





## **ANNEXE 13**

# **MASTER PLEDGE AGREEMENT FOR MARKETABLE ASSETS**



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**THIS MASTER PLEDGE AGREEMENT FOR MARKETABLE ASSETS** is entered into

BETWEEN

and

Banque centrale du Luxembourg

\_\_\_\_\_

boulevard Royal 2

\_\_\_\_\_

L-2983 Luxembourg

\_\_\_\_\_

(hereafter the "**Central Bank**")

(hereafter the "**Pledgor**")

together the "**Parties**".

**WHEREAS:**

(A) In accordance with Chapter 7 of the General Terms and Conditions and Part four of ECB Guideline ECB/2014/60, the Central Bank allows the use of marketable assets to provide collateral for credit operations and other liabilities towards the Central Bank. This Master Agreement (the "**Agreement**") establishes the legal framework allowing the Pledgor to pledge marketable assets to the Central Bank, in conjunction with the General Terms and Conditions.

(B) The collateral constituted pursuant to this Agreement forms part of the collateral pool referred to in Article 7.7. of the General Terms and Conditions.

**IT IS AGREED as follows:**

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## 1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the General Terms and Conditions shall bear the same meaning herein, unless otherwise provided in this Agreement.

1.2 In this Agreement:

“**Account**” means the account opened in the name of, and held by, the Pledgor with the Central Bank or, as the case may be, with a Triparty agent within the triparty collateral management services offered on a domestic or cross-border basis and on which the Pledged Assets are held.

“Annex 1” means ECB Guideline ECB/2014/60.

“**Annex 8**” means Annex 8 (“*Manuel de Procédures des Opérations*”) of the General Terms and Conditions, as amended from time to time.

“**Distributions**” means all distributions such as yield, coupon, interest and other recurrent payments (other than payments of principal) under the Pledged Assets.

“**Enforcement Event**” means the failure to pay any Secured Obligation when due or the occurrence of an early termination of the operations between the Pledgor and the Central Bank (“*résiliation anticipée*”) as provided for in the General Terms and Conditions (specifically Clauses 1.13 and 1.14) or in relation to TARGET2 participants, which concluded a multilateral aggregated liquidity agreement, such enforcement event defined in clause 1.14, second paragraph.

“**General Terms and Conditions**” means the General Terms and Conditions of the Central Bank (including any annexes) as amended from time to time, and any reference to an “**Annex**” means an annex to the General Terms and Conditions.

“**Marketable Assets**” means debt securities complying with the eligibility criteria of the ECB and the Central Bank, as set out in Annex 1 (Part four of the ECB Guideline ECB/2014/60) and/or any temporary measure adopted in this field by the European Central Bank and Annex 8 of the General Terms and Conditions.

“**Pledge**” means the first-priority pledge (*gage de premier rang*) over Marketable Assets in favour of the Central Bank for the due and full payment and discharge of the Secured Obligations.

“**Pledged Assets**” means the Marketable Assets standing to the credit of the Account at any time, as well as any sums of money (including interest or revenue) standing to the credit of the Account at any time.

**"Pledge Notice"** means a notice by the Pledgor pledging a Marketable Asset identified therein, made in accordance with the provisions of Annex 8 (SWIFT Message MT 540).

**"Release Notice"** means a notice by the Central Bank granting the release of the Pledge over a Marketable Asset identified therein, made in accordance with the provisions of Annex 8 (SWIFT Message MT 542).

**"Secured Obligations"** means all monies, obligations, liabilities which are, from time to time, due, owed or payable by the Pledgor to the Central Bank, whether present, future, actual or contingent, pursuant to any credit operations (such as intraday or standing credit facilities granted by the Central Bank to the Pledgor), any monetary policy operations, or any other transactions or operations entered into between the Pledgor and the Central Bank from time to time, whether in existence at the time of entry into this Agreement or the constitution of a Pledge hereunder, or entered into at any time thereafter, together with any obligations of the Pledgor hereunder as well any costs, charges or expenses incurred in enforcing the Pledge or this Agreement.

