

MR01

Particulars of a charge

237245/13



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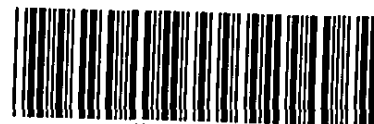
☒ What this form is for  
You may use this form to register  
a charge created or evidenced by  
an instrument

☒ What this form is NOT for  
You may not use this form to  
register a charge where there is no  
instrument. Use form MR08

For further information, please

This form must be delivered to the Registrar for registration within  
21 days beginning with the day after the date of creation of the charge. If  
delivered outside of the 21 days it will be rejected unless it is accompanied by  
court order extending the time for delivery

MONDAY



LD3 \*L56M8XYW\* 09/05/2016 #48  
COMPANIES HOUSE

☒ You must enclose a certified copy of the instrument with this form. This will be  
scanned and placed on the public record

1 Company details

Company number 0 6 4 3 2 6 1 0 ✓

Company name in full LANGTON FUNDING (NO 1) LIMITED ✓

05009 For official use  
→ Filing in this form  
Please complete in typescript or in  
bold black capitals.  
All fields are mandatory unless  
specified or indicated by \*

2 Charge creation date

Charge creation date 2 9 0 4 2 0 1 6 ✓

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees  
entitled to the charge

Name CITICORP TRUSTEE COMPANY LIMITED ✓

Name

Name

Name

If there are more than four names, please supply any four of these names then  
tick the statement below

☐ I confirm that there are more than four persons, security agents or  
trustees entitled to the charge

**MR01**

## Particulars of a charge

<b>4</b>	<b>Description</b> Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security	Continuation page Please use a continuation page if you need to enter more details.
Description	N/A	
<b>5</b>	<b>Fixed charge or fixed security</b> Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>6</b>	<b>Floating charge</b> Is the instrument expressed to contain a floating charge? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes Continue <input type="checkbox"/> No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? <input type="checkbox"/> Yes	
<b>7</b>	<b>Negative Pledge</b> Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MR01

Particulars of a charge

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here.

Signature

Signature

X *Allen & Overy LLP*  
on behalf of LANGTON FUNDING (NO 1) LIMITED X

✓ This form must be signed by a person with an interest in the charge.

# MR01

## Particulars of a charge



### Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name Jamie Long

Company name Allen & Overy LLP

Address One Bishops Square

Post town London

County/Region United Kingdom

Postcode E 1 6 A D

Country

DX

Telephone 020 3088 0000



### Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



### Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ [x] The company name and number match the information held on the public Register
- ☒ [x] You have included a certified copy of the instrument with this form
- ☒ [x] You have entered the date on which the charge was created
- ☒ [x] You have shown the names of persons entitled to the charge
- ☒ [x] You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ [x] You have given a description in Section 4, if appropriate
- ☒ [x] You have signed the form
- ☒ [x] You have enclosed the correct fee
- ☒ [x] Please do not send the original instrument, it must be a certified copy



### Important information

Please note that all information on this form will appear on the public record



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For companies registered in England and Wales  
The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

For companies registered in Scotland  
The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland  
The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1



### Further information

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**FILE COPY**

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

Company number: 6432610

Charge code: 0643 2610 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th April 2016 and created by LANGTON FUNDING (NO 1) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th May 2016

9

Given at Companies House, Cardiff on 18th May 2016



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

Except for material redacted pursuant  
to s 859G of the Companies Act 2008,  
I certify that this is a copy of  
the original document

Name PAUL WALTERS  
Qualified as Solicitor  
Allen Overy LLP  
One Bishops Square  
London E1 6AD  
United Kingdom  
Date 4 MAY 2016

**EXECUTION VERSION**

## **EIGHTH AMENDMENT DEED TO FUNDING 1 DEED OF CHARGE**

**29 APRIL 2016**

**LANGTON FUNDING (NO. 1) LIMITED**  
(as Funding 1)

**CITICORP TRUSTEE COMPANY LIMITED**  
(as Funding 1 Security Trustee, 2010-1 Issuer Security Trustee, 2010-1 Note Trustee, 2011-1 Issuer  
Security Trustee and 2011-1 Note Trustee)

**CITIBANK N.A., LONDON BRANCH**  
(as 2010-2 Issuer Security Trustee and 2010-2 Note Trustee)

**LANGTON SECURITIES (2008-1) PLC**  
(as 2011-1 Issuer and 2011-1 Funding 1 Start-Up Loan Provider)

**LANGTON SECURITIES (2010-1) PLC**  
(as 2010-1 Issuer and 2010-1 Funding 1 Start-Up Loan Provider)

**LANGTON SECURITIES (2010-2) PLC**  
(as 2010-2 Issuer and 2010-2 Funding 1 Start-Up Loan Provider)

**LANGTON MORTGAGES TRUSTEE (UK) LIMITED**  
(as Mortgages Trustee)

**SANTANDER UK PLC**  
(as Seller, Cash Manager, Funding 1 Account Bank,  
Secretarial Services Provider and Funding 1 Swap Provider)

**and**

**STRUCTURED FINANCE MANAGEMENT LIMITED**  
(as Mortgages Trustee Corporate Services Provider, Funding 1 Corporate Services Provider, Holdings  
Corporate Services Provider and PECO Holdings Corporate Services Provider)

**ALLEN & OVERY**

Allen & Overy LLP

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**THIS EIGHTH AMENDMENT DEED TO THE FUNDING 1 DEED OF CHARGE** (this **Deed**) is made on 29 April 2016

**BETWEEN:**

- (1) **LANGTON FUNDING (NO. 1) LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 6432610), whose registered office is at c/o Structured Finance Management Limited, 35 Great St Helen's, London EC3A 6AP (**Funding 1**),
- (2) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 0235914) acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacities as **Funding 1 Security Trustee**, Issuer Security Trustee in respect of the security granted by the 2010-1 Issuer and the 2011-1 Issuer (each as defined below) (the **2010-1 Issuer Security Trustee** and the **2011-1 Issuer Security Trustee**, respectively) in each case pursuant to the relevant Issuer Deed of Charge (the **2010-1 Issuer Deed of Charge** and the **2011-1 Issuer Deed of Charge**, respectively) and the note trustee with respect to the Notes issued by the 2010-1 Issuer and the 2011-1 Issuer (the **2010-1 Note Trustee** and the **2011-1 Note Trustee**, respectively) in each case pursuant to the relevant Note Trust Deed (the **2010-1 Note Trust Deed** and the **2011-1 Note Trust Deed**, respectively),
- (3) **CITIBANK, N.A., LONDON BRANCH**, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacities as Issuer Security Trustee in respect of the security granted by the 2010-2 Issuer (the **2010-2 Issuer Security Trustee**) pursuant to the relevant Issuer Deed of Charge (the **2010-2 Issuer Deed of Charge**) and Note Trustee with respect to the Notes issued by the 2010-2 Issuer (the **2010-2 Note Trustee**) pursuant to the relevant Note Trust Deed (the **2010-2 Note Trust Deed**),
- (4) **LANGTON SECURITIES (2010-1) PLC**, a public limited company incorporated in England and Wales with limited liability (registered number 7381471), whose registered office is 35 Great St Helen's, London EC3A 6AP (the **2010-1 Issuer** and the **2010-1 Funding 1 Start-Up Loan Provider**),
- (5) **LANGTON SECURITIES (2010-2) PLC**, a public limited company incorporated in England and Wales with limited liability (registered number 7381453), whose registered office is 35 Great St Helen's, London EC3A 6AP (the **2010-2 Issuer** and the **2010-2 Funding 1 Start-Up Loan Provider**),
- (6) **LANGTON SECURITIES (2008-1) PLC**, a public limited company incorporated in England and Wales (registered number 6432564), whose registered office is 35 Great St Helen's, London EC3A 6AP (the **2011-1 Issuer** and the **2011-1 Funding 1 Start-Up Loan Provider**),
- (7) **SANTANDER UK PLC**, a public limited company incorporated under the laws of England and Wales (registered number 2294747), whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (acting in its capacities as **Seller**, **Cash Manager**, **Funding 1 Account Bank**, **Secretarial Services Provider** and **Funding 1 Swap Provider**),
- (8) **STRUCTURED FINANCE MANAGEMENT LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 03853947), whose registered office is at 35 Great St Helen's, London EC3A 6AP (acting in its capacities as **Mortgages Trustee Corporate Services Provider**, **Funding 1 Corporate Services Provider**, **Holdings Corporate Services Provider** and **PECOH Corporate Services Provider**), and

- (9) **LANGTON MORTGAGES TRUSTEE (UK) LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 07210539), whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (in its capacity as **Mortgages Trustee**)

**NOW THIS DEED WITNESSES AS FOLLOWS:**

**WHEREAS:**

- (A) Funding 1 has provided the Funding 1 Security Trustee with the benefit of the security described in the Funding 1 Deed of Charge to secure Funding 1's obligations to the Funding 1 Secured Creditors
- (B) Funding 1, the Funding 1 Security Trustee and each of the Funding 1 Secured Creditors have each agreed to make certain amendments to the Funding 1 Deed of Charge

**1. INTERPRETATION**

- 1 1 The master definitions and construction schedule signed by, amongst others, the parties to this Deed and dated 25 January 2008 as amended and restated on 5 March 2008, on 17 June 2008, on 27 May 2010, on 1 October 2010, on 23 March 2011, on 23 December 2011, on 8 June 2012 and on 29 April 2016 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties to the Funding 1 Deed of Charge) (the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule (as so amended, restated, varied, supplemented, replaced and/or novated from time to time) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the Recitals hereto, and this Deed shall be construed in accordance with the interpretation provisions set out in clause 3 (*Interpretation and Construction*) of the Master Definitions and Construction Schedule

**2. AMENDMENT**

With effect as of 29 April 2016 (the **Effective Date**), the Funding 1 Deed of Charge (as amended by the First Accession and Amendment Deed, the Second Accession and Amendment Deed, the Third Accession and Amendment Deed, the Fourth Accession and Amendment Deed, the Fifth Accession and Amendment Deed, the Sixth Amendment Deed and the Seventh Amendment Deed) shall be read as set out in Schedule 1

**3. CONSENT AND DIRECTION**

- 3 1 Each of the parties hereto (other than the Funding 1 Security Trustee, the 2010-1 Issuer Security Trustee, the 2010-2 Issuer Security Trustee, the 2011-1 Issuer Security Trustee, the 2010-1 Note Trustee, the 2010-2 Note Trustee and the 2011-1 Note Trustee) acknowledges and agrees that each of the Funding 1 Security Trustee, the 2010-1 Issuer Security Trustee, the 2010-2 Issuer Security Trustee, the 2011-1 Issuer Security Trustee, the 2010-1 Note Trustee, the 2010-2 Note Trustee and the 2011-1 Note Trustee has entered into this Deed and agreed to the terms thereof pursuant to, and in accordance with, the terms of a trustee consent letter dated 29 April 2016. Further, each of the parties hereto (other than the Funding 1 Security Trustee, the 2010-1 Issuer Security Trustee, the 2010-2 Issuer Security Trustee, the 2011-1 Issuer Security Trustee, the 2010-1 Note Trustee, the 2010-2 Note Trustee and the 2011-1 Note Trustee) consents to its entering into this Deed and agreeing to the terms thereof

3.2 Pursuant to clause 12.1 of each of the 2010-1 Issuer Deed of Charge, the 2010-2 Issuer Deed of Charge and the 2011-1 Issuer Deed of Charge, the 2010-1 Issuer Security Trustee, the 2010-2 Issuer Security Trustee and the 2011-1 Issuer Security Trustee respectively hereby concur with the Funding 1 Security Trustee and the other Funding 1 Secured Creditors in making the amendments to the Funding 1 Deed of Charge set out in Clause 2 and hereby direct the Funding 1 Security Trustee to concur with Funding 1 and the other Funding 1 Secured Creditors in making such amendments to the Funding 1 Deed of Charge by entering into this Deed

3.3 Pursuant to clause 12.1 of the Funding 1 Deed of Charge, the Funding 1 Security Trustee hereby concurs with the Funding 1 Secured Creditors in making the amendments to the Funding 1 Deed of Charge set out in Clause 2 and consents to such amendments to the Funding 1 Deed of Charge by entering into this Deed.

#### 4. APPLICATION

Prior to and following enforcement of the Funding 1 Security all amounts at any time held by Funding 1, the Cash Manager or the Funding 1 Security Trustee in respect of the security created under this Deed shall be held and/or applied by such person subject to and in accordance with the relevant provisions of the Funding 1 Deed of Charge

#### 5. NOTICES

Any notice or communication to be given to the 2010-1 Issuer, the 2010-2 Issuer and the 2011-1 Issuer under or in connection with this Deed, the Funding 1 Deed of Charge or the Master Definitions and Construction Schedule shall be given in the manner and at the times set out in the Funding 1 Deed of Charge

#### 6. CHOICE OF 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

**DULY EXECUTED AND DELIVERED AS A DEED** by each of the parties hereto or on its behalf on the date which first appears above

#### Funding 1

EXECUTED as a DEED by  
LANGTON FUNDING (NO. 1) LIMITED )

per pro SFM Directors Limited, as Director )

per pro SFM Directors (No 2) Limited, as Director )

REDACTED UNDER S.859G  
OF THE COMPANIES ACT  
2006

**Funding 1 Security Trustee, 2010-1 Issuer Security Trustee, 2010-1 Note Trustee, 2011-1 Issuer Security Trustee and 2011-1 Note Trustee**

**EXECUTED as a DEED by  
CITICORP TRUSTEE COMPANY LIMITED**  
by two directors

By

By.

REDACTED UNDER  
S.859G OF THE  
COMPANIES ACT  
2006

David Mares  
Director

REDACTED UNDER S.859G OF  
THE COMPANIES ACT 2006

Jillian Hamblin  
Director

**2010-2 Issuer Security Trustee and 2010-2 Note Trustee**

**EXECUTED as a DEED by  
CITIBANK, N.A., LONDON BRANCH**  
its authorised signatory

REDACTED UNDER  
S.859G OF THE  
COMPANIES ACT 2006

Jillian Hamblin  
Vice President

**2010-1 Issuer and 2010-1 Funding 1 Start-Up Loan Provider**

**EXECUTED as a DEED by  
LANGTON SECURITIES (2010-1) PLC**  
acting by its duly authorised attorney  
in the presence of

)  
)  
)  
)

Witness's signature

Name:

Address

**2010-2 Issuer and 2010-2 Funding 1 Start-Up Loan Provider**

**EXECUTED as a DEED by  
LANGTON SECURITIES (2010-2) PLC**  
acting by its duly authorised attorney  
in the presence of

)  
)  
)  
)

Witness's signature

Name:

Address

**Funding 1 Security Trustee, 2010-1 Issuer Security Trustee, 2010-1 Note Trustee, 2011-1 Issuer Security Trustee and 2011-1 Note Trustee**

EXECUTED as a DEED by )  
CITICORP TRUSTEE COMPANY LIMITED )  
by two directors )  
By )  
By )

**2010-2 Issuer Security Trustee and 2010-2 Note Trustee**

EXECUTED as a DEED by )  
CITIBANK, N.A., LONDON BRANCH )  
its authorised signatory )

**2010-1 Issuer and 2010-1 Funding 1 Start-Up Loan Provider**

EXECUTED as a DEED by )  
LANGTON SECURITIES (2010-1) PLC )  
acting by its duly authorised attorney )  
in the presence of )

REDACTED UNDER S.859G OF  
THE COMPANIES ACT 2006

Witness's signature. REDACTED UNDER S.859G OF  
THE COMPANIES ACT 2006

Name **JAMIE LONG**

Address **ALLEN & OVERY LLP  
ONE BISHOPS SQUARE  
LONDON E1 6AD**

**2010-2 Issuer and 2010-2 Funding 1 Start-Up Loan Provider**

EXECUTED as a DEED by )  
LANGTON SECURITIES (2010-2) PLC )  
acting by its duly authorised attorney )  
in the presence of )

REDACTED UNDER S.859G OF  
THE COMPANIES ACT 2006

Witness's signature REDACTED UNDER S.859G OF  
THE COMPANIES ACT 2006

Name **JAMIE LONG**

Address. **ALLEN & OVERY LLP  
ONE BISHOPS SQUARE  
LONDON E1 6AD**

**2011-1 Issuer and 2011-1 Funding 1 Start-Up Loan Provider**

**EXECUTED as a DEED by**  
**LANGTON SECURITIES (2008-1) PLC**

per pro SFM Directors Limited, as Director

per pro SFM Directors (No 2) Limited, as Director

REDACTED UNDER S.859G OF THE  
COMPANIES ACT 2006

**Seller, Cash Manager, Funding 1 Account Bank, Secretarial Services Provider and Funding 1 Swap Provider**

**EXECUTED as a DEED by**  
**SANTANDER UK PLC**  
acting by its duly authorised attorney

in the presence of

REDACTED UNDER S.859G OF THE  
COMPANIES ACT 2006

Witness's signature

REDACTED UNDER S.859G OF  
THE COMPANIES ACT 2006

Name: **JAMIE LONG**

Address

**ALLEN & OVERY LLP**  
**ONE BISHOPS SQUARE**  
**LONDON E1 6AD**

**Mortgages Trustee Corporate Services Provider, Funding 1 Corporate Services Provider, Holdings Corporate Services Provider and PECO Corporate Services Provider**

