Master Agreement” has the meaning given to that term in the Collateral Transfer Agreement.

“Obligations” means all present, future, actual and contingent obligations of the Security-provider under the ISDA Master Agreement, the Collateral Transfer Agreement, this Agreement and the Other Security Agreement, *provided that*, if the parties have elected in the Collateral Transfer Agreement that the “One Way Provisions” are applicable and the Security-provider is specified as the “Posting Party” thereunder, the definition of Obligations shall also include all present, future, actual and contingent obligations of the Posting Party to the Other Party under any Other CSA (including, without limitation, to pay default interest or equivalent amounts arising from a failure by the Posting Party as a secured party thereunder to comply with its obligations to transfer or otherwise procure the return of initial margin to the Other Party).

“Other CSA Excluded Credit Support” means, with respect to an Other CSA, any amounts and items posted as margin under such Other CSA, which, pursuant to the terms of such Other CSA, the Security-provider and the Security-taker have agreed must be segregated in an account maintained by a third-party custodian or for which offsets are prohibited.

“Other Security Agreement” means, in relation to the Collateral Transfer Agreement, the Security Agreement defined thereunder which is not this Agreement (if any).

“Party A Segregated Account” has the meaning given to that term in the Collateral Transfer Agreement.

“Party B Segregated Account” has the meaning given to that term in the Collateral Transfer Agreement.

“Posted Collateral (IM)” has the meaning given to that term in the Collateral Transfer Agreement.

“Proceedings” has the meaning specified in Paragraph 5.

“Security-provider Rights Event” has the meaning given to that term in the Collateral Transfer Agreement.

“Security-taker Rights Event” has the meaning given to that term in the Collateral Transfer Agreement.

“Segregated Account” means the Party A Segregated Account where Party A under the Collateral Transfer Agreement is the Security-provider hereunder or the Party B Segregated Account where Party B under the Collateral Transfer Agreement is the Security-provider hereunder.

“Set-off” means set-off, offset, combination of accounts, right of retention or withholding or similar right

or requirement (whether arising under the ISDA Master Agreement, this Agreement, another contract, applicable law or otherwise) and, when used as a verb, the exercise of any such right or the imposition of any such requirement, and, for purposes of the foregoing, includes the right to convert a currency in which one amount is denominated into the currency in which the other is denominated at the rate of exchange at which the party exercising such right of Set-off would be able, in good faith and using commercially reasonable procedures, to purchase the relevant amount of such currency.

Paragraph 7. Other Provisions

- (a) **Process Agent.** For the purpose of Paragraph 5(k) of this Agreement:

Security-provider appoints as its Process Agent: c/o Citadel Enterprise Americas LLC, 520 Madison Ave, NY, NY 10022

Security-taker appoints as its Process Agent: Bank of America, N.A., One Bryant Park, 18th Floor, New York, NY 10036, Attention Litigation Department

- (b) **Jurisdiction; Jury Waiver.**

(i) **Jurisdiction.** If “*Exclusive Jurisdiction*” is specified here as applicable, (x) the reference to the word “non-exclusive” in Paragraph 5(j)(i) shall be restated as “exclusive”, (y) the text “; and” in Paragraph 5(j)(ii) shall be replaced with “.”, and (z) Paragraph 5(j)(iii) shall be removed in its entirety: Exclusive Jurisdiction is Applicable.

(ii) **Jury Waiver.** If Jury Waiver is specified as applicable below, the provision below will apply:

EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT. EACH PARTY ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS WAIVER OF TRIAL BY JURY PROVISION.

For the purposes of this Paragraph 7(b)(ii), “*Jury Waiver*” is Applicable.

- (c) **Japanese Securities Provisions (Shichiken).** If Japanese Securities Provisions are specified as applicable below, the following provisions will apply:

If Eligible Collateral (IM) includes any Japanese Securities, the following provisions will apply:

Paragraph 2 is amended by adding the following provision at the end of the Paragraph:

“At each time when Posted Collateral (IM) which is Japanese Securities is transferred by a party, as the Security-provider, to the other party, as the Security-taker, hereunder, the Security-provider shall be deemed to have granted to the Security-taker, as security for its Obligations, a first priority pledge (*shichiken*) under Japanese law over all its rights, title and interest in and to the Posted Collateral (IM) which is Japanese Securities. Upon the transfer of Posted Collateral (IM) which is Japanese Securities to the Security-provider on the instruction of the Security-taker or as otherwise permitted under this Agreement, the pledge granted hereunder on that Posted Collateral (IM) will be released immediately and, to the extent possible, without any further action by either party.”

For the purposes of this Paragraph 7(c), the Japanese Securities Provisions are Applicable.

(d) **Amendments.**

- (i) Paragraph 2 (*Security Interest*) shall be amended by inserting the words “and to each Merrill Lynch Company” immediately following the words “to the Security-taker,” in the first line thereof, and, accordingly:

(A) each Merrill Lynch Company notifies each other Merrill Lynch Company (as defined in the PBA) of its security interest in the Segregated Account and all Posted Collateral (IM) transferred to the Security-taker under the Collateral Transfer Agreement and each Merrill Lynch Company (as defined in the PBA) acknowledges such notice and consents to such security interest;

(B) in connection with the grant, preservation or enforcement of the security interest created hereunder, any references to the “Security-taker” shall, where necessary, be taken to be a reference to the Security-taker on behalf of itself and as agent for each Merrill Lynch Company (as defined in the PBA); and

(C) each of the Merrill Lynch Companies (as defined in the PBA) is intended to, and shall, be an express third party beneficiary of the Security-provider’s agreements, representations and covenants herein and in the Collateral Transfer Agreement, as well as of the Security-taker’s rights hereunder and under the Collateral Transfer Agreement.