- 1.3 In this Agreement, any reference to (a) a "Clause" is, unless otherwise stated, a reference to a Clause hereof and (b) to any agreement is a reference to such agreement as amended, varied, modified or supplemented (however fundamentally) from time to time. Clause headings are for ease of reference only.
- 1.4 Words in the singular shall include the plural and vice versa.
- 1.5 Any reference to any person shall be construed to include such person's successors and assigns.

## **2. PLEDGE**

- 2.1 By sending a Pledge Notice to the Central Bank, the Pledgor constitutes a Pledge. The Central Bank accepts the Pledge in the manner provided for in Chapter 7 of the General Terms and Conditions and in Annex 8. The Pledge shall be governed by the terms hereof and the General Terms and Conditions.
- 2.2 For the avoidance of doubt, the Pledge Notice and the Release notice form part of this Agreement.
- 2.3 The creation of the Pledge shall be made in accordance with the procedures set out in Annex 8.

### **3. PLEDGOR'S REPRESENTATIONS AND UNDERTAKINGS**

3.1 The Pledgor hereby represents to the Central Bank at the entry into this Agreement that:

- it is (and will remain) the sole holder of the Account;
- it is (and will remain) the sole owner of any and all of the Pledged Assets or that it has received proper authorisation from the owner of any and all of the Pledged Assets;
- it has the necessary power and capacity to enter into and perform its obligations under this Agreement;
- this Agreement constitutes its legal, valid and binding obligations, enforceable in accordance with its terms;
- all necessary authorisations to enable it to enter into this Agreement have been obtained and are, and will remain, in full force and effect.

3.2 At each sending of a Pledge Notice, the Pledgor represents and warrants to the Central Bank that:

- the Marketable Assets identified in the Pledge Notice comply with the provisions in Part four of Annex 1 and Annex 8 of the General Terms and Conditions (as well as any additional conditions (if any) established by the Central Bank);
- it has the unrestricted capacity to dispose of the Marketable Assets identified in the Pledge Notice;
- the Marketable Assets are and shall remain free from any encumbrance or security interests (other than this Pledge), are not subject to any option, undertaking to sell or transfer, delegation, attachment or any other measure or condition which would affect the rights of the Central Bank hereunder or which could lead to a restriction on the ability of the Central Bank to hold a valid, enforceable and effective pledge over the Pledged Assets or to realise the Pledge in accordance with the terms hereof; and
- all steps required for the perfection of the Pledge pursuant to Clause 2 hereof have been taken and the Pledge constitutes an effective first priority security interest in the form of a "gage", enforceable in accordance with its terms under all applicable laws.

- 3.3 Without prejudice to Art. 27-1.(2) of the law of 23 December 1998 concerning the monetary status and the *Banque centrale du Luxembourg*, as modified, the Pledgor covenants that it will immediately inform the Central Bank of any distress, attachment, execution or other legal process commenced in respect of the Account or all or part of the Pledged Assets.
- 3.4 The Pledgor hereby undertakes that, during the subsistence of this Agreement:
- 3.4.1 it shall cooperate with the Central Bank and sign or cause to be signed all such further documents and take all such further action as the Central Bank may from time to time request to perfect and preserve the Pledge or to exercise its rights under this Agreement; and
- 3.4.2 it shall act in good faith and not knowingly take any steps nor do anything which could adversely affect the existence of the Pledge created hereunder or the value thereof.
- 3.5 Generally the Pledgor undertakes to comply with all obligations with respect to the creation, the maintenance and preservation of the Pledge established in accordance with Chapter 7 of the General Terms and Conditions and Annexes 1 and 8.