**EXECUTED as a DEED by**  
**STRUCTURED FINANCE MANAGEMENT**  
**LIMITED**  
by two authorised signatories

REDACTED UNDER S.859G OF  
THE COMPANIES ACT 2006

**Mortgages Trustee**

**EXECUTED as a DEED by**  
**LANGTON MORTGAGES TRUSTEE (UK)**  
**LIMITED**

per pro SFM Directors Limited, as Director

per pro SFM Directors (No 2) Limited, as Director

REDACTED UNDER S.859G OF  
THE COMPANIES ACT 2006

**SCHEDULE 1**

**FORM OF AMENDED AND RESTATED FUNDING 1 DEED OF CHARGE**

**EXECUTION VERSION**

## **AMENDED AND RESTATED FUNDING 1 DEED OF CHARGE**

**DATED 29 APRIL 2016**

**LANGTON FUNDING (NO. 1) LIMITED**  
**(as Funding 1)**

**and**

**LANGTON SECURITIES (2010-1) PLC**  
**(as 2010-1 Issuer and 2010-1 Funding 1 Start-Up Loan Provider)**

**and**

**LANGTON SECURITIES (2010-2) PLC**  
**(as 2010-2 Issuer and 2010-2 Funding 1 Start-Up Loan Provider)**

**and**

**LANGTON SECURITIES (2008-1) PLC**  
**(as 2011-1 Issuer and 2011-1 Funding 1 Start-Up Loan Provider)**

**and**

**CITICORP TRUSTEE COMPANY LIMITED**  
**(as Funding 1 Security Trustee, 2010-1 Issuer Security Trustee, 2010-1 Note Trustee, 2011-1 Issuer Security Trustee and 2011-1 Note Trustee)**

**and**

**CITIBANK N.A., LONDON BRANCH**  
**(as 2010-2 Issuer Security Trustee and 2010-2 Note Trustee)**

**and**

**LANGTON MORTGAGES TRUSTEE (UK) LIMITED**  
**(as Mortgages Trustee)**

**and**

**SANTANDER UK PLC**  
**(as Seller, Cash Manager, Funding 1 Account Bank, Secretarial Services Provider and Funding 1 Swap Provider)**

**ALLEN & OVERY**

**Allen & Overy LLP**

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and

**STRUCTURED FINANCE MANAGEMENT LIMITED**

**(as Mortgages Trustee Corporate Services Provider, Funding 1 Corporate Services Provider, Holdings  
Corporate Services Provider and PECO Corporate Services Provider)**

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**THIS FORM OF AMENDED AND RESTATED FUNDING 1 DEED OF CHARGE (this Deed)** is dated 29 April 2016

**BETWEEN**

- (1) **LANGTON FUNDING (NO. 1) LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 6432610), whose registered office is at c/o Structured Finance Management Limited, 35 Great St Helen's, London EC3A 6AP (**Funding 1**),
- (2) **LANGTON SECURITIES (2010-1) PLC**, a company incorporated in England and Wales with limited liability (registered number 7381471), whose registered office is 35 Great St Helen's, London EC3A 6AP (the **2010-1 Issuer** and the **2010-1 Funding 1 Start-Up Loan Provider**),
- (3) **LANGTON SECURITIES (2010-2) PLC**, a company incorporated in England and Wales with limited liability (registered number 7381453), whose registered office is 35 Great St Helen's, London EC3A 6AP (the **2010-2 Issuer** and the **2010-2 Funding 1 Start-Up Loan Provider**),
- (4) **LANGTON SECURITIES (2008-1) PLC**, a public limited company incorporated in England and Wales (registered number 6432564), whose registered office is 35 Great St Helen's, London EC3A 6AP (the **Issuer** and the **2011-1 Funding 1 Start-Up Loan Provider**),
- (5) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 0235914), acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacities as **Funding 1 Security Trustee**, Issuer Security Trustee in respect of the security granted by the 2010-1 Issuer and the 2011-1 Issuer (each as defined below) (the **2010-1 Issuer Security Trustee** and the **2011-1 Issuer Security Trustee**, respectively) in each case pursuant to the relevant Issuer Deed of Charge (the **2010-1 Issuer Deed of Charge** and the **2011-1 Issuer Deed of Charge**, respectively) and the note trustee with respect to the Notes issued by the 2010-1 Issuer and the 2011-1 Issuer (the **2010-1 Note Trustee** and the **2011-1 Note Trustee**, respectively) in each case pursuant to the relevant Note Trust Deed (the **2010-1 Note Trust Deed** and the **2011-1 Note Trust Deed**, respectively),
- (6) **CITIBANK, N.A., LONDON BRANCH**, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacities as Issuer Security Trustee in respect of the security granted by the 2010-2 Issuer (the **2010-2 Issuer Security Trustee**) pursuant to the relevant Issuer Deed of Charge (the **2010-2 Issuer Deed of Charge**) and Note Trustee with respect to the Notes issued by the 2010-2 Issuer (the **2010-2 Note Trustee**) pursuant to the relevant Note Trust Deed (the **2010-2 Note Trust Deed**),
- (7) **SANTANDER UK PLC**, a public limited company incorporated under the laws of England and Wales (registered number 2294747), whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (acting in its capacities as **Seller, Cash Manager, Funding 1 Account Bank, Secretarial Services Provider** and **Funding 1 Swap Provider**),
- (8) **STRUCTURED FINANCE MANAGEMENT LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 03853947), whose registered office is at 35 Great St. Helen's, London EC3A 6AP (acting in its capacities as the **Mortgages Trustee Corporate Services Provider, Funding 1 Corporate Services Provider, Holdings Corporate Services Provider** and **PECOH Corporate Services Provider**), and
- (9) **LANGTON MORTGAGES TRUSTEE (UK) LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 07210539), whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (in its capacity as **Mortgages Trustee**)

## BACKGROUND

- (A) The Issuer has agreed to make available (i) Loan Tranches to Funding 1 pursuant to the terms of the Issuer Intercompany Loan Agreement of even date herewith, and (ii) the Advance pursuant to the Funding 1 Start-Up Loan Agreement of even date herewith
- (B) The Cash Manager has agreed to provide certain cash management services to Funding 1 on the terms set out in the Cash Management Agreement
- (C) The Account Bank has agreed to provide certain banking services to Funding 1 on the terms set out in the Funding 1 Bank Account Agreement and the Funding 1 Guaranteed Investment Contract
- (D) The Funding 1 Swap Provider has agreed to provide the Funding 1 Swap to Funding 1 on the terms set out in the Funding 1 Swap Agreement
- (E) The Funding 1 Corporate Services Provider has agreed to provide certain corporate services to Funding 1 on the terms set out in the Funding 1 Corporate Services Agreement
- (F) The PECO Corporate Services Provider has agreed to provide certain corporate services to PECO on the terms set out in the Funding 1 Corporate Services Agreement
- (G) The Secretarial Services Provider has agreed to provide certain secretarial services to Funding 1 on the terms set out in the Secretarial Services Agreement
- (H) Funding 1 has agreed to provide security in respect of Funding 1's obligations under the Funding 1 Agreements to which it is a party, subject to and in accordance with the terms thereof and hereof
- (I) Funding 1 has agreed to provide the Funding 1 Security Trustee with the benefit of the security described in this Deed to secure Funding 1's obligations under the Funding 1 Agreements, upon and subject to the terms hereof. The Funding 1 Security Trustee shall hold such security on trust for the benefit of the Funding 1 Secured Creditors
- (J) Pursuant to the terms of the Issuer Deed of Charge, the Issuer will grant security to the Issuer Security Trustee (as security trustee for the Issuer Secured Creditors) in and to all of its right, title, interest and benefit, present and future, under this Deed to secure the Issuer's obligations to the Issuer Secured Creditors upon and subject to the terms thereof

**IT IS AGREED** as follows

### 1. INTERPRETATION

- (a) The master definitions and construction schedule signed by, amongst others, the parties to this Deed and dated 25 January 2008 as amended and restated on 5 March 2008, on 17 June 2008, on 27 May 2010, on 1 October 2010, on 23 March 2011, on 23 December 2011, on 8 June 2012 and on 29 April 2016 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties to this Deed) (the **Master Definitions and Construction Schedule**) and, accordingly, the expressions defined in the Master Definitions and Construction Schedule (as so amended, varied or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto
- (b) This Deed will be construed in accordance with the rules of construction set out in the Master Definitions and Construction Schedule

- (c) If there is any conflict between the provisions of the Master Definitions and Construction Schedule and the provisions of this Deed, the provisions of this Deed will prevail
- (d) The term **this Deed** means this Deed and any deed executed in accordance with, or expressed to be supplemental to, this Deed
- (e) Any covenant of Funding 1 under this Deed (other than a payment obligation) shall remain in force during Funding 1 Security Period
- (f) The terms of the other Transactions Documents are incorporated in this Deed to the extent required to give effect thereto and/or to ensure that any purported disposition contained in this Deed is a valid disposition in accordance with Section 2(1) of the LP (MP) Act
- (g) Unless the context otherwise requires, a reference to a Funding 1 Charged Property includes the proceeds of sale of that Funding 1 Charged Property
- (h) The term **full title guarantee** will be construed in accordance with the LP (MP) Act but so that the covenants implied by the LP (MP) Act in respect of Funding 1 Security do not include
  - (i) the words "other than any charges, encumbrances or rights which that person does not and could not reasonably be expected to know about" in section 3(1)(b) of the LP (MP) Act, and
  - (ii) section 6(2) of the LP (MP) Act

## 2. SECURITY TRUST

### 2.1 Declaration of Trust

The Funding 1 Security Trustee holds all of the covenants, undertakings, Security Interests and other rights and benefits made or given under this Deed and the other Funding 1 Agreements on trust for itself and the other Funding 1 Secured Creditors upon and subject to the terms and conditions of this Deed

## 3. CREATION OF FUNDING 1 SECURITY

### 3.1 General

- (a) All Funding 1 Security
  - (i) is created in favour of the Funding 1 Security Trustee for itself and as trustee on behalf of the other Funding 1 Secured Creditors,
  - (ii) is created over the present and future assets of Funding 1,
  - (iii) is security for the payment or discharge of Funding 1 Secured Obligations, and
  - (iv) is made with full title guarantee (or, in relation to any rights or assets situated in Northern Ireland or otherwise governed by Northern Irish law, as beneficial owner, or, in relation to any rights or assets situated in Scotland or otherwise governed by Scots law, with absolute warrandice)
- (b) The term **all of its rights** as used in this Clause includes, unless the context requires otherwise

- (i) the benefit of all covenants, undertakings, representations, warranties and indemnities,
- (ii) all powers and remedies of enforcement and/or protection,
- (iii) all rights to receive payment of all amounts assured or payable (or to become payable), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable, and
- (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof,

in each case, in respect of the relevant Funding 1 Charged Property

### **3.2 Trust Property**

Funding 1 assigns absolutely, subject to a proviso for re-assignment on redemption (or, to the extent not assignable, charges by way of a first fixed charge) all of its rights, title, interest and benefit in the Trust Property (including, without limitation, all Scottish Trust Property, present and future, comprised in the Trust Property)

### **3.3 Contracts**

Funding 1 assigns absolutely, subject to a proviso for re-assignment on redemption, (or, to the extent not assignable, charges by way of a first fixed charge) all of its rights in respect of Funding 1 Agreements

### **3.4 Funding 1 Accounts**

Funding 1 assigns absolutely, subject to a proviso for re-assignment on redemption (or, to the extent not assignable, charges by way of a first fixed charge) all of its rights in respect of

- (a) any amount standing from time to time to the credit of Funding 1 Bank Accounts,
- (b) all interest paid or payable in relation to those amounts, and
- (c) all debts represented by those amounts

### **3.5 Authorised Investments**

Funding 1 charges by way of a first fixed charge all of its rights, title and interest in respect of

- (a) the Authorised Investments made or purchased from time to time by or on behalf of Funding 1 (whether owned by it or held by any nominee on its behalf) using monies standing to the credit of Funding 1 Accounts, and
- (b) all interest, monies and proceeds paid or payable in relation to those Authorised Investments

### **3.6 Miscellaneous**

Funding 1 charges by way of a first fixed charge all of its rights, title and interest in respect of

- (a) the benefit of all authorisations (statutory or otherwise) held in connection with its use of any Funding 1 Charged Property, and

- (b) any compensation which may be payable to it in respect of those authorisations

### 3.7 Floating charge

- (a) Funding 1 charges by way of a first floating charge all of its undertaking and all of its property and assets (including, without limitation, its uncalled capital) other than any property or assets at any time otherwise effectively charged or assigned by way of fixed charge or assignment under this Clause 3.7 (but excepting from the foregoing exclusion all of Funding 1's undertaking, property and assets situated in Scotland or the rights to which are governed by Scots law, all of which are charged by the floating charge hereby created)
- (b) Except as provided below, the Funding 1 Security Trustee may, by notice to Funding 1 (and so far as permitted by applicable law), convert the floating charge created under this Clause 3.7 into a fixed charge as regards any of Funding 1's assets subject to the floating charge specified in that notice, if
  - (i) an Intercompany Loan Event of Default is outstanding,
  - (ii) the Funding 1 Security Trustee considers those assets or any part thereof to be in danger of being seized or sold under any form of distress, attachment, execution, diligence or other legal process or to be otherwise in jeopardy, and/or
  - (iii) a circumstance occurs which the Funding 1 Security Trustee considers to (or to be likely to) prejudice, imperil or threaten Funding 1 Security
- (c) Except as provided below, the floating charge created by this Clause 3.7 will automatically (so far as permitted by applicable law) convert into a fixed charge as regards
  - (i) all of Funding 1's assets subject to the floating charge, upon the service of an Intercompany Loan Acceleration Notice, and/or
  - (ii) any assets of Funding 1 subject to the floating charge, if those assets (contrary to the covenants and undertakings contained in Funding 1 Agreements)
    - (A) are or become subject to a Security Interest in favour of any person other than the Funding 1 Security Trustee, or
    - (B) are or become the subject of a sale, transfer or other disposition,immediately prior to that Security Interest arising or that sale, transfer or other disposition being made
- (d) The floating charge created by this Clause 3.7 may not be converted into a fixed charge solely by reason of
  - (i) the obtaining of a moratorium, or
  - (ii) anything done with a view to obtaining a moratorium,under the Insolvency Act 2000 or the Insolvency (Northern Ireland) Order 2002 (if appropriate)
- (e) The floating charge created by this Clause 3.7 is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986 and for the purpose of paragraph 15 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989 (if appropriate)

#### **4. ACKNOWLEDGEMENTS AND UNDERTAKINGS**

##### **4.1 Funding 1 Security**

- (a) This Deed constitutes notice in writing to each Funding 1 Secured Creditor of the assignment or assignation of all of Funding 1's rights to the Funding 1 Agreements under Clause 3 3 (Contracts)
- (b) By executing this Deed, each Funding 1 Secured Creditor acknowledges and consents to the assignment or assignation referred to in this Clause 4 1 (Funding 1 Security) and the other Security Interests made or granted under this Deed and confirms that as of the date of this Deed it has not received from any other person notice of any assignment, assignation or charge of any Funding 1 Charged Property
- (c) Immediately upon the execution of this Deed, Funding 1 will deliver a notice of assignment substantially in the form set out in Schedule 1 (Form of Notice of Assignment and Charge) hereto to each of the addressees named in the notice and will use all reasonable endeavours to procure that delivery to the Funding 1 Security Trustee on the date of this Deed of receipts from the addressees of that notice substantially in the form attached to the notice
- (d) Each Funding 1 Secured Creditor acknowledges the Funding 1 Security, and covenants to the Funding 1 Security Trustee not to do anything inconsistent with the Funding 1 Security or knowingly to prejudice that security or any of the Funding 1 Charged Property (or the Funding 1 Security Trustee's interest in those assets) provided that, subject to Clause 5 (Restrictions on Exercise of Certain Rights) hereto, this Deed does not limit the rights of any of Funding 1 Secured Creditors under the Funding 1 Agreements
- (e) Without prejudice to the generality of Clause 4 1(a), Funding 1 hereby intimates and gives notice to the Mortgages Trustee as trustee under and in terms of the Mortgages Trust Deed of the assignment in security made in terms of Clause 3 2 (Trust Property) and the Mortgages Trustee by its execution of this Deed as such trustee immediately subsequent to the execution hereof by Funding 1 confirms that as at the date hereof it has received no intimation of any other dealing with the Funding 1 Share or any other rights, title, interest or benefit in the Trust Property except in accordance with the Funding 1 Agreements