- (ii) The term “*Obligations*” as used in this Agreement has the meaning specified in Paragraph 6 above and also includes the following additional obligations:

(i) all present, future, actual and contingent obligations of Security-provider to Security-taker under any Other CSA (including, without limitation, to pay default interest or equivalent amounts arising from a failure by Security-provider as a secured party thereunder to comply with its obligations to transfer or otherwise procure the return of initial margin to Security-taker) and

(ii) without prejudice to the foregoing and without duplication, all present, future, actual and contingent “Secured Liabilities” (as defined in the PBA) of Security-provider to Security-taker or any Merrill Lynch Company (as defined in the PBA) (such liabilities described in limb (ii) being, the “PB Obligations

(iii) Notwithstanding Paragraph 13(c)(i)(B) of the Collateral Transfer Agreement, the PBA shall not constitute an “Other CSA” for purposes of Paragraphs 3(a), or (d).

(e) **Additional Terms.**

(i) **Application of Proceeds.** Amounts from time to time received or recovered by the Security-taker in connection with the realisation or enforcement of all or any part of the security under this Agreement that are to be applied in or towards payment or provision for the Obligations of the Security-provider shall be so applied in the following order of priority:

(A) first, the Obligations of the Security-provider, except for those described only in the PB Obligations; and

(B) second, the other Obligations with respect to the Security-provider (in such order of application as the Security-taker may determine, in its good faith discretion).

Except as expressly provided for in this Paragraph 7(e)(i), nothing in this Paragraph 7(e)(i) shall affect the manner in which proceeds of enforcement of the security created hereunder are applied in discharge of the Obligations pursuant to this Agreement.

(ii) **U.S. QFC Resolution Stay.** The terms of the ISDA 2018 U.S. Resolution Stay Protocol (the "*ISDA U.S. Stay Protocol*") are incorporated into and form a part of this Agreement, and this Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay Protocol, Security-taker shall be deemed to be a "Regulated Entity" and Security-provider shall be deemed to be an "Adhering Party". In the event of any inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail. For purposes of this paragraph, references to "this Agreement" include any related credit enhancements entered into between the parties or provided by one to the other. For purposes of this paragraph, references to "this Agreement" include any Credit Support Document.

(iii) **Incorporation of the ISDA 2016 Bail-in Protocol.** Both parties agree that the provisions set out in the attachment (the "Attachment") to the ISDA 2016 Bail-in Article 55 BRRD Protocol (Dutch/French/German/Irish/Italian/Luxembourg/Spanish/UK entity-in-resolution version) are incorporated into and form part of this Agreement, provided that in the definition of "UK Bail-in Power" in the Attachment the words "relating to the transposition of the BRRD as amended from time to time," shall be deleted. This Agreement shall be deemed a Protocol Covered Agreement for the purposes of the Attachment and the Implementation Date for the purposes of the Attachment shall be deemed to be the date of this Agreement. In the event of any inconsistencies between the Attachment and the other provisions of this Agreement, the Attachment will prevail.

(iv) **ISDA Resolution Stay Jurisdictional Modular Protocol (2020 UK (PRA Rule) Module).** The terms of the 2020 UK (PRA Rule) Jurisdictional Module of the ISDA Resolution Stay Jurisdictional Modular Protocol (the "2020 UK Module") are incorporated into and form part of this Agreement. For the purposes of the 2020 UK Module, (i) this Agreement shall be deemed to be a Covered Agreement and (ii) the Implementation Date shall be the date of this Agreement. In the event of any inconsistencies between this Agreement and the 2020 UK Module, the 2020 UK Module will prevail. Security-taker shall be deemed to have adhered to the 2020 UK Module as a Regulated Entity, and Security-provider shall be deemed to have adhered to the 2020 UK Module as a Module Adhering Party and identified Security-taker as a Regulated Entity Counterparty.

(v) **Interpretation.** The provisions of Paragraph 5(l) will apply unless otherwise specified below:

Not Applicable.

(vi) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Agreement by either party, will be made in good faith and in a commercially reasonable manner.

(vii) **Commencement of Obligations.** This Agreement has been entered into on the date first above written and has immediate effect on such date, notwithstanding that certain obligations set out herein and in the Collateral Transfer Agreement (including, for the avoidance of doubt, the obligations set out in Paragraph 3 (Credit Support Obligations) of the Collateral Transfer Agreement) will become operative as of the Amendment Effective Date (IM).

[Signature Page Follows]

IN WITNESS WHEREOF this Agreement has been entered into on the date stated at its beginning.

MERRILL LYNCH INTERNATIONAL, for itself and as agent for its Affiliates (as defined in the PBA)

By:  _____
Name: ANNE BARRACLOUGH
Title: AUTHORIZED SIGNATORY

CITADEL SECURITIES FINANCE (UK) LIMITED

By: _____
Name:
Title: Director

[SIGNATURE PAGE TO THE SECURITY AGREEMENT]

IN WITNESS WHEREOF this Agreement has been entered into on the date stated at its beginning.

MERRILL LYNCH INTERNATIONAL, for itself and as agent for its Affiliates (as defined in the PBA)

By: _____

Name:

Title:

CITADEL SECURITIES FINANCE (UK) LIMITED

By: _____

Name: Matthew Emerson

Title: Director

SQ

per Mark Fanton

[SIGNATURE PAGE TO THE SECURITY AGREEMENT]