#### **4. RIGHTS AND LIABILITIES OF PARTIES**

- 4.1 Before an Enforcement Event has occurred, all Distributions shall be received by the Pledgor. Upon the occurrence of an Enforcement Event, the payment of the Distributions shall be retained by the Central Bank. Any payments of Distributions received by the Central Bank, or by any Central Bank acting on its behalf, shall be (i) applied to the discharge of the Secured Obligations, or (ii), if these are not yet due, held on pledge pending such maturity.
- 4.2 Until the occurrence of an Enforcement Event, the Pledgor is authorised to exercise any rights it has in relation to the Pledged Assets, including any voting rights, subject to complying with the terms of this Agreement and of the General Terms and Conditions, and subject to the general obligation not to take any action which could adversely affect either the security interest created hereunder or the compliance of the Pledged Assets with the eligibility criteria of the General Terms and Conditions (including the annexes thereto). Upon the occurrence of an Enforcement Event and unless otherwise agreed by the parties, the Central Bank is entitled and authorised to exercise any rights of the Pledgor in respect of the Pledged Assets as provided in Clause 5 hereunder.



- 4.3 In the event that the Pledgor is not the owner of the Pledged Assets, an authorization by the owner of the Pledged Assets regarding their collateralization shall be provided in writing to the Central Bank prior to their mobilization.

## **5. ENFORCEMENT OF PLEDGE**

- 5.1 Upon the occurrence of an Enforcement Event, the Central Bank is entitled, without any requirement of prior notice, to realise the Pledge in the most favourable manner provided for by applicable law (including, without limitation, the law of 5 August 2005 on financial collateral arrangements, as amended). In particular, but without being limited thereto, the Central Bank may:

5.1.1 appropriate the Pledged Assets or make them appropriated by a third party at their fair market value which is determined before or after their appropriation; this fair market value is determined by the Central Bank or, upon the choice of the Central Bank, by an external expert appointed by it (which may be any other central bank of the Eurosystem) applying market standard methods of valuation;

5.1.2 sell or arrange for the sale of the Pledged Assets in a private sale at normal commercial conditions, in a public sale, or a sale through a stock exchange, in accordance with the modalities determined by the Central Bank;

5.1.3 request in court that the Pledged Assets be attributed to it in discharge of the Secured Obligations in accordance with the valuation established by an expert appointed by the court.

- 5.2 Without prejudice to the foregoing, the Central Bank is entitled and authorised to exercise any rights of the Pledgor in respect of the Pledged Assets to the extent necessary to ensure the proper realisation or preservation pending realisation of the Pledge.

## **6. RELEASE**

- 6.1 The Pledge shall be a continuing security and shall not be considered as satisfied or discharged or prejudiced by any intermediate payment, satisfaction or settlement of any part of the Secured Obligations and shall remain in full force and effect until express release thereof has been granted by the Central Bank.

- 6.2 To request the release of a Pledge over a Marketable Asset, the Pledgor shall follow the procedure provided for in Annex 8. The Pledgor shall take any other steps that may be required to perfect the release in accordance with any applicable law.
- 6.3 The release of a Marketable Asset from the Pledge shall not affect the existence of the Pledge for the other Pledged Assets, and such Pledge shall continue to exist in full force and effect with respect to such Pledged Assets.

## **7. EFFECTIVENESS OF THE PLEDGE**

- 7.1 The Pledge shall be cumulative, in addition to, and independent of every other security which the Central Bank may at any time hold as security for the Secured Obligations or any rights, powers and remedies provided by law and shall not operate so as in any way to prejudice or affect or be prejudiced or affected by any security interest or other right or remedy which the Central Bank may now or at any time in the future have in respect of the Secured Obligations.
- 7.2 The Pledge shall not be prejudiced by any time or indulgence granted to any person, or any abstention or delay in perfecting or enforcing any security interest or rights or remedies that Central Bank may now or at any time in the future have from or against the Pledgor or any other person.
- 7.3 No failure on the part of the Central Bank to exercise, or delay on its part in exercising, any of its rights under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any further or other exercise of that or any other rights.