##### **4.2 Registration of Funding 1 Security**

Within 21 calendar days of the date of creating the Funding 1 Security, Funding 1 undertakes (i) to file (or to procure that a filing is made) with the Registrar of Companies of England and Wales pursuant to the provisions of Chapter 1 of Part XII of the Companies Act 1985 a duly completed Form 395 in respect of itself together with the required registration fee and an executed copy of this Deed

##### **4 3 Funding 1 Agreements**

Each Funding 1 Secured Creditor acknowledges that it is bound by, and deemed to have notice of, all of the provisions of the Funding 1 Agreements as if it was a party to each Funding 1 Agreement

##### **4.4 Payments to Funding 1**

Notwithstanding the Funding 1 Security but subject as provided otherwise in this Deed, each of the parties acknowledges that each Funding 1 Secured Creditor and each other party to any Funding 1 Agreement may continue to make all payments becoming due to Funding 1 under any Funding 1 Agreement in the manner envisaged by that document until receipt of written notice from the Funding 1 Security Trustee or any Receiver requiring payments to be made otherwise

#### **4.5 Exercise of rights under Funding 1 Agreements**

- (a) Subject to Clause 8 (Enforcement by the Funding 1 Security Trustee) and Clause 12 (Modification, Authorisation, Waiver and Consent), without prejudice to the rights of the Funding 1 Security Trustee after the security created under this Deed has become enforceable, Funding 1 hereby authorises the Funding 1 Security Trustee (but without any obligation on the part of the Funding 1 Security Trustee to do so), prior to the security created by this Deed becoming enforceable, to exercise or direct the exercise, or refrain from exercising or directing the exercise of, all rights, powers, authorities, discretions and remedies of Funding 1 under or in respect of the Funding 1 Agreements referred to in Clause 3 3 (Contracts)
- (b) For the avoidance of doubt, the Funding 1 Security Trustee shall not be required to have regard to the interests of Funding 1 in the exercise or non-exercise or the direction or non-direction of the exercise of any such rights, powers, authorities, discretions and remedies or to comply with any direction given by Funding 1 in relation thereto
- (c) Funding 1 shall not, without the prior written consent of the Funding 1 Security Trustee
  - (i) permit any of the Funding 1 Agreements to which it is a party to become invalid or ineffective or the priority of the Security Interests created or evidenced thereby or pursuant thereto to be varied,
  - (ii) consent to any variation of, or exercise any powers of consent or waiver pursuant to, the terms of any of the Funding 1 Agreements, or
  - (iii) permit any party to any of the Funding 1 Agreements or any other person whose obligations form part of the Funding 1 Charged Property to be released from its obligations

#### **4.6 New Funding 1 Secured Creditors**

- (a) In order to become a New Funding 1 Secured Creditor a creditor of Funding 1 must enter into an Accession Deed in or substantially in the form set out in Schedule 3 (Form of Accession Deed)
- (b) Each New Funding 1 Secured Creditor will be bound by the provisions of this Deed as if it contained covenants by each New Funding 1 Secured Creditor in favour of the Funding 1 Security Trustee and every other Funding 1 Secured Creditor to observe and be bound by all provisions of this Deed to apply to the Funding 1 Secured Creditors
- (c) Each Funding 1 Secured Creditor agrees that the Funding 1 Security Trustee may execute any Accession Deed on its behalf

### **5. RESTRICTIONS ON EXERCISE OF CERTAIN RIGHTS**

#### **5.1 Payments to Funding 1 Accounts**

At all times prior to the release, re-assignment, retrocession and/or discharge under Clause 25 (Release) of the Funding 1 Security, Funding 1 will, save as otherwise provided in the Funding 1 Agreements or unless the Funding 1 Security Trustee otherwise agrees in writing, procure that all amounts received by Funding 1 under or in respect of the Funding 1 Agreements will be credited to the Funding 1 Accounts in accordance with Clause 6 2 (Funding 1 Bank Accounts) and the other applicable terms of the Funding 1 Agreements

## **5.2 No withdrawals from Funding 1 Accounts**

No payment, transfer and/or withdrawal may be made from any of the Funding 1 Accounts other than as expressly permitted under this Deed or the Cash Management Agreement or with the prior written consent of the Funding 1 Security Trustee

## **5.3 No enforcement by Funding 1 Secured Creditors**

- (a) Except as provided below, each of Funding 1 Secured Creditors (other than, in the case of paragraph (iii) below, the Funding 1 Security Trustee) agrees with Funding 1 and the Funding 1 Security Trustee that
- (i) only the Funding 1 Security Trustee may enforce the Funding 1 Security in accordance with the terms and conditions of this Deed,
  - (ii) it will not take any steps or proceedings to procure the winding up, administration or liquidation of Funding 1, and
  - (iii) it will not take any other steps or action against Funding 1 or the Funding 1 Charged Property for the purpose of recovering any of the Funding 1 Secured Obligations (including by exercising any rights of set-off) or enforcing any rights arising out of the Funding 1 Agreements against Funding 1
- (b) If the Funding 1 Security Trustee has failed to enforce the Funding 1 Security within a reasonable period of time of becoming bound under the terms of this Deed so to do and that failure is continuing, then each of the Funding 1 Secured Creditors will be entitled to take any steps and proceedings against Funding 1 for the purpose of recovering any of the Funding 1 Secured Obligations or enforcing any rights arising out of the Funding 1 Agreements as it considers necessary other than any steps or proceedings
- (i) in respect of procuring the winding up, administration or liquidation of Funding 1, and/or
  - (ii) which would result in the breach by it of Clause 6 (Payments out of Funding 1 Accounts Prior to Acceleration) and/or Clause 7 (Payments out of Funding 1 Accounts Upon Acceleration) herein and/or any term of the other Funding 1 Agreements

## **5.4 Limited recourse**

- (a) Each Funding 1 Secured Creditor hereby agrees that, notwithstanding any other provision of any Funding 1 Agreement (but without prejudice to the limited recourse provisions in each Intercompany Loan Agreement (as set out in Clause 4 (Limited Recourse) of the Intercompany Loan Terms and Conditions)), all obligations of Funding 1 to each Funding 1 Secured Creditor in respect of the Funding 1 Secured Obligations owing to each Funding 1 Secured Creditor are limited in recourse as set out below
- (i) in the event of non-payment of any sum due and payable to a Funding 1 Secured Creditor, its only remedy shall be enforcement of the Funding 1 Security in accordance with the provisions of this Deed and the other Funding 1 Agreements, and
  - (ii) in the event that the net proceeds of enforcing and (as fully as practicable and over whatever time period the Funding 1 Security Trustee considers reasonably necessary) realising all Funding 1 Security are (after application of the proceeds in accordance with the provisions of this Deed) insufficient to discharge in full the amount of any Funding 1 Secured Obligation owed to a Funding 1 Secured Creditor, Funding 1's obligation in respect of the

unpaid amount shall be automatically extinguished and such Funding 1 Secured Creditor shall have no further claim against Funding 1 in respect of such unpaid amount

- (b) The provisions of this Clause 5 4 (Limited recourse) shall survive the termination of this Deed

#### **5 5 Amounts received by Funding 1 Secured Creditors**

Each Funding 1 Secured Creditor (other than the Funding 1 Security Trustee in respect of its own amounts) agrees that if any amount is received by it (including by way of set-off) in respect of any Funding 1 Secured Obligation owed to it other than in accordance with the provisions of this Deed, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of this Deed shall be received and held by it as trustee for the Funding 1 Security Trustee and shall be paid over to the Funding 1 Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of this Deed

### **6. PAYMENTS OUT OF FUNDING 1 ACCOUNTS PRIOR TO ACCELERATION**

#### **6.1 Application**

No payment, transfer and/or withdrawal may be made from any of the Funding 1 Accounts

- (a) at any time upon and after enforcement of the Funding 1 Security without the prior written consent of the Funding 1 Security Trustee; and/or
- (b) under this Clause 6 1 (Application) at any time upon and after an Intercompany Loan Acceleration Notice has been served

#### **6.2 Funding 1 Bank Accounts**

Funding 1 shall at all times during the Funding 1 Security Period

- (a) save as otherwise provided in the Funding 1 Agreements or unless the Funding 1 Security Trustee otherwise agrees (and then only on such terms and in such manner as the Funding 1 Security Trustee may in its absolute discretion require), procure that any distribution of Mortgages Trust Available Revenue Receipts to Funding 1 and any distribution of Mortgages Trust Principal Receipts to Funding 1 under the Mortgages Trust is paid into the Funding 1 GIC Account,
- (b) save as otherwise provided in the Funding 1 Agreements or unless the Funding 1 Security Trustee otherwise agrees, procure that all proceeds from a Loan Tranche which are to be applied in or towards repayment of another Loan Tranche are, pending such repayment, deposited in the Funding 1 GIC Account, and
- (c) save as otherwise provided in the Funding 1 Agreements, procure that any Refinancing Distributions paid to Funding 1 under the Mortgages Trust Deed which are to be applied in or towards repayment of a Loan Tranche (a **Relevant Refinancing Distribution**) shall be paid into the Funding 1 GIC Account

#### **6.3 Withdrawals from Funding 1 GIC Account – prior to enforcement and acceleration**

- (a) Notwithstanding the Funding 1 Security but subject to Clause 6 1 (Application) and this Clause 6 3 (Withdrawals from Funding 1 GIC Account – prior to enforcement and acceleration), the Cash Manager, on behalf of Funding 1 (subject to the terms of the Cash Management Agreement) will

transfer funds standing to the credit of the Funding 1 GIC Account to the Funding 1 Transaction Account on each day during a Funding 1 Interest Period but prior to the issue of an Intercompany Loan Acceleration Notice where such monies represent Funding 1 Available Revenue Receipts to be applied to meet any amounts then due and payable by Funding 1 or any Funding 1 Issuer to third parties, the Account Bank or any Funding 1 Issuer Account Bank in accordance with items (a)(ii), (b) and (d) (as applicable) of the Funding 1 Pre-Acceleration Revenue Priority of Payments set out in Part 1 of Schedule 4 (Funding 1 Priority of Payments) (as the same may be amended or varied from time to time)

- (b) Notwithstanding the Funding 1 Security but subject to Clause 6 1 (Application) and this Clause 6 3 (Withdrawals from Funding 1 GIC Account – prior to enforcement and acceleration), the Cash Manager, on behalf of Funding 1 (subject to the terms of the Cash Management Agreement) will transfer funds standing to the credit of the Funding 1 GIC Account to the Funding 1 Transaction Account on each Funding 1 Interest Payment Date prior to the issue of an Intercompany Loan Acceleration Notice where such monies represent Funding 1 Available Revenue Receipts, Funding 1 Available Principal Receipts and/or Relevant Refinancing Distributions to be applied to meet Funding 1's payment obligations in accordance with the Funding 1 Pre-Acceleration Revenue Priority of Payments set out in Part 1 of Schedule 4 (Funding 1 Priority of Payments) to this Deed and the relevant Funding 1 Pre-Acceleration Principal Priorities of Payments set out in Part 2 of Schedule 4 (Funding 1 Priority of Payments) (as the same may be amended or varied from time to time)

#### **6 4 Withdrawals from Funding 1 Transaction Account – prior to enforcement and acceleration**

- (a) Notwithstanding the Funding 1 Security but subject to Clause 6 1 (Application) and this Clause 6 4 (Withdrawals from Funding 1 Transaction Account – prior to enforcement and acceleration), the Cash Manager, on behalf of Funding 1 (subject to the terms of the Cash Management Agreement) will apply funds standing to the credit of the Funding 1 Transaction Account on each day during a Funding 1 Interest Period but prior to the issue of an Intercompany Loan Acceleration Notice where such monies represent Funding 1 Available Revenue Receipts to meet any amounts then due and payable by Funding 1 or a Funding 1 Issuer to third parties, the Account Bank or a Funding 1 Issuer Account Bank in accordance with items (a)(ii), (b) and (d) (as applicable) of the Funding 1 Pre-Acceleration Revenue Priority of Payments set out in Part 1 of Schedule 4 (Funding 1 Priority of Payments) (as the same may be amended or varied from time to time)
- (b) Notwithstanding the Funding 1 Security but subject to Clause 6 1 (Application) and this Clause 6 4 (Withdrawals from Funding 1 Transaction Account – prior to enforcement and acceleration), the Cash Manager, on behalf of Funding 1 (subject to the terms of the Cash Management Agreement) will apply funds standing to the credit of the Funding 1 Transaction Account on each Funding 1 Interest Payment Date prior to the issue of an Intercompany Loan Acceleration Notice where such monies represent Funding 1 Available Revenue Receipts, Funding 1 Available Principal Receipts and/or Relevant Refinancing Distributions in accordance with the Funding 1 Pre-Acceleration Revenue Priority of Payments set out in Part 1 of Schedule 4 (Funding 1 Priority of Payments) to this Deed and the relevant Funding 1 Pre-Acceleration Principal Priorities of Payments set out in Part 2 of Schedule 4 (Funding 1 Priority of Payments) (as the same may be amended or varied from time to time)

#### **6.5 Authorised Investments**

- (a) Notwithstanding Funding 1 Security but subject to Clause 6 1 (Application), the Cash Manager, on behalf of Funding 1, may withdraw amounts standing to the credit of Funding 1 Accounts from time to time for the purpose of acquiring Authorised Investments in accordance with the terms of the Funding 1 Bank Agreement and the Cash Management Agreement All amounts received in respect

of any Authorised Investments (including any amounts received as a result of a disposal under paragraph (b) below) will be deposited into the Funding 1 Transaction Account

- (b) Notwithstanding the Funding 1 Security, the Cash Manager, on behalf of Funding 1, may sell or redeem or otherwise dispose of any Authorised Investments on any day prior to the enforcement of the Funding 1 Security subject to the terms and conditions of this Deed and the Cash Management Agreement

## **6.6 Enforcement When Not All Amounts Due and Payable**

If the Funding 1 Security Trustee enforces the Funding 1 Security at a time when either no amounts or not all amounts owing in respect of the Funding 1 Secured Obligations have become due and payable, the Funding 1 Security Trustee (or a Receiver) may, for so long as no such amounts or not all such amounts have become due and payable, pay any monies referred to in Clause 6 (Payments out of Funding 1 Accounts Prior to Acceleration) herein into, and retain such monies in, an interest-bearing account (a **retention account**) to be held by it as security and applied by it in accordance with Clause 7 (Payments out of Funding 1 Accounts Prior to Acceleration) herein as and when any of the amounts referred to therein become due and payable

- 6.7 Following the service of an Intercompany Loan Acceleration Notice, the Funding 1 Security Trustee may at its absolute discretion pending application thereof pursuant to Clause 7 (Payments out of Funding 1 Accounts Upon Acceleration) deposit any and all amounts from time to time received by it from Funding 1 or any person or persons liable to pay or in respect of the Funding 1 Charged Property or from the realisation or enforcement of the Funding 1 Security in a retention account for so long as, and on the terms which, it considers appropriate without any obligation to apply those amounts in or towards the discharge of any of the Funding 1 Secured Obligations

## **7. PAYMENTS OUT OF FUNDING 1 ACCOUNTS UPON ACCELERATION**

### **7.1 Priorities of Payment – after service of an Intercompany Loan Acceleration Notice**

All monies received or recovered following service of an Intercompany Loan Acceleration Notice shall be applied by the Cash Manager or, following the enforcement of the Funding 1 Security, the Funding 1 Security Trustee (or a Receiver appointed on its behalf) (save to the extent required otherwise by law) in accordance with the Funding 1 Post-Acceleration Principal Priority set out in Part 3 of Schedule 4 (Funding 1 Priority of Payments)

### **7.2 Application of Monies Received after service of an Intercompany Loan Acceleration Notice**

Each Funding 1 Secured Creditor undertakes to pay to the Cash Manager or, following the enforcement of the Funding 1 Security, the Funding 1 Security Trustee or the Receiver, as the case may be, all monies received or recovered by it (including by way of set-off or otherwise) subsequent to the service of an Intercompany Loan Acceleration Notice in order that such amounts can be applied in accordance with Clause 7.1 (Priorities of Payment – after service of an Intercompany Loan Acceleration Notice)

## **8. ENFORCEMENT BY THE FUNDING 1 SECURITY TRUSTEE**

### **8.1 General enforcement**

- (a) Subject to Clause 8.2 (Administrative receiver), the Funding 1 Security Trustee will not, and will not be bound to, take any steps, institute any proceedings, exercise its rights, powers, discretions, authorities, duties and/or functions and/or to take any other action under or in connection with any

Funding 1 Agreement (including, without limitation, enforcing the Funding 1 Security) unless the Funding 1 Security Trustee

- (i) has been indemnified and/or secured to its satisfaction against all liabilities, cost, expenses, losses, claims and charges to which it may render itself liable or which it may incur by so doing and, for this purpose, the Funding 1 Security Trustee may demand, prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it, and
- (ii) is directed to do so by
  - (A) subject to paragraph (d) below, the Funding 1 Issuer Security Trustees (subject to the provisions of the relevant Funding 1 Issuer Deed of Charge), or
  - (B) if there is no outstanding Loan Tranche, the Funding 1 Secured Creditor(s) (other than the Funding 1 Security Trustee) that rank(s) highest in the order of priority of payment set out in Clause 7.1 (Priorities of Payment – after service of an Intercompany Loan Acceleration Notice),

(in each case, the **Instructing Party**), in which case the Funding 1 Security Trustee will be bound to take such action in the manner instructed by the Instructing Party, provided that the Funding 1 Security Trustee may at all times, whether or not so instructed, take such action in respect of any right, power or discretion which is personal to the Funding 1 Security Trustee or is to preserve or protect the Funding 1 Security Trustee's position or is of a purely administrative nature

- (b) The Funding 1 Security Trustee shall not be liable to any Funding 1 Secured Creditor for any action it may take in accordance with any instructions received pursuant to paragraph (a) above. The Funding 1 Security Trustee shall be entitled to seek clarification from the relevant Instructing Party with regard to such instructions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction from such relevant Instructing Party and shall not be liable to any person for any loss occasioned thereby.
- (c) Upon being directed by the Funding 1 Issuer Security Trustees to enforce the Funding 1 Security in accordance with paragraph (a) above, the Funding 1 Security Trustee will notify Funding 1 and the Funding 1 Secured Creditors of such direction.
- (d) If there is a conflict between the directions given by the Funding 1 Issuer Security Trustees as contemplated by sub-paragraph (a)(ii)(A) above, then the directions of the Funding 1 Issuer Security Trustees who are directed by the Issuer Note Trustee or New Issuer Note Trustee (as applicable) for the Class or Classes of Rated Notes outstanding which are rated by the Rating Agencies at the highest level (the **Principal Security Trustees** and the **Principal Classes of Notes** respectively) shall prevail, and if there is a conflict between the directions given by the Principal Trustees, then the directions of those Principal Security Trustees (x) who have given the same directions and (y) who are directed by the Issuer Note Trustee or New Issuer Note Trustee (as applicable) for the holders of Principal Classes of Notes the aggregate Principal Amount Outstanding of which is greater than the aggregate Principal Amount Outstanding of the Principal Classes of Notes held by the holders of which the Issuer Note Trustee or New Issuer Note Trustee (as applicable) who directed the Principal Security Trustees who have given other directions are trustees shall prevail.

## **8.2 Administrative receiver**

- (a) Notwithstanding any term of this Deed, subject to paragraph (b) below, the Funding 1 Security Trustee must enforce the Funding 1 Security by appointing an administrative receiver in respect of Funding 1 if it has actual notice of
- (i) an application for the appointment of an administrator in respect of Funding 1, or
  - (ii) the giving of a notice of intention to appoint an administrator in respect of Funding 1, and
  - (iii) the Funding 1 Security Trustee shall be indemnified and/or secured to its satisfaction in accordance with the provisions of this Deed,
- and that appointment shall take effect not later than the final day by which it must take effect in order to prevent an administration proceeding
- (b) The Funding 1 Security Trustee is not liable for any failure to appoint or delay in appointing an administrative receiver in respect of Funding 1, save in the case of its own gross negligence, wilful default or fraud and, for the avoidance of doubt
- (i) nothing in this Clause 8.2 (Administrative receiver) shall be construed so as to impose on the Funding 1 Security Trustee any obligation to indemnify any administrative receiver appointed by it pursuant to this Clause 8.2 (Administrative receiver) except to the extent of (and from) the cash and assets comprising the Funding 1 Security held by the Funding 1 Security Trustee at such time, and
  - (ii) the Funding 1 Security Trustee shall have no liability if, having used its reasonable endeavours, it is unable to find a person who is willing to be appointed as an administrative receiver on the terms as to indemnification referred to in paragraph (b)(i) above
- (c) The Funding 1 Security Trustee shall not be liable to any Funding 1 Secured Creditor for any action it may take in accordance with paragraph (a) above
- (d) Funding 1 hereby waives any claims against the Funding 1 Security Trustee in respect of any appointment made pursuant to this Clause 8.2 (Administrative receiver)

## **9. ENFORCEMENT OF FUNDING 1 SECURITY**

### **9.1 General**

- (a) For the purposes of all powers implied by statute, Funding 1 Secured Obligations are deemed to have become due and payable on the date of this Deed
- (b) Section 103 of the 1925 Act (restricting the power of sale), Section 93 of the 1925 Act (restricting the right of consolidation) and Sections 20 and 17 of the 1881 Act do not apply to the Security Interests comprised in Funding 1 Security

### **9.2 Intercompany Loan Acceleration Notice**

The Funding 1 Security will become immediately enforceable upon the service of an Intercompany Loan Acceleration Notice or, if there is no outstanding Loan Tranche, upon notice given to the Funding 1 Security Trustee by a Funding 1 Secured Creditor of failure by Funding 1 to pay any other Funding 1 Secured Obligation on its due date (subject to any applicable grace period)

### **9.3 Privileges**

The Funding 1 Security Trustee and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the 1925 Act and the 1881 Act on mortgagees and receivers duly appointed under the 1925 Act, except that Section 103 of the 1925 Act and Section 20 of the 1881 Act do not apply

### **9.4 Power of sale**

The power of sale and other powers conferred by Section 101 of the 1925 Act, Section 19 of the 1881 Act and Section 4 of the 1911 Act as extended and varied by this Deed, will be immediately exercisable at any time after the Funding 1 Security has become enforceable

### **9.5 Extension of the 1925 Act**

- (a) The statutory powers of leasing conferred on the Funding 1 Security Trustee are extended so as to authorise the Funding 1 Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Funding 1 Security Trustee may think fit and without the need to comply with any provision of Section 99 or 100 of the 1925 Act, Section 18 of the 1881 Act or Section 3 of the 1911 Act
- (b) The statutory powers of sale and the other powers conferred on the Funding 1 Security Trustee by Section 101(1) and (2) of the 1925 Act, Section 19 of the 1881 Act and Section 4(1) of the 1911 Act are extended so as to authorise the Funding 1 Security Trustee (upon such terms as the Funding 1 Security Trustee may think fit and in accordance with the terms of this Deed) to
  - (i) make demand in the name of the other Funding 1 Secured Creditors or in its own right for any monies and liabilities in respect of the Funding 1 Charged Property, and
  - (ii) do all or any of the things or exercise all or any of the powers referred to in Clause 11 (Powers of Receiver) herein as if each of them was expressly conferred on the Funding 1 Security Trustee by this Deed

### **9.6 Mortgagee in possession**

- (a) Neither the Funding 1 Security Trustee nor any Receiver will be liable, by reason of Funding 1 Security or entering into possession of any Funding 1 Charged Property, to account as mortgagee or security holder in possession or for any loss on realisation or for any default or omission for which a mortgagee or security holder in possession might be liable
- (b) Each of the Funding 1 Security Trustee, the other Funding 1 Secured Creditors and any Receiver will not take any action (other than, in the case of the other Funding 1 Secured Creditors, with the Funding 1 Security Trustee's prior written consent) which would be likely to lead to the Funding 1 Security Trustee or the other Funding 1 Secured Creditors becoming a mortgagee or security holder in possession in respect of any Funding 1 Charged Property

### **9.7 Protection of third parties**

No person (including a purchaser) dealing with the Funding 1 Security Trustee or any Receiver or its or his agents will be concerned to enquire

- (a) whether the Funding 1 Secured Obligations remain outstanding or have become payable,

(b) whether any power which the Funding 1 Security Trustee or that Receiver is purporting to exercise has become exercisable or is being properly exercised, or

(c) how any money paid to the Funding 1 Security Trustee or to that Receiver is to be applied,

and the protections afforded to purchasers from a mortgagee by Sections 104 and 107 of the 1925 Act and Sections 21 and 22 of the 1881 Act and to persons dealing with an administrative receiver by Section 42(3) of the Insolvency Act 1986 or by Article 52(3) of the Insolvency (Northern Ireland) Order 1989 (if appropriate) will apply

## **9.8 Contingencies**

If the Funding 1 Security is enforced at a time when no amount is due in respect of the Funding 1 Secured Obligations or any of Funding 1 Secured Obligations are contingent or future, the Funding 1 Security Trustee or any Receiver may pay the proceeds of any recoveries effected by it into any interest-bearing account to be held by it as security and applied in accordance with the terms and conditions of this Deed and the Cash Management Agreement

## **9.9 Disposal of Funding 1 Charged Property**

If an Intercompany Loan Acceleration Notice has been delivered by a Funding 1 Issuer in relation to any Intercompany Loan otherwise than by reason of non-payment of any amount due in respect of the relevant Intercompany Loan, the Funding 1 Security Trustee will not be entitled to dispose of the Funding 1 Charged Property unless either

- (a) Funding 1 provides the Funding 1 Security Trustee with a certificate signed by two of its Directors certifying that a sufficient amount would be realised to allow payment in full of all amounts owing to the Funding 1 Issuers under the Intercompany Loan Agreements (excluding the Subordinated Loan Tranche of Langton Securities (2008-1) plc) after payment of all other claims ranking in priority to amounts due under the Intercompany Loan Agreements in accordance with the Funding 1 Post-Acceleration Priority of Payments, or
- (b) the Funding 1 Security Trustee has been advised by an independent investment bank or other financial adviser selected by the Funding 1 Security Trustee (and if the Funding 1 Security Trustee is unable to obtain such advice having made reasonable efforts to do so this Clause 9.9 shall not apply) that, in its opinion, the cash flow prospectively receivable by Funding 1 will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of Funding 1, to discharge in full in due course all amounts due in respect of the Intercompany Loan Agreements after payment of all other claims ranking in priority to amounts due under the Intercompany Loan Agreements in accordance with the Funding 1 Post-Acceleration Priority of Payments and the resulting shortfall would be greater than the shortfall resulting from a disposal of the assets (or the Funding 1 Security Trustee considers in its discretion that not to effect such disposal would place the Funding 1 Charged Property in jeopardy),

and the Funding 1 Security Trustee shall not be bound to make the determination contained in Clause 9.9(b) above unless the Funding 1 Security Trustee shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing. The fees and expenses of the aforementioned financial adviser or such other professional adviser selected by the Funding 1 Security Trustee shall be paid by Funding 1

## **9.10 Scottish Trust Property**

Without prejudice to the provisions of this Clause 9 (Enforcement of Funding 1 Security) and Clause 19 (Directions from Beneficiaries) of the Mortgages Trust Deed, Funding 1 and the Mortgages Trustee hereby undertake to the Funding 1 Security Trustee that if at any time after the Funding 1 Security shall have become enforceable and the Funding 1 Security Trustee or any Receiver shall so require, they will join together in directing the Seller to sell or dispose of all or any part of the Scottish Trust Property on terms previously approved by the Funding 1 Security Trustee and/or in causing the trusts constituted by any Scottish Declaration of Trust to be wound up or performed and they will take all such actions and execute all such documents as may be necessary to effect such sale or disposal or winding-up or performance and the distribution or transfer of the Scottish Trust Property or any part thereof in accordance with the terms of each Scottish Declaration of Trust, the Mortgages Trust Deed and this Deed. The Seller and the Mortgages Trustee hereby acknowledge and consent to the foregoing as trustee and beneficiary respectively in terms of each Scottish Declaration of Trust.

## **10. RECEIVER**

### **10.1 Appointment of Receiver**

- (a) Except as provided below, the Funding 1 Security Trustee may appoint any one or more persons to be a Receiver of all or any part of Funding 1 Charged Property if the Funding 1 Security has become enforceable
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the 1925 Act and sections 24(6) and (8) of the 1881 Act) does not apply to this Deed
- (d) The Funding 1 Security Trustee is not entitled to appoint a Receiver solely as a result of
  - (i) the obtaining of a moratorium, or
  - (ii) anything done with a view to obtaining a moratorium,under the Insolvency Act 2000 or the Insolvency (Northern Ireland) Order 2002 (if appropriate)

### **10.2 Removal**

The Funding 1 Security Trustee may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated. The Funding 1 Security Trustee may apply to the court for an order removing an administrative receiver.

### **10.3 Remuneration**

The Funding 1 Security Trustee may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the 1925 Act and Section 24 of the 1881 Act will not apply. Funding 1 will pay the remuneration of any Receiver in accordance with the terms and in the manner agreed from time to time between the relevant Receiver and the Funding 1 Security Trustee, subject to the terms and conditions of this Deed.

#### **10.4 Agent of Funding 1**

- (a) A Receiver will be deemed to be the agent of Funding 1 for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the 1925 Act, the 1881 Act or the 1911 Act. Funding 1 alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) If a liquidator of Funding 1 is appointed, the Receiver will act as principal and not as agent of the Funding 1 Security Trustee.
- (c) The Funding 1 Security Trustee will not incur any liability (either to Funding 1 or to any other person) by reason of the appointment of a Receiver.

#### **10.5 Relationship with Funding 1 Security Trustee**

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after Funding 1 Security becomes enforceable be exercised by the Funding 1 Security Trustee in relation to any Funding 1 Charged Property without first appointing a Receiver and notwithstanding the appointment of a Receiver.

### **11. POWERS OF RECEIVER**

#### **11.1 General**

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 11 (Powers of Receiver) in addition to those conferred on it by any law, this includes
  - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 (if appropriate), and
  - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the 1925 Act or the 1881 Act and the 1911 Act (if appropriate) and the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 (if appropriate).
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

#### **11.2 Possession**

A Receiver may take immediate possession of, get in and collect any Funding 1 Charged Property.

#### **11.3 Carry on business**

A Receiver may carry on any business of Funding 1 in any manner he thinks fit.

#### **11.4 Employees**

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (b) A Receiver may discharge any person appointed by Funding 1.

### **11.5 Borrow money**

A Receiver may raise and borrow money either unsecured or on the security of any Funding 1 Charged Property either in priority to the Funding 1 Security or otherwise and generally on any terms and for whatever purpose which he thinks fit

### **11.6 Sale of assets**

- (a) A Receiver may sell, exchange, convert into money and realise any Funding 1 Charged Property by public auction or private contract and generally in any manner and on any terms which he thinks fit
- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of Funding 1

### **11.7 Leases**

A Receiver may let any Funding 1 Charged Property for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Funding 1 Charged Property on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender)

### **11.8 Compromise**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of Funding 1 or relating in any way to any Funding 1 Charged Property, provided that, any such claim has priority to or ranks *pari passu* with this Deed

### **11.9 Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Funding 1 Charged Property which he thinks fit

### **11.10 Receipts**

A Receiver may give a valid receipt for any monies and execute any assurance or thing which may be proper or desirable for realising any Funding 1 Charged Property

### **11.11 Subsidiaries**

A Receiver may form a Subsidiary of Funding 1 and transfer to that Subsidiary any Funding 1 Charged Property

### **11.12 Delegation**

A Receiver may delegate his powers in accordance with this Deed

### **11.13 Lending**

A Receiver may lend money or advance credit to any customer of Funding 1

#### **11.14 Protection of assets**

A Receiver may

- (a) effect any repair or insurance and do any other act which Funding 1 might do in the ordinary conduct of its business to protect or improve any Funding 1 Charged Property,
- (b) commence and/or complete any building operation, and
- (c) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit

#### **11.15 Uncalled capital**

A Receiver may call up or require the directors of Funding 1 to call up any uncalled capital of Funding 1

#### **11.16 Payment of expenses**

A Receiver may pay and discharge, out of the profits and income of Funding 1 Charged Property and any monies made by it in carrying on the business of Funding 1, the expenses incurred by it in connection with the carrying on and management of that business or in the exercise of any of the powers conferred by this Clause 11 (Powers of Receiver) or otherwise in respect of any Funding 1 Charged Property and all other expenses which it shall think fit to pay and will apply the residue of those profits and income in accordance with the terms and conditions of this Deed

#### **11.17 Other powers**

A Receiver may

- (a) do all other acts and things which he may consider desirable or necessary for realising any Funding 1 Charged Property or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law,
- (b) exercise in relation to any Funding 1 Charged Property all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Funding 1 Charged Property; and
- (c) use the name of Funding 1 for any of the above purposes

### **12. MODIFICATION, AUTHORISATION, WAIVER AND CONSENT**

#### **12.1 Modification**

- (a) Subject to paragraph (b) below, the Funding 1 Security Trustee shall, without any consent or sanction of the Funding 1 Secured Creditors (except where they are a party to the relevant Funding 1 Agreement the subject of such modification, where the consent of such party will be required), be required to concur with Funding 1 or any other person in making or giving its consent to any modifications to any Funding 1 Agreement only if so directed by the Funding 1 Issuer Security Trustees (subject to the provisions of the relevant Funding 1 Issuer Deed of Charge), so long as there is any Loan Tranche outstanding, and otherwise by all of the Funding 1 Secured Creditors

- (b) Subject to paragraph (c) below, the Funding 1 Security Trustee shall, without any consent or sanction of the Funding 1 Secured Creditors (except where they are a party to the relevant Funding 1 Agreement the subject of such modification, where the consent of such party will be required), be required to concur with Funding 1 or any other person in making or giving its consent to any modifications to any Funding 1 Agreement or the Master Definitions and Construction Schedule that are requested by Funding 1 or the Cash Manager, provided that Funding 1 or the Cash Manager, as the case may be, has certified to the Funding 1 Security Trustee in writing that such modifications are required in order to accommodate
- (i) the entry into by Funding 1 or any Further Funding Company of any New Intercompany Loan Agreement or the issue of New Notes by any New Issuer,
  - (ii) the entry into by Funding 1 or any Further Funding Company of any New Funding 1 Start-Up Loan Agreement and/or the entry into by any New Issuer of any New Issuer Start-Up Loan Agreement,
  - (iii) the addition of other relevant Funding 1 Secured Creditors and/or Funding 1 Issuer Secured Creditors and/or New Issuers and/or Further Funding Companies to the Transaction Documents,
  - (iv) the assignment or assignation of, or the declaration of trust over, of New Loan Types or their Related Security to or in favour of the Mortgages Trustee,
  - (v) the inclusion of a New Beneficiary as a beneficiary of the Mortgages Trust,
  - (vi) the issue (directly or indirectly) of debt by Funding 1 and/or any Further Funding Company (other than as referred to in paragraphs (i) and (ii) above),
  - (vii) changes to the Funding 1 Reserve Fund Required Amount, the Funding 1 Issuer Reserve Required Amounts and/or the Funding 1 Issuer Liquidity Reserve Required Amounts and/or the manner in which such amounts are funded,
  - (viii) changes to be made to the definitions of Asset Trigger Event and Non-Asset Trigger Event,
- (c) The Funding 1 Security Trustee shall only be required to agree or consent to the modifications set out in paragraph (b) above if the Funding 1 Security Trustee is satisfied that
- (i) in respect of the matters set out in paragraphs (b)(i), (iv) and (v) above, Funding 1 or the Cash Manager has certified to the Funding 1 Security Trustee that the conditions precedent to
    - (A) Notes being issued by any New Issuer or the Issuer and/or Loan Tranches being made available to Funding 1 by a New Issuer (as set out in Condition 11.4 (Modifications and Determinations by Note Trustee) and Clause 2 (Conditions Precedent) of the Intercompany Loan Terms and Conditions and Schedule 1 of the relevant Intercompany Loan Confirmation),
    - (B) the assignment or assignation of, or the declaration of trust over New Loans, New Loan Types or their Related Security to or in favour of the Mortgages Trustee (as set out in Clause 4 (Sale and Purchase of New Portfolios, Product Switches and Further Advances) of the Mortgage Sale Agreement), or
    - (C) the inclusion of a New Beneficiary of the Mortgages Trust (as set out in Clause 17 (New Beneficiary of the Mortgages Trust) of the Mortgages Trust Deed),

have been satisfied, and

- (ii) the Funding 1 Security Trustee has received written confirmation from each of the Rating Agencies in respect of paragraph (b)(i) to (viii) above that the relevant modifications will not result in a reduction, qualification or withdrawal of the current ratings of the Notes
- (d) Each Funding 1 Secured Creditor hereby acknowledges that the Funding 1 Security Trustee is required to make the modifications set out in paragraph (b) above (subject to paragraph (viii)) and paragraph (c) and each Funding 1 Secured Creditor further acknowledges that such modifications may adversely affect the manner in which the Mortgages Trustee allocates monies to Funding 1 and/or the amount of monies available to Funding 1 to meet the Funding 1 Secured Obligations. Each Funding 1 Secured Creditor agrees that such modifications shall be binding on it and, unless the Funding 1 Security Trustee otherwise agrees, notice thereof shall be given by the Cash Manager to the Funding 1 Secured Creditors as soon as practicable after the modifications have been made
- (e) Each of the Funding 1 Secured Creditors agrees from time to time to do and perform such other and further acts and execute and deliver any and all such other documents and instruments (to the extent that the Funding 1 Security Trustee is a party thereto, in form and substance satisfactory to it) as may be required by law or necessary to give effect to the intent and purpose of this Clause 12.1

#### **12.2 Authorisation or waiver**

The Funding 1 Security Trustee shall waive or authorise (without prejudice to its rights in respect of any further or other breach) any breach or proposed breach by Funding 1 or any other person of any of the covenants or provisions of any Funding 1 Agreement only if so directed by the Funding 1 Issuer Security Trustees, so long as there is any Loan Tranche outstanding, and otherwise by all of the Funding 1 Secured Creditors

#### **12.3 Requests for consent or approval**

If a request is made to the Funding 1 Security Trustee by Funding 1 or any other person to give its consent or approval to any event, matter or thing, then

- (a) if any Funding 1 Agreement specifies that the Funding 1 Security Trustee is required to give its consent or approval to that event, matter or thing if certain specified conditions are satisfied in relation to that event, matter or thing, then the Funding 1 Security Trustee will give its consent or approval to that event, matter or thing upon being satisfied that those specified conditions have been satisfied, and
- (b) in any other case, the Funding 1 Security Trustee shall give its consent or approval to that event, matter or thing only if so directed by the Funding 1 Issuer Security Trustees, so long as there is any Loan Tranche outstanding, and otherwise by all of the Funding 1 Secured Creditors

#### **12.4 Binding on Funding 1 Secured Creditors**

Any modification, authorisation, waiver, consent or approval provided under this Clause 12 (Modification, Authorisation, Waiver and Consent) will be binding on all of the Funding 1 Secured Creditors

#### **12.5 Additional terms and conditions**

Any modification, authorisation, waiver, consent or approval provided under this Clause 12 (Modification, Authorisation, Waiver and Consent) may be made or given on such terms and subject

to such conditions (if any) as the Funding 1 Issuer Security Trustees may direct, so long as there is any Loan Tranche outstanding, and otherwise as all of the Funding 1 Secured Creditors may direct

#### **12.6 Notice to Funding 1 Secured Creditors**

If required by the Funding 1 Security Trustee, Funding 1 will as soon as practicable notify each of the other Funding 1 Secured Creditors in accordance with this Deed of any modification, authorisation or, waiver or consent made under this Clause 12 (Modification, Authorisation, Waiver and Consent)

#### **13. REMUNERATION AND INDEMNIFICATION OF THE FUNDING 1 SECURITY TRUSTEE**

13 1 Funding 1 shall pay to the Funding 1 Security Trustee remuneration for its services as trustee as from the date of this Deed, such remuneration to be at such rate and to be paid on such dates as may from time to time be agreed in writing between Funding 1 and the Funding 1 Security Trustee. The rate of remuneration in force from time to time may upon the final payment of the whole of any Intercompany Loan be reduced by such amount as shall be agreed in writing between Funding 1 and the Funding 1 Security Trustee, such reduced remuneration to be calculated from such date as shall be agreed as aforesaid. Such remuneration shall accrue from day to day and be payable up to and including the date when the Funding 1 Security Period has expired and the Funding 1 Security Trustee has released, reassigned and/or discharged the Funding 1 Charged Property from the Funding 1 Security as provided under this Deed.

13 2 In the event of the occurrence of a Potential Intercompany Loan Event of Default or Intercompany Loan Event of Default or the Funding 1 Security Trustee in its absolute discretion considering it necessary, or being requested by Funding 1 to undertake duties which the Funding 1 Security Trustee and Funding 1 agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Funding 1 Security Trustee under this Deed, Funding 1 shall pay to the Funding 1 Security Trustee such additional remuneration as shall be agreed between them.

13 3 In addition, Funding 1 shall pay to the Funding 1 Security Trustee an amount equal to the amount of any VAT or similar tax chargeable in respect of its remuneration under this Deed against production of a valid tax invoice.

13 4 In the event of the Funding 1 Security Trustee and Funding 1 failing to agree

(a) (in a case to which subclause 13 1 above applies) upon the amount of the remuneration, or

(b) (in a case to which subclause 13 2 above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Funding 1 Security Trustee under this Deed or upon such additional remuneration,

such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Funding 1 Security Trustee and approved by Funding 1 or, failing such approval, nominated (on the application of the Funding 1 Security Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant or investment bank being payable by Funding 1) and the determination of any such merchant or investment bank shall be final and binding upon the Funding 1 Security Trustee and Funding 1.

13 5 In addition to remuneration hereunder, Funding 1 shall on written request pay (on an indemnity basis) all other losses, liabilities, claims, actions, demands, costs, charges and expenses which the Funding 1 Security Trustee (or any receiver appointed by the Funding 1 Security Trustee) may

properly incur in relation to the negotiation, preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Deed and any other Funding 1 Agreements to which the Funding 1 Security Trustee is a party, including (but not limited to) travelling and legal expenses properly incurred and any stamp, issue, registration, documentary and other similar taxes or duties paid or payable by the Funding 1 Security Trustee (or any receiver appointed by the Funding 1 Security Trustee) in connection with any action taken or contemplated by or on behalf of the Funding 1 Security Trustee (or any receiver appointed by the Funding 1 Security Trustee) for enforcing, or for any other purpose in relation to, this Deed or any of the other Funding 1 Agreements

- 13 6 All amounts payable pursuant to subclause 13 5 above and/or Clause 14 2(i) (Indemnity) below shall be payable by Funding 1 on the date specified in a written demand by the Funding 1 Security Trustee (or any receiver appointed by the Funding 1 Security Trustee) and, in the case of payments actually made by the Funding 1 Security Trustee (or any receiver appointed by the Funding 1 Security Trustee) prior to such demand, shall (if not paid within three days after such demand and the Funding 1 Security Trustee (or any receiver appointed by the Funding 1 Security Trustee) so requires) carry interest at the rate of 3 per cent per annum above the mean base rate from time to time of the Reference Banks from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within three days after such demand and, in either case, the Funding 1 Security Trustee (or any receiver appointed by the Funding 1 Security Trustee) so requires) carry interest at such rate from the date specified in such demand All remuneration payable to the Funding 1 Security Trustee (or any receiver appointed by the Funding 1 Security Trustee) shall carry interest at such rate from the due date therefor
- 13 7 Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause and Clause 14 2(i) (Indemnity) below shall continue in full force and effect notwithstanding such discharge
- 13 8 The Funding 1 Security Trustee shall be entitled in its absolute discretion to determine in respect of which Intercompany Loan any liabilities incurred under this Deed have been incurred or to allocate any such liabilities between Intercompany Loans
- 13 9 Notwithstanding anything else herein contained, the Funding 1 Security Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it under this Deed or any other agreement relating to the transactions therein contemplated until it has been indemnified and/or secured to its satisfaction (whether by payment in advance or otherwise) against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings (including legal and other professional fees) which might be brought, made or conferred against or suffered, incurred or sustained by it as a result and nothing contained herein shall require the Funding 1 Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or the exercise of any right, power, authority or discretion hereunder if it has reasonable grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it, provided that if the Funding 1 Security Trustee is required to appoint an administrative receiver pursuant to Clause 8 2 (Administrative receiver) above, the Funding 1 Security Trustee agrees that it is adequately indemnified and secured in respect of such appointment by virtue of its rights against Funding 1 under this Deed and the security that it has in respect of such rights but otherwise without limitation to its right of indemnity and/or security under this Deed

#### **14. SUPPLEMENT TO TRUSTEE ACTS**

- 14 1 Section 1 of the Trustee Act 2000 shall not apply to the duties of the Funding 1 Security Trustee in relation to the trusts constituted by this Deed Where there are any inconsistencies between the

Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of that Act

14.2 The Funding 1 Security Trustee shall have all the powers conferred upon trustees by the Trustee Act 1925 of England and Wales, and by way of supplement thereto, it is expressly declared as follows

- (a) **Expert Advice or Opinion** the Funding 1 Security Trustee may in relation to this Deed or the other Funding 1 Agreements act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert (whether obtained by Funding 1, the Funding 1 Security Trustee, the Principal Paying Agent, the Registrar or otherwise) and shall not be responsible for any liability occasioned by so acting in good faith, any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, e-mail or cable and the Funding 1 Security Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission, e-mail or cable although the same shall contain some error or shall not be authentic,
- (b) **Certificate as Sufficient Evidence** the Funding 1 Security Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any act, transaction or thing a certificate signed by any two directors of Funding 1 as to that fact or to the effect that, in their opinion, that act, transaction or thing is expedient and the Funding 1 Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such certificate,
- (c) **Custody of Documents** the Funding 1 Security Trustee shall be at liberty to hold this Deed and any other documents relating thereto or any other Funding 1 Agreements or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Funding 1 Security Trustee to be of good repute and the Funding 1 Security Trustee shall not be responsible for or required to insure against any liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit,
- (d) **Application of Proceeds** the Funding 1 Security Trustee shall not be responsible for the receipt or application of the proceeds of any Loan Tranche by Funding 1,
- (e) **Assumption of No Default** the Funding 1 Security Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in this Deed or to take any steps to ascertain whether any Intercompany Loan Event of Default or Potential Intercompany Loan Event of Default has happened and, until it shall have actual written notice pursuant to this Deed to the contrary, the Funding 1 Security Trustee shall be entitled to assume that no Intercompany Loan Event of Default or Potential Intercompany Loan Event of Default has occurred and that Funding 1 is observing and performing all of its obligations under this Deed,
- (f) **Absolute Discretion** save as expressly otherwise provided in this Deed, the Funding 1 Security Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under this Deed (the exercise or non-exercise of which as between the Funding 1 Security Trustee and the Funding 1 Secured Creditors shall be conclusive and binding on the Funding 1 Secured Creditors) and shall not be responsible for any liability which may result from their exercise or non-exercise,

- (g) **Funding 1 Charged Property** the Funding 1 Security Trustee may accept without enquiry, requisition or objection such title as Funding 1 may have to Funding 1 Charged Property or any part thereof from time to time and shall not be bound to investigate or make any enquiry into the title of Funding 1 to Funding 1 Charged Property or any part thereof from time to time whether or not any default or failure is or was known to the Funding 1 Security Trustee or might be, or might have been, discovered upon examination, inquiry or investigation and whether or not capable of remedy Notwithstanding the generality of the foregoing, each Funding 1 Secured Creditor shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of Funding 1, and the Funding 1 Security Trustee shall not at any time have any responsibility for the same and no Funding 1 Secured Creditor shall rely on the Funding 1 Security Trustee in respect thereof,
- (h) **Reliance on Certificates or Confirmations** the Funding 1 Security Trustee shall be entitled to rely without investigation or enquiry on a certificate or confirmation of the Agent Bank, any Paying Agent, any Rating Agency, any swap provider, any Cash Manager, any Servicer, any Seller, any Account Bank, the Mortgages Trustee, any Beneficiary or any Reference Bank in respect of every matter and circumstance for which a certificate or confirmation of such person is expressly provided for under this Deed or any other Funding 1 Agreements and to call for and rely upon a certificate or confirmation of such person or any other person as to any other fact or matter *prima facie* within the knowledge of such person, as sufficient evidence thereof and the Funding 1 Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do or the exercise or non-exercise by the Funding 1 Security Trustee of any of its powers, duties and discretions hereunder,
- (i) **Indemnity** subject to Clause 15 (Funding 1 Security Trustee's Liability), without prejudice to the right of indemnity by law given to trustees, Funding 1 shall indemnify the Funding 1 Security Trustee and keep it or him indemnified against all liabilities to which it or he may be or become subject or which may be incurred by it or him in the proper execution or purported proper execution of any of its or his trusts, powers, authorities and discretions under this Deed or any other Funding 1 Agreements or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Deed or any other Funding 1 Agreements or any such appointment (including any Agent/Delegate Liabilities) Funding 1 will on demand by such agent or delegate indemnify it against such Agent/Delegate Liabilities The Contracts (Rights of Third Parties) Act applies to this Clause 14,
- (j) **No Disclosure Obligation** unless and to the extent ordered so to do by a court of competent jurisdiction, the Funding 1 Security Trustee shall not be required to disclose to any Funding 1 Secured Creditor any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Funding 1 Security Trustee by Funding 1 or any other person in connection with this Deed or any other Issuer Transaction Document and no Funding 1 Secured Creditor shall be entitled to take any action to obtain from the Funding 1 Security Trustee any such information,
- (k) **Currency Conversion** where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall be converted (unless otherwise provided by this Deed or required by law) at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Funding 1 Security Trustee in consultation with Funding 1 and any rate,

method and date so agreed shall be binding on Funding 1 and the Funding 1 Secured Creditors,

- (l) **Professional Charges** any trustee of this Deed being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of this Deed and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with this Deed,
- (m) **Power of Attorney** the Funding 1 Security Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of this Deed or not) all or any of its trusts, powers, authorities and discretions under this Deed. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Funding 1 Security Trustee may in the interests of the Funding 1 Secured Creditors think fit,
- (n) **Delegation** the Funding 1 Security Trustee may in the conduct of the trusts of this Deed instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with this Deed. The Funding 1 Security Trustee shall not be in any way responsible for any liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent,
- (o) **Nominees:** in relation to any asset held by it under this Deed, the Funding 1 Security Trustee may appoint any person to act as its nominee on any terms,
- (p) **No Requirement to Perform Illegal Acts, etc.** no provision of this Deed shall require the Funding 1 Security Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers or otherwise in connection with this Deed, any other Funding 1 Agreements (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it,
- (q) **Responsibility for agents etc:** if the Funding 1 Security Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this Clause 14 (an **Appointee**), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee,
- (r) **Responsibility for Reports etc.** the Funding 1 Security Trustee has no responsibility to verify or monitor the contents of, or (if applicable) to check any calculations contained in, any reports, information, documents, officers' certificate and opinions of counsel delivered to the Funding 1 Security Trustee and is under no obligation to inform Funding 1 Secured Creditors of the contents of any such reports, information, documents, officers' certificate and opinions of counsel, other than allowing Funding 1 Secured Creditors, upon reasonable notice, to inspect such reports, information, documents, certificates and opinions of counsel,

- (s) **Auditors Reports and Certificates** any certificate or report of the Auditors, other experts or financial advisers called for by or provided to the Funding 1 Security Trustee in accordance with or for the purposes of this Deed may be relied upon by the Funding 1 Security Trustee without further investigation or enquiry as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Funding 1 Security Trustee in connection therewith contains a monetary or other limit on the liability of the Auditors other experts or financial advisers in respect thereof,
- (t) **Limitation of Liability** the Funding 1 Security Trustee shall not be responsible for the genuineness, validity, effectiveness or suitability of any of the Funding 1 Agreements or any other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decisions of any court and (without prejudice to the generality of the foregoing) the Funding 1 Security Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for
- (i) the nature, status, creditworthiness or solvency of Funding 1 or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to Funding 1,
  - (ii) the execution, delivery, legality, validity, adequacy, admissibility in evidence or enforceability of any Funding 1 Agreements or any other document entered into in connection therewith,
  - (iii) the title, ownership, value, sufficiency, enforceability or existence of any Funding 1 Charged Property or any security (howsoever described) relating thereto,
  - (iv) the registration, filing, protection or perfection of any security (howsoever described) relating to Funding 1 Charged Property or the priority of the security (howsoever described) thereby created whether in respect of any initial advance or any subsequent advance or any other sums or liabilities,
  - (v) the scope or accuracy of any representations, warranties or statements made by or on behalf of Funding 1 or any other person or entity who has at any time provided the same in any Funding 1 Agreements or in any document entered into in connection therewith,
  - (vi) the performance or observance by Funding 1 or any other person of any provisions of any Funding 1 Agreements or any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event howsoever described contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing and may assume, until it has actual knowledge to the contrary that such parties are so performing or observing the provisions of such documents,
  - (vii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to

be delivered or obtained at any time in connection with any Funding 1 Charged Property or Funding 1 Agreements,

- (viii) the title of Funding 1 to any Funding 1 Charged Property,
- (ix) the suitability, adequacy or sufficiency of any applicable criteria for any advances under an Intercompany Loan Agreement and the Funding 1 Start-Up Loan Agreement or the legality or recoverability or enforceability thereof or the priority of any security (howsoever described) in relation thereto,
- (x) the failure by Funding 1 to obtain or comply with any licence, consent or other authority in connection with Funding 1 Charged Property or the Funding 1 Agreements or the making of any advances in connection therewith or the failure to effect or procure registration of or to give notice to any person in relation to any Funding 1 Charged Property or otherwise protect the security (howsoever described) created or purported to be created by or pursuant to the Funding 1 Agreements or other documents entered into in connection therewith,
- (xi) the failure to call for delivery of documents of title to or require any transfers, legal mortgages, charges or other further assurances in relation to any of the assets that are the subject matter of any of the Funding 1 Agreements or any other document,
- (xii) any assets comprised in the security (howsoever described) created by this Deed, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of other parties to the Funding 1 Agreements, clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other similar persons whether or not on behalf of the Funding 1 Security Trustee,
- (xiii) any accounts, books, records or files maintained by Funding 1 or any other person in respect of any Funding 1 Charged Property or Funding 1 Agreements, or
- (xiv) any other matter or thing relating to or in any way connected with any Funding 1 Charged Property or any Funding 1 Agreements or any document entered into in connection therewith whether or not similar to the foregoing, and
- (u) the Funding 1 Security Trustee may or may not act and rely on (and shall have no liability to Funding 1 Secured Creditors for doing so) certificates or reports provided by any accountant or other expert whether or not addressed to the Funding 1 Security Trustee and whether or not such certificate or report or any engagement letter or other document entered into by the Funding 1 Security Trustee and such accountant or other expert seeks to limit its liability (whether by reference to a monetary cap or by reference to the methodology to be employed in producing the same)
- (v) **Rating Confirmation** the Issuer Note Trustee or any New Issuer Note Trustee (as applicable) shall be entitled to assume, without further investigation or inquiry, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these presents or any other Transaction Document (including, without limitation, any consent, approval, modification, waiver, authorisation or determination referred to in Clause 20), that such exercise will not be materially prejudicial to the interests of the Noteholders or any Class thereof, if each of the Rating Agencies rating the relevant Class of Rated Notes has confirmed in writing (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Issuer Note Trustee or New

Issuer Note Trustee (as applicable) and irrespective of the method by which such confirmation is conveyed) (i) that the then current rating by it of the relevant Class of Rated Notes (if any) would not be downgraded, withdrawn or qualified by such exercise or performance and/or (ii) if the original rating of the relevant Class of Rated Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of such Class of Rated Notes. The Issuer Note Trustee or any New Issuer Note Trustee (as applicable) shall be entitled to rely on each Rating Agency's confirmation, without liability to any person, provided that if Moody's indicates that it does not consider such confirmation is necessary in the circumstances or no such confirmation is forthcoming and each of S&P and Fitch gives such a confirmation based on the same facts, then the reference to each of the Rating Agencies in this paragraph shall in such circumstances be deemed to exclude Moody's

**15. FUNDING 1 SECURITY TRUSTEE'S LIABILITY**

None of the provisions of this Deed shall, in any case in which the Funding 1 Security Trustee has failed to show the degree of care and diligence required of it as trustee of this Deed, having regard to the provisions of this Deed and any of the other Funding 1 Agreements to which the Funding 1 Security Trustee is a party conferring on the Funding 1 Security Trustee any powers, authorities or discretions, relieve or indemnify the Funding 1 Security Trustee against any liabilities which by virtue of any rule of law would otherwise attach to it in respect of any wilful misconduct, breach of duty, negligence or breach of trust of which it may be guilty in relation to its duties under this Deed

**16. FUNDING 1 SECURITY TRUSTEE CONTRACTING WITH FUNDING 1**

Neither the Funding 1 Security Trustee nor any director or officer or holding company or associated company of a corporation acting as a trustee under this Deed shall by reason of its or his fiduciary position be in any way precluded from

- (a) entering into or being interested in any contract or financial or other transaction or arrangement with Funding 1 or any other party to the Funding 1 Agreements or any person or body corporate associated with Funding 1 or any other party to the Funding 1 Agreements (including, without limitation, any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as Paying Agent in respect of, the Notes or any other notes, bonds, stocks, shares, debenture stock, debentures or other securities of, Funding 1 or any other party to the Funding 1 Agreements or any person or body corporate associated as aforesaid), or
- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other notes issued by or relating to Funding 1 or any other party to the Funding 1 Agreements or any such person or body corporate so associated or any other office of profit under Funding 1 or any other party to the Funding 1 Agreements or any such person or body corporate so associated,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of the Funding 1 Secured Creditors and notwithstanding that the same may be contrary or prejudicial to the interests of the Funding 1 Secured Creditors and shall not be responsible for any liability occasioned to the Funding 1 Secured Creditors thereby and shall be

entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith

Where any holding company, subsidiary or associated company of the Funding 1 Security Trustee or any director or officer of the Funding 1 Security Trustee acting other than in such capacity as director or officer has any information, the Funding 1 Security Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have express notice pursuant to this Deed of such information, shall not be responsible for any loss suffered by Funding 1 Secured Creditors resulting from the Funding 1 Security Trustee's failing to take such information into account in acting or refraining from acting under or in relation to this Deed

## **17. ELIGIBILITY AND DISQUALIFICATION; NEW FUNDING 1 SECURITY TRUSTEE**

### **17.1 New Funding 1 Security Trustee**

The power to appoint a new trustee of this Deed shall be vested in Funding 1 but no person shall be appointed who shall not previously have been approved by the Funding 1 Issuer Security Trustees and the Funding 1 Issuer Note Trustees so long as there is any Loan Tranche or any Notes outstanding, and otherwise by all of the Funding 1 Secured Creditors. One or more persons may hold office as trustee or trustees of this Deed but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of this Deed the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Funding 1 Security Trustee by this Deed provided that a Trust Corporation shall be included in such majority. Any appointment of a new security trustee of this Deed shall, as soon as practicable thereafter, be notified by Funding 1 to the Funding 1 Secured Creditors and the Rating Agencies.

### **17.2 Separate and Co-Trustees**

Notwithstanding the provisions of subclause 17.1 above (New Funding 1 Security Trustee) above, the Funding 1 Security Trustee may, upon giving prior notice to Funding 1 (but without requiring the consent of Funding 1 or the Funding 1 Secured Creditors), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Funding 1 Security Trustee.

- (a) if the Funding 1 Security Trustee considers such appointment to be in the interests of the Funding 1 Secured Creditors,
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed, or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of this Deed or any of the other Funding 1 Agreements against Funding 1 or any other party thereto.

Funding 1 irrevocably appoints the Funding 1 Security Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Deed) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Funding 1 Security Trustee by this Deed) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Funding 1 Security Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Funding 1 Security Trustee may pay to any such person, together with any attributable costs, charges

and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Deed be treated as costs, charges and expenses incurred by the Funding 1 Security Trustee

**18. FUNDING 1 SECURITY TRUSTEE'S RETIREMENT AND REMOVAL**

- (a) A security trustee of this Deed may retire at any time on giving not less than three months' prior written notice to Funding 1 without giving any reason and without being responsible for any costs incurred by reason of such retirement. Funding 1, so long as there is any Loan Tranche outstanding may remove any trustee or trustees for the time being of this Deed provided they have prior written consent of each Funding 1 Issuer Security Trustee and each Funding 1 Issuer Note Trustee. Funding 1 undertakes that in the event of the only trustee of this Deed which is a Trust Corporation giving notice under this Clause or being removed as aforesaid it will use its best endeavours to procure that a new trustee of this Deed being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such security trustee shall not become effective until a successor trustee being a Trust Corporation is appointed. If a successor security trustee being a trust corporation has not been appointed within 60 days after the date of the notice of retirement of the Funding 1 Security Trustee, then the retiring Funding 1 Security Trustee may appoint its own successor trustee being a Trust Corporation (provided that such successor trustee is acceptable to each of the Rating Agencies and agrees to be bound by the terms of the Funding 1 Agreements, and further provided that each of the Rating Agencies confirm that the current ratings of the Rated Notes shall not be reduced, withdrawn or qualified as a result of such appointment)

**19. FUNDING 1 SECURITY TRUSTEE'S POWERS TO BE ADDITIONAL**

The powers conferred upon the Funding 1 Security Trustee by this Deed shall be in addition to any powers which may from time to time be **VESTED** in the Funding 1 Security Trustee by the general law or as a holder of any of the Notes

**20. ADDITIONAL PROVISIONS REGARDING THE FUNDING 1 SECURITY TRUSTEE**

**20.1 No transfer of obligations**

Notwithstanding anything else in this Deed, the Funding 1 Security Trustee does not assume and will not be obliged to perform any obligations of any other party to this Deed

**20.2 No obligation to insure**

The Funding 1 Security Trustee shall not be under any obligation to insure in respect of any of Funding 1 Charged Property or to require any other person to maintain any such insurance

**20.3 Additional Funding 1 Security Trustee provisions**

- (a) The Funding 1 Security Trustee shall be under no obligation to monitor or supervise the functions of the Servicer under the Servicing Agreement or any other Transaction Document or the Cash Manager under the Cash Management Agreement or any other Transaction Document or the Mortgages Trustee Account Bank or the Funding 1 Account Bank under the Mortgages Trustee Account Bank Agreement and the Funding 1 Account Bank Agreement respectively or any other Transaction Agreement or of any other person under or pursuant to any of the Transaction Documents

- (b) Funding 1 shall provide to the Funding 1 Security Trustee such information as it shall reasonably request in writing to enable it to perform its functions as Funding 1 Security Trustee under the Funding 1 Agreements
- (c) The Funding 1 Security Trustee shall not be liable to Funding 1 for acting on the request, direction or instruction of any Funding 1 Issuer Security Trustees or any Funding 1 Secured Creditor in accordance with the provisions of this Deed or the Funding 1 Issuer Deed of Charge
- (d) The Funding 1 Security Trustee shall not be obliged to monitor compliance by the Seller with the Representations and Warranties or to ascertain whether or not any such of the Representations and Warranties is true, accurate or complete
- (e) The Funding 1 Security Trustee shall be entitled to assume that each of Funding 1, the Seller, the Mortgages Trustee and the Funding 1 Issuers is complying with their respective obligations under the Transaction Documents unless it has actual knowledge to the contrary
- (f) The Funding 1 Security Trustee shall be entitled to rely (without further investigation or inquiry) upon any document, reasonably believed by it to be genuine, provided to it by Funding 1, the Mortgages Trustee or the Cash Manager in respect of every matter and circumstances prima facie within the knowledge of Funding 1, the Mortgages Trustee or the Cash Manager and the Funding 1 Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused by it failing to do so
- (g) The Funding 1 Security Trustee may provide information to the Funding 1 Issuer Security Trustees under the relevant Funding 1 Issuer Deeds of Charge and to the Funding 1 Issuer Note Trustees under the relevant Funding 1 Issuer Note Trust Deeds
- (h) The Funding 1 Security Trustee shall be entitled to rely on any certificate addressed to it whether in its capacity as Funding 1 Security Trustee under this Deed, as a Funding 1 Issuer Security Trustee under a Funding 1 Issuer Deed of Charge or as Funding 1 Issuer Note Trustee under a Funding 1 Issuer Note Trust Deed and may rely on information provided to it in any such capacity
- (i) The Funding 1 Security Trustee, if not the same as the relevant Funding 1 Issuer Note Trustee and/or the Funding 1 Issuer Security Trustee, shall provide the relevant Funding 1 Issuer Note Trustee and the Funding 1 Issuer Security Trustee with any information that either or both of them reasonably require
- (j) The Funding 1 Security Trustee, if not the same as the relevant Funding 1 Issuer Security Trustee and/or the relevant Funding 1 Issuer Note Trustee shall notify each Funding 1 Issuer Note Trustee and/or each Funding 1 Issuer Security Trustee of any breach of any provisions of this Deed or the Funding 1 Agreements and any event of which it has knowledge which would or may result in this Deed or the Funding 1 Security created thereby becoming enforceable
- (k) The Funding 1 Security Trustee is not responsible for any deficiency that may arise as a result of the Funding 1 Security Trustee being liable to tax in respect of the proceeds of Funding 1 Security
- (l) Nothing in this Deed shall preclude any Funding 1 Issuer Security Trustee, any Funding 1 Issuer Note Trustee and the Funding 1 Security Trustee from exchanging information

#### **20.4 The Trustee**

- (a) Citicorp Trustee Company Limited (the **Initial Trustee**) is acting as Issuer Note Trustee under the Issuer Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as

Funding 1 Security Trustee under this Deed (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Clause 20.4 as the **Trustee**) No entity may act as a trustee in any such capacity unless it is also the Trustee in all such capacities or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In any capacity as Trustee, the Trustee will not be liable to any Funding 1 Secured Creditor or Funding 1 Issuer Secured Creditor for any loss which he may suffer by reason of any conflict which may arise between the interests of any such Funding 1 Secured Creditor or Funding 1 Issuer Secured Creditor and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

- (b) Neither the Initial Trustee nor any of its successors has any responsibility to noteholders of any Funding 1 Issuer, the Funding 1 Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Funding 1 Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investigating the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, any New Issuer, Funding 1 or any other person and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

## **21. FUNDING 1 SECURITY POWER OF ATTORNEY**

Immediately upon execution of this Deed, Funding 1 will execute and deliver to the Funding 1 Security Trustee the Funding 1 Security Power of Attorney. The Funding 1 Security Trustee confirms that it may exercise the powers conferred under the Funding 1 Security Power of Attorney if

- (a) the Funding 1 Security has become enforceable,
- (b) it considers such action necessary for the protection or preservation of the Attorney's (as defined in the Funding 1 Security Power of Attorney) interests and rights in and to the Funding 1 Charged Property, and/or
- (c) it considers such action ought to be done under the covenants, undertakings and provisions contained in this Deed.

in each case subject to the provisions of this Deed.

## **22. FURTHER ASSURANCES**

Funding 1 must, at its own expense, take whatever action the Funding 1 Security Trustee or a Receiver may require for

- (a) creating, perfecting or protecting any security intended to be created by this Deed, or
- (b) facilitating the realisation of any Funding 1 Charged Property, or the exercise of any right, power or discretion exercisable, by the Funding 1 Security Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Funding 1 Charged Property.

This includes

- (i) the execution of any transfer, conveyance, assignment, assignation or assurance of any property, whether to the Funding 1 Security Trustee or to its nominee, or

- (ii) the giving of any notice, order or direction and the making of any registration, which, in any such case, the Funding 1 Security Trustee may think expedient

## **23. ADDITIONAL PROVISIONS RELATING TO FUNDING 1 SECURITY**

### **23.1 Continuing Security**

Funding 1 Security will remain in force as continuing security for Funding 1 Secured Obligations notwithstanding any settlement of account or the existence at any time of a credit balance on any Funding 1 Account or other account or any other act, event or matter

### **23.2 No merger**

Funding 1 Security is in addition to, and will not be merged in, or in any way exclude or prejudice any other Security Interest or other right which the Funding 1 Security Trustee or any other Funding 1 Secured Creditor may now or at any time have (or would apart from Funding 1 Security have) as regards Funding 1 or any other person in respect of the Funding 1 Secured Obligations

### **23.3 Avoidance of security or payment**

- (a) If an amount paid to the Funding 1 Security Trustee or any of the other Funding 1 Secured Creditors under a Funding 1 Agreement is capable of being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed
- (b) Any settlement, discharge or release between Funding 1 and the Funding 1 Security Trustee (or any Receiver) will be conditional upon no security or payment granted or made to the Funding 1 Security Trustee (or any Receiver, as the case may be) by Funding 1 or any other person being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force
- (c) If any security or payment is avoided or reduced in the circumstances described in paragraph (a) above, then the Funding 1 Security Trustee (or any Receiver, as the case may be) will be entitled to recover the value or amount of such security or payment from Funding 1 as if the relevant settlement, discharge or release had not occurred

### **23.4 Retention of Funding 1 Security**

- (a) If the Funding 1 Security Trustee has grounds for believing that Funding 1 may be unable to pay its debts as they fall due as at the date of any payment made by Funding 1 to the Funding 1 Security Trustee or any of the other Funding 1 Secured Creditors, then the Funding 1 Security Trustee may retain Funding 1 Security until the expiry of a period of (subject to paragraph (b) below) one month plus the statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after the payment and discharge in full of all the Funding 1 Secured Obligations notwithstanding any release, settlement, discharge or arrangement which may be given or made by the Funding 1 Security Trustee on, or as a consequence of, such payment or discharge of liability
- (b) If, at any time within the period referred to in paragraph (a) above, any person presents a petition, or files documents with a court or any registrar for the winding-up or administration of Funding 1 or any analogous proceedings are commenced by or against Funding 1, the Funding 1 Security Trustee may continue to retain the Funding 1 Security for such further period as it may determine and the Funding 1 Security will be deemed to continue to be held as security for the payment and discharge to the Funding 1 Security Trustee of all of the Funding 1 Secured Obligations

**23.5 Change of name, etc.**

This Deed will remain valid and enforceable notwithstanding any change in the name, composition or constitution of the Funding 1 Security Trustee or Funding 1 or any merger, amalgamation or consolidation by the Funding 1 Security Trustee or Funding 1 with any other corporation

**23.6 Negative pledge**

Funding 1 shall not, save for the Funding 1 Security, or with the prior written consent of the Funding 1 Security Trustee, or unless otherwise permitted under any of Funding 1 Agreements, create or permit to subsist any Security Interest whatsoever, however created or arising (unless arising by operation of law) over any of its property, assets or undertakings present or future (including any uncalled capital) or any interest, estate, right, title or benefit therein or use, invest or dispose of, including by way of sale or the grant of any Security Interest of whatsoever nature or otherwise deal with, or agree or attempt or purport to sell or otherwise dispose of (in each case whether by one or a series of transactions) or grant any option or right to acquire any such property, assets or undertaking present or future

**23.7 Funding 1 Accounts**

Funding 1 hereby undertakes that, for so long as any Funding 1 Secured Obligations remain outstanding, it shall not (without the prior written consent of the Funding 1 Security Trustee)

- (a) open or maintain any bank account or deposit account with any bank or any other financial institution other than the Funding 1 Bank Accounts, or
- (b) close the Funding 1 Bank Accounts,

other than in accordance with the Funding 1 Bank Account Agreement and this Deed

**23.8 Additional positive covenants**

Funding 1 covenants and undertakes with the Funding 1 Security Trustee for the benefit of the Funding 1 Secured Creditors as follows

- (a) to cause to be prepared and certified by its auditors in respect of each Financial Year accounts in such form as will comply with relevant legal and accounting requirements for the time being,
- (b) at all times to keep or procure the keeping of proper books of account and records as may be necessary to comply with all applicable laws and so as to enable financial statements to be prepared and to allow the Funding 1 Security Trustee and any person or persons appointed by the Funding 1 Security Trustee to whom Funding 1 shall have no reasonable objection free access to such books of account and records at all times during normal business hours upon reasonable notice in writing provided that such inspection shall only be for the purposes of carrying out its duties under this Deed and any information so obtained shall only be used and passed on to any other person for the purpose of the Funding 1 Security Trustee carrying out its duties under this Deed,
- (c) to give notice in writing to the Funding 1 Security Trustee of the occurrence of an Intercompany Loan Event of Default, a Potential Intercompany Loan Event of Default and/or the service of an Intercompany Loan Acceleration Notice (which has not been served by the Funding 1 Security Trustee) (such notice to be effective by the delivery of a copy of the Intercompany Loan Acceleration Notice to the Funding 1 Security Trustee) immediately

upon becoming aware thereof and without waiting for the Funding 1 Security Trustee to take any further action;

- (d) give to the Funding 1 Security Trustee (i) within 14 days after demand by the Funding 1 Security Trustee therefore and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each Financial Year and in any event not later than the date required by statute to file or publish (whichever is earlier) such audited accounts after the end of each such Financial Year a certificate signed by two directors of Funding 1 to the effect that as at a date not more than seven days before delivering such certificate (the **certification date**) there did not exist and had not existed since the certification date of the previous certificate (or in the case of the first such certificate the date hereof) an Intercompany Loan Event of Default or a Potential Intercompany Loan Event of Default (or if such then exists or existed specifying the same) and that during the period from and including the certification date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the certification date of such certificate Funding 1 has complied, to the best of their knowledge and belief, with all its obligations contained in this Deed and each of the other Funding 1 Agreements or (if such is not the case) specifying the respects in which it has not so complied,
- (e) at all times to execute all such further documents and do all such further acts and things as may in the reasonable opinion of the Funding 1 Security Trustee be necessary at any time or times to give effect to the terms and conditions of this Deed and the other Funding 1 Agreements,
- (f) at all times to comply with the obligations and provisions binding upon it under and pursuant to this Deed and the other Funding 1 Agreements,
- (g) duly and promptly to pay and discharge all Taxes imposed upon it or its assets unless such Taxes are, in the opinion of the Funding 1 Security Trustee, being contested in good faith by Funding 1, and
- (h) to procure that, at all times, it shall retain at least one Independent Director

#### **24. SET-OFF**

- (a) The Funding 1 Security Trustee may at any time following an Intercompany Loan Event of Default (without notice and notwithstanding any settlement of account or other matter)
  - (i) combine or consolidate all or any existing accounts of Funding 1 whether in its own name or jointly with others and held by it or any Funding 1 Secured Creditor,
  - (ii) set-off or transfer all or any part of any credit balance or any sum standing to the credit of any account referred to in paragraph (i) above (whether or not the same is due to Funding 1 from the Funding 1 Security Trustee or relevant Funding 1 Secured Creditor and whether or not the credit balance and the account in debit or the Funding 1 Secured Obligations are expressed in the same currency) in or towards satisfaction of any of the Funding 1 Secured Obligations, and/or
  - (iii) in its discretion, estimate the amount of any liability of Funding 1 which is contingent or unascertained and set-off such estimated amount
- (b) No amount will be payable by the Funding 1 Security Trustee to Funding 1 unless and until all Funding 1 Secured Obligations have been ascertained and fully repaid or discharged

## **25. RELEASE**

### **25.1 Upon discharge of Funding 1 Secured Obligations**

At the end of Funding 1 Security Period, the Funding 1 Security Trustee will, at the cost of Funding 1, take whatever action is necessary to release the Funding 1 Charged Property from the Funding 1 Security to, or to the order of, Funding 1

### **25.2 Authorised Investments**

Upon Funding 1 or the Cash Manager on its behalf making a disposal of an Authorised Investment charged under this Deed and provided that the proceeds of such disposal are paid into the Funding 1 Transaction Account in accordance with the terms of this Deed and the Cash Management Agreement, such Authorised Investment will be deemed to be released from the Funding 1 Security and the Funding 1 Security Trustee will, at the request and cost of Funding 1 take whatever action is necessary to release that Authorised Investment from the Funding 1 Security

### **25.3 Trust Property**

Upon the repurchase by the Seller from the Mortgages Trustee of any Loan and its Related Security charged under this Deed in accordance with the terms of the Mortgage Sale Agreement, such Loan and its Related Security shall no longer form part of the Trust Property (or, in the case of any Scottish Loan and its Related Security, the Scottish Trust Property in accordance with Clause 8 (Termination of Trust) of the relevant Scottish Declaration of Trust) and shall be released from the Funding Security and the Funding 1 Security Trustee will, at the request and cost of Funding 1, take whatever action is necessary to release that Loan and its Related Security from the Funding 1 Security

### **25.4 Funding 1 Accounts**

For the avoidance of doubt, all amounts which the Cash Manager (on behalf of Funding 1 and, following service of a Loan Acceleration Notice if the Cash Manager is appointed as agent of the Funding 1 Security Trustee, the Funding 1 Security Trustee or its appointee) is permitted to withdraw from the Funding 1 Transaction Account pursuant to Clause 6 2 (Funding 1 Bank Accounts), Clause 6 3 (Withdrawals from Funding 1 GIC Account – prior to enforcement and acceleration) or Clause 6 4 (Withdrawals from Funding 1 Transaction Account – prior to enforcement and acceleration) will be deemed to be released from the Funding 1 Security upon the relevant withdrawal provided that, where the relevant amount is transferred to another Funding 1 Account, it will become subject to the Funding 1 Security in respect of that other Funding 1 Account

### **25.5 No liability for loss**

The Funding 1 Security Trustee will not be liable to Funding 1 or any other person for any loss, costs, claims or liabilities arising in connection with its acting upon a request made under this Clause 25 (Release) and/or any release made under this Clause 25 (Release)

## **26. FUNDING 1 REPRESENTATIONS**

### **26.1 Title**

Funding 1 represents to the Funding 1 Security Trustee that it is the beneficial owner of the Funding 1 Charged Property and the Funding 1 Charged Property is free of any Security Interests (except for

those created by or under this Deed) and any other rights or interests (including any licences) in favour of third parties

#### **26.2 No restriction**

Funding 1 represents to the Funding 1 Security Trustee that as at the Initial Closing Date none of its property, assets and/or undertaking are subject to any restriction (whether contractual or otherwise) that may render the Security Interests granted by Funding 1 under this Deed ineffective or which otherwise prohibit the grant of such Security Interests

#### **26.3 Steps taken**

Funding 1 represents to the Funding 1 Security Trustee that it has taken all necessary steps to enable it to create the Funding 1 Security in accordance with this Deed and has taken no actions or steps which will or may prejudice its rights, title and interest in, to and under any Funding 1 Charged Property

#### **26.4 Funding 1 Agreements**

Funding 1 represents to the Funding 1 Security Trustee that

- (a) each Funding 1 Agreement is its legally binding, valid, and enforceable obligation,
- (b) it is not in default of any of its obligations under any Funding 1 Agreement,
- (c) there is no prohibition on assignment in any Funding 1 Agreement, and
- (d) its entry into and performance of this Deed will not conflict with any term of any Funding 1 Agreement

#### **26.5 Nature of security**

Funding 1 represents to the Funding 1 Security Trustee that this Deed creates those Security Interests it purports to create and is not liable to be amended or otherwise set aside on its liquidation or administration or otherwise, except that Security Interests expressed to be fixed may take effect as floating charge security

#### **26.6 United States Activities**

Funding 1 represents to the Funding 1 Security Trustee that it will not engage in any activities in the United States (directly or through agents), will not derive any income from United States sources as determined under United States income tax principles and will not hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States tax principles

#### **26.7 Centre of main interests and establishment**

- (a) Funding 1 represents to the Funding 1 Security Trustee that its "centre of main interests" for the purposes of the Insolvency Regulation and the UNCITRAL Implementing Regulations is in England and it does not have any "establishment" (as defined in the Insolvency Regulation and the UNCITRAL Implementing Regulations) other than in England
- (b) Funding 1 undertakes to conduct its business and affairs such that, at all relevant times, its "centre of main interests" for the purposes of the Insolvency Regulation and the UNCITRAL Implementing

Regulations will be and remain in England and it will not have any "establishment" (as defined in the Insolvency Regulation and the UNCITRAL Implementing Regulations) other than in England

#### **26.8 Funding 1 Payment Obligation**

Funding 1 represents and warrants to the Funding 1 Security Trustee that

- (a) in respect of each accounting period of Funding 1, the only amounts retained by Funding 1 have been and will be either (i) amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness and/or (ii) its profit, and
- (b) to the extent that amounts are received by Funding 1 pursuant to any Transaction Document, Funding 1 has a corresponding obligation to pay out an equal amount by way of costs or expense owing to a third party less an amount equal to Funding 1's profit

#### **26.9 Funding 1 Derivative Contracts**

Funding 1 represents and undertakes to ensure that its assets and any derivative contracts (for the purposes of Schedule 26 of the Finance Act 2002 and Part 7 of the Corporation Tax Act 2009) which it enters into in accordance with the Transaction Documents are and will consist only of "financial assets" as defined in the Taxation of Securitisation Companies Regulations 2006

#### **26.10 Times for making representations**

- (a) The representations set out in this Deed (including in this Clause 26 (Funding 1 Representations)) are made on the date of this Deed
- (b) Unless a representation is expressed to be given at a specific date, each representation under this Deed is deemed to be repeated by Funding 1 on each date during Funding 1 Security Period
- (c) When a representation is repeated, it is applied to the circumstances existing at the time of repetition

#### **27. EVIDENCE OF INDEBTEDNESS**

In any action, proceedings or claim relating to this Deed or the Funding 1 Security, any statement (which will contain information in reasonable detail in support thereof) as to

- (a) any amount due to any Funding 1 Secured Creditor,
- (b) all or any part of the Funding 1 Secured Obligations, or
- (c) any amounts which have been notified to the Funding 1 Security Trustee as being amounts due to any Funding 1 Secured Creditor,

in each case, which is certified as being correct by an officer of the relevant Funding 1 Secured Creditor will be conclusive evidence that such amount is in fact due and payable

#### **28. RIGHTS CUMULATIVE**

The respective rights of the Funding 1 Security Trustee and any Receiver under this Deed

- (a) may be exercised as often as necessary,

- (b) are cumulative and not exclusive of its rights under the general law, and
- (c) may be waived only in writing and specifically

Delay in exercising or non-exercise of any right is not a waiver of that right

## **29. SEVERABILITY**

If a term of this Deed is or becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Deed, or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other term of this Deed

## **30. COUNTERPARTS**

This Deed may be executed and delivered in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same deed and any party to this Deed may enter into the same by executing and delivering a counterpart (including by facsimile). This Deed (in relation to any rights or assets situated in Scotland or otherwise governed by Scots law) shall be fully effective and binding on Funding 1 upon at least one copy of this Deed having been executed and delivered by Funding 1, notwithstanding that this Deed has not then been executed and delivered by any other party hereto or that such other party has executed or executes or has delivered or delivers a counterpart to this Deed.

## **31. NOTICES**

### **31.1 In writing**

Any communication in connection with this Deed must be in writing and, unless otherwise stated, may be given in person, by post or by fax. Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing.

### **31.2 Party details**

The contact details of each party to this Deed for all communications in connection with this Deed are those set out below.

- (a) in the case of Funding 1, to Langton Funding (No 1) Limited, c/o Structured Finance Management Limited, 35 Great St Helen's, London EC3A 6AP (facsimile number +44 (0)207 398 6325) for the attention of the Directors,
- (b) in the case of the Issuer, to Langton Securities (2008-1) plc, c/o Structured Finance Management Limited, 35 Great St Helen's, London EC3A 6AP (facsimile number +44 (0)207 398 6325) for the attention of the Directors,
- (c) in the case of the Seller, the Cash Manager, the Funding 1 Account Bank, the Secretarial Services Provider, the Funding 1 Swap Provider, to Alliance & Leicester plc, Carlton Park, Narborough, Leicester LE19 0AL (facsimile number +44 (0) 0870 907 2277) for the attention of the Group Treasurer,

- (d) in the case of the Mortgages Trustee, to Langton Mortgages Trustee Limited, 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands (facsimile number +44 (0) 1534 609 333) for the attention of Harvey Austin-Vautier,
- (e) in the case of the Corporate Services Provider, to Structured Finance Management Limited, 35 Great St Helen's, London EC3A 6AP (facsimile number +44 (0) 20 7398 6325) for the attention of the Directors,
- (f) in the case of each of the Issuer Security Trustee and the Funding 1 Security Trustee, to Citicorp Trustee Company Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (facsimile number +44 (0) 20 7508 3872/3878) for the attention of Agency and Trust,
- (g) in the case of Moody's, to Moody's Investor Services Limited, 2 Minster Court, Mincing Lane, London EC3R 7XB (facsimile number +44 (0) 20 7772 5400) for the attention of Asset Backed Finance,
- (h) in the case of S&P, to Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc , 20 Canada Square, London, United Kingdom, E14 5LH (facsimile number +44 (0) 20 7826 3598) for the attention of the Structured Finance Surveillance Group, and
- (i) in the case of Fitch, to Fitch Ratings Ltd , Eldon House, 2 Eldon Street, London EC2M 7UA (facsimile number +44 (0) 20 7417 6262) for the attention of European Structured Finance

### **31.3 Changes**

Any party may change its contact details by giving five London Business Days' notice to the other parties

### **31.4 Effectiveness**

- (a) Except as provided below, any notice in connection with this Deed will be deemed to be given as follows
  - (i) if delivered in person, at the time of the delivery,
  - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope, and
  - (iii) if by fax, when received in legible form
- (b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place

## **32. ASSIGNMENT**

Neither Funding 1 nor any of the Funding 1 Secured Creditors may assign, encumber or transfer all or any part of its rights or benefits and/or transfer its obligations under this Deed without the prior written consent of the Funding 1 Security Trustee, save that the Funding 1 Issuers may assign their rights under this Deed without such consent to the relevant Funding 1 Issuer Security Trustee under the relevant Funding 1 Issuer Deed of Charge

### **33. LANGUAGE**

- (a) Any notice given in connection with this Deed must be in English
- (b) Any other document provided in connection with this Deed must be
  - (i) in English, or
  - (ii) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document

### **34. LAW AND JURISDICTION**

#### **34.1 Governing law**

This Deed and all matters arising out of or in connection with it shall be governed by, and construed in accordance with, English law (provided that any terms of this Deed which are particular to Scots law shall be construed in accordance with the laws of Scotland and any terms of this Deed which are particular to Northern Irish law shall be construed in accordance with the laws of Northern Ireland)

#### **34.2 Submission to jurisdiction**

Funding 1 irrevocably agrees for the benefit of the Funding 1 Security Trustee and the other Funding 1 Secured Creditors that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed and accordingly submits to the exclusive jurisdiction of the English courts. Funding 1 waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Funding 1 Security Trustee and the other Funding 1 Secured Creditors may take any suit, action or proceeding arising out of or in connection with this Deed (together referred to as **Proceedings**) against Funding 1 in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

#### **34.3 Waiver of trial by jury**

Each party waives any right it may have to a jury trial of any claim or cause of action in connection with any finance document or any transaction contemplated by any finance document. This deed may be filed as a written consent to trial by court.

### **35. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

### 36. EFFECTIVENESS OF EXECUTION

This Deed (in relation to any rights or assets situated in Scotland or otherwise governed by Scots law) shall be fully effective and binding upon Funding 1 and the Funding 1 Security Trustee upon at least once copy of this Deed having been executed and delivered by both Funding 1 and the Funding 1 Security Trustee notwithstanding that any other person expressed to be a party to this Deed has not then executed and delivered this Deed and notwithstanding any such party has executed or executes and has delivered or delivers a counterpart of this Deed

**THIS DEED** has been executed as a deed by each of the parties and delivered on the date stated at the beginning of this Deed

#### **Funding 1**

**EXECUTED as a DEED by** )  
**LANGTON FUNDING (NO 1) LIMITED** )  
by two directors, being )  
SFM Directors Limited and )  
SFM Directors (No 2) Limited )  
 )  
both in the presence of )

Witness's signature

Name

Address

**Funding 1 Security Trustee, 2010-1 Issuer Security Trustee, 2010-1 Note Trustee, 2011-1 Issuer Security Trustee and 2011-1 Note Trustee**

**EXECUTED as a DEED by** )  
**CITICORP TRUSTEE COMPANY LIMITED** )  
by two directors )  
 )  
By )  
 )  
 )  
By )

**2010-2 Issuer Security Trustee and 2010-2 Issuer Note Trustee**

**EXECUTED as a DEED by** )  
**CITIBANK, N.A., LONDON BRANCH** )  
its authorised signatory )  
 )

**2010-1 Issuer and 2010-1 Funding 1 Start-Up Loan Provider**

**EXECUTED** as a **DEED** by )  
**LANGTON SECURITIES (2010-1) PLC** )  
acting by its duly authorised attorney )  
in the presence of )  
)

Witness's signature

Name

Address

**2010-2 Issuer and 2010-2 Funding 1 Start-Up Loan Provider**

**EXECUTED** as a **DEED** by )  
**LANGTON SECURITIES (2010-2) PLC** )  
acting by its duly authorised attorney )  
in the presence of )  
)

Witness's signature

Name

Address

**2011-1 Issuer and 2011-1 Funding 1 Start-Up Loan Provider**

**EXECUTED** as a **DEED** by )  
**LANGTON SECURITIES (2008-1) PLC** )  
by two directors, being )  
SFM Directors Limited )  
and )  
SFM Directors (No 2) Limited )  
)  
both in the presence of )

Witness's signature

Name

Address

**Seller, Cash Manager, Funding 1 Account Bank, Secretarial Services Provider and Funding 1 Swap Provider**

**EXECUTED** as a **DEED** by )  
**SANTANDER UK PLC** )  
acting by its duly authorised attorney )  
in the presence of )

Witness's signature

Name

Address

**Mortgages Trustee Corporate Services Provider, Funding 1 Corporate Services Provider, Holdings Corporate Services Provider and PECO Holdings Corporate Services Provider**

**EXECUTED** as a **DEED** by )  
**STRUCTURED FINANCE MANAGEMENT** )  
**LIMITED** )  
by two authorised signatories )

**Mortgages Trustee**

**EXECUTED** as a **DEED** on behalf of )  
**LANGTON MORTGAGES TRUSTEE** )  
**(UK) LIMITED,** )  
acting by a director )  
in the presence of )  
)

Witness's signature

Name

Address

## SCHEDULE 1

### FORM OF NOTICE OF ASSIGNMENT AND CHARGE

From Langton Funding (No 1) Limited (**Funding 1**)

To *[Relevant party name[s]]*

Copy Citicorp Trustee Company Limited (the **Funding 1 Security Trustee**)

25 January 2008

Dear Sirs,

We hereby give you notice that by a deed of charge dated 25 January 2008 and made between Funding 1, the Funding 1 Security Trustee and others (**Funding 1 Deed of Charge**), Funding 1 assigns absolutely, subject to the proviso for reassignment on redemption (or, to the extent not assignable, charges by way of a first fixed charge) to the Funding 1 Security Trustee all of its right, title, interest and benefit, present and future, in, to and under the *[insert relevant agreement name[s]]* dated *[insert date]* (each as defined in the Master Definitions and Construction Schedule signed on the date thereof by, *inter alios*, Funding 1 and the *[relevant party name[s]]*) and made, in each case, between, amongst others, Funding 1 and the *[relevant party name[s]]*

You are authorised and instructed henceforth to deal with the Funding 1 Security Trustee in relation to our rights (but not our obligations) under the *[insert relevant agreement name[s]]* without further reference to us

This notice is irrevocable. Please acknowledge receipt of this notice to the Funding 1 Security Trustee on the attached Consent to Charge

Yours faithfully,

SFM Directors Limited, as Director  
for and on behalf of  
**LANGTON FUNDING (NO 1) LIMITED**

## SCHEDULE 2

### FORM OF CONSENT TO ASSIGNMENT AND CHARGE

From [Relevant Party Name[s]]

To Citicorp Trustee Company Limited (the **Funding 1 Security Trustee**)  
Langton Funding (No 1) Limited (**Funding 1**)

25 January 2008

Dear Sirs,

We hereby acknowledge receipt of the notice of assignment and charge dated 25 January 2008 relating to the Funding 1 Deed of Charge (as defined therein) as adequate notice of the charge described therein

We agree to deal only with the Funding 1 Security Trustee in relation to Funding 1's rights (but not its obligations) under the [relevant agreement name[s]] referred to, and as defined in, such notice without any reference to Funding 1

We have not received from any other person any notice of charge of or any interest in the [relevant agreement name[s]]

Yours faithfully,

For and on behalf of  
[Relevant party name]

For and on behalf of  
[Relevant party name]

### SCHEDULE 3

#### FORM OF ACCESSION DEED

**THIS DEED** is made on *[date]*

#### **BETWEEN**

- (1) **LANGTON FUNDING (NO. 1) LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 6432610), whose registered office is at c/o Structured Finance Management Limited, 35 Great St Helen's, London EC3A 6AP (**Funding 1**),
- (2) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 0235914) acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacity as **Funding 1 Security Trustee** which expression includes such companies and all other persons or companies for the time being acting as security trustee under this Deed), and
- (3) *[name of the new Funding 1 Secured Creditor]* (the **New Funding 1 Secured Creditor**)

#### **NOW THIS DEED WITNESSES AS FOLLOWS**

#### **WHEREAS**

- (A) Pursuant to the terms of a *[describe agreement]* (the **Agreement**) dated *[date]* made between Funding 1 and the New Funding 1 Secured Creditor, Funding 1 has agreed to *[describe nature of the obligations of Funding 1 under the Agreement]*
- (B) Funding 1 has agreed to provide the Funding 1 Security Trustee with the benefit of the security described in the Funding 1 Deed of Charge to secure Funding 1's obligations to the Funding 1 Secured Creditors
- (C) The terms of the Funding 1 Deed of Charge permit Funding 1 to secure its obligations to a New Funding 1 Secured Creditor thereunder
- (D) The New Funding 1 Secured Creditor has agreed to enter into this Deed to accede to the provisions of the Funding 1 Deed of Charge
- (E) The Funding 1 Security Trustee has agreed, on behalf of itself and the other Funding 1 Secured Creditors, to, among other things, acknowledge and agree to such accession and to permit any consequential changes to the Funding 1 Priority of Payments set out in **Part 1, Part 2 and Part 3 of Schedule 4** of the Funding 1 Deed of Charge as are required and any other amendment as may be required to give effect to this Accession Deed

#### **1. INTERPRETATION**

The master definitions and construction schedule signed by, amongst others, the parties to this Agreement and dated 25 January 2008 (as the same may be amended, varied or supplemented from time to time with the consent of the parties to the Funding 1 Deed of Charge) (the **Master Definitions and Construction Schedule**) and are expressly and specifically incorporated into this Accession Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule (as so amended, varied or supplemented from time to time) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Accession Deed, including the Recitals hereto and this Accession Deed shall be

construed in accordance with the interpretation provisions set out in clause 3 of the Master Definitions and Construction Schedule

## **2. REPRESENTATIONS AND WARRANTIES**

The New Funding 1 Secured Creditor hereby represents and warrants to the Funding 1 Security Trustee and each of the Funding 1 Secured Creditors in respect of itself that as of the date of this Deed

- (a) pursuant to the terms of the Agreement, Funding 1 has agreed to pay to the New Funding 1 Secured Creditor the amount (if any) [*describe in relation to the Agreement*], and
- (b) the Agreement expressly provides that all amounts due from Funding 1 thereunder are to be secured by the Funding 1 Deed of Charge

## **3. ACCESSION**

In consideration of the New Funding 1 Secured Creditor being accepted as a Funding 1 Secured Creditor for the purposes of the Funding 1 Deed of Charge by the parties thereto as from the date of this Deed, the New Funding 1 Secured Creditor

- (a) confirms that as from [*date*], it intends to be a party to the Funding 1 Deed of Charge as a Funding 1 Secured Creditor,
- (b) undertakes to comply with and be bound by all of the provisions of the Master Definitions and Construction Schedule (as the same may be amended, varied or restated from time to time) and the Funding 1 Deed of Charge in its capacity as a Funding 1 Secured Creditor, as if it had been an original party thereto,
- (c) undertakes to perform, comply with and be bound by all of the provisions of the Funding 1 Deed of Charge in its capacity as a Funding 1 Secured Creditor, as if it had been an original party thereto as provided in Clause 4.6 (New Funding 1 Secured Creditors) of the Funding 1 Deed of Charge, and
- (d) agrees that the Funding 1 Security Trustee shall be the Funding 1 Security Trustee of the Funding 1 Deed of Charge for all Funding 1 Secured Creditors upon and subject to the terms set out in the Funding 1 Deed of Charge

## **4. SCOPE OF THE FUNDING 1 DEED OF CHARGE**

Funding 1, the New Funding 1 Secured Creditor and the Funding 1 Security Trustee hereby agree that for relevant purposes under the Funding 1 Deed of Charge and the Master Definitions and Construction Schedule

- (a) the Agreement shall be treated as a Funding 1 Agreement, and
- (b) the New Funding 1 Secured Creditor shall be treated as a Funding 1 Secured Creditor

## **5. AMENDMENT TO THE FUNDING 1 PRIORITY OF PAYMENTS**

The Funding 1 Secured Creditors agree to amend and restate the Funding 1 Priority of Payments set out in Schedule 4 of the Funding 1 Deed of Charge in accordance with Appendix 1 hereto

**6. APPLICATION**

Prior to and following enforcement of the Funding 1 Security all amounts at any time held by Funding 1, the Cash Manager or the Funding 1 Security Trustee in respect of the security created under this Deed shall be held and/or applied by such person subject to and in accordance with the relevant provisions of the Funding 1 Deed of Charge

**7. Notices**

Any notice or communication under or in connection with this Deed, the Funding 1 Deed of Charge or the Master Definitions and Construction Schedule shall be given in the manner and at the times set out in Clause 31 (Notices) of the Funding 1 Deed of Charge to the addresses given in this Clause 7 (Payments out of Funding 1 Accounts Upon Acceleration) or at such other address as the recipient may have notified to the other parties hereto and/or thereto in writing

The address referred to in this Clause 7 (Payments out of Funding 1 Accounts Upon Acceleration) for the New Funding 1 Secured Creditor is

[       ]

For the attention of [       ]

Telephone [       ]

Facsimile [       ]

or such other address and/or numbers as the New Funding 1 Secured Creditor may notify to the parties to the Funding 1 Deed of Charge in accordance with the provisions thereof

**8. CHOICE OF LAW**

This Deed is governed by and shall be construed in accordance with English law

**DULY EXECUTED AND DELIVERED AS A DEED** by each of the parties hereto or on its behalf on the date appearing on page 1

**Funding 1**

**EXECUTED as a DEED by** )  
**LANGTON FUNDING (NO. 1) LIMITED** )  
by two directors, being )  
SFM Directors Limited and )  
SFM Directors (No 2) Limited )

**Funding 1 Security Trustee**

**EXECUTED** as a **DEED** by )  
**CITICORP TRUSTEE COMPANY LIMITED** )  
acting by its duly authorised attorney )  
in the presence of )

Witness's signature

Name

Address

***[insert signature block for New Funding 1 Secured Creditor]***

## SCHEDULE 4

### FUNDING 1 PRIORITY OF PAYMENTS

#### PART 1

#### FUNDING 1 PRE