## **8. PARTIAL ENFORCEMENT**

The Central Bank shall have the right to enforce the Pledge over all or part of the Pledged Assets in its most absolute discretion. No action, choice or absence of action in this respect, or partial enforcement, shall in any manner affect the Pledge created hereunder over the remaining Pledged Assets, for which the Pledge shall continue to remain in full and valid existence until enforcement, discharge or termination hereof, as the case may be.

## 9. NOTICES

9.1 Without prejudice to the provisions of Annex 8 and Annex 10 of the General Terms and Conditions (BCL Swift User Guide), any notice by one Party to the other, including confirmations or other communication to be given in respect of this Agreement:

9.1.1 shall be made through SWIFT;

9.1.2 may, in exceptional circumstances, be given in writing, by facsimile transmission, certified or registered mail, or electronic messaging system

9.1.3 shall be sent to the party to whom it is to be given at the address or facsimile number, or in accordance with the electronic messaging details, according to the provisions of the General Terms and Conditions.

9.2 Any such notice or other communications shall be effective:

9.2.1 if in writing and delivered in person or by courier, at the time when it is delivered;

9.2.2 if sent by facsimile transmission, at the time when the transmission is received by the responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);

9.2.3 if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), at the time when that mail is delivered or its delivery is attempted;

9.2.4 if sent by electronic messaging system, at the time that electronic message is received;

except that any notice or communication which is received, or delivery of which is attempted, after close of business on the date of receipt or attempted delivery or on a day which is not a day on which the Central Bank is open shall be treated as having been given at the opening of the Central Bank on the next following day which is such a day.

9.3 Either Party may by notice to the other change the address, or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

## **10. AMENDMENTS AND PARTIAL INVALIDITY**

10.1 Changes to this Agreement shall be made in accordance with Paragraph 1.21 of the General Terms and Conditions.

10.2 If any provision of this Agreement is declared by any judicial or other competent authority to be void or otherwise unenforceable, that provision shall be severed from this Agreement and the remaining provisions of this Agreement shall remain in full force and effect, as long as the relationship between the parties is not fundamentally altered.

## **11. NO ASSIGNMENT**

The Pledgor shall not be entitled to assign its rights and obligations hereunder to any other person.

## **12. COSTS**

Without prejudice to the provisions of the General Terms and Conditions, the Pledgor shall bear any costs, disbursements or expenses in relation to the entry into and operation under this Agreement. The Pledgor shall indemnify the Central Bank for any costs, expenses or disbursements incurred by it in the context of this Agreement, at its first demand.

## **13. EFFECTIVE DATE**

This Agreement shall take effect on the date it is signed by the Central Bank (as indicated next to the signature below).

## **14. GENERAL TERMS AND CONDITIONS**

The terms of this Agreement are to be read in conjunction with the General Terms and Conditions, including notably Annex 1 and Annex 8 and the relevant provisions of the General Terms and Conditions shall be considered as forming a part of the contractual

relation between the Central Bank and the Pledgor. In case of discrepancy between the terms of this Agreement and the terms of the General Terms and Conditions, the terms of the General Terms and Conditions shall prevail.

## **15. LAW AND JURISDICTION**

In accordance with clauses 1.3 and 1.5 of the General Terms and Conditions, this Agreement shall be governed by and construed in accordance with the laws of Luxembourg. For the benefit of the Central Bank, the Counterparty hereby irrevocably submits for all disputes arising out of or in connection with this Agreement to the jurisdiction of the Courts of the City of Luxembourg.

Nothing in this paragraph shall limit the right of the Central Bank to take proceedings in the courts of any other country of competent jurisdiction.

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This Agreement has been duly executed by the parties in two original copies in English language, one for each party.

**For the Pledgor :**

Name \_\_\_\_\_

Name \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

**For the Central Bank :**

Name \_\_\_\_\_

Name \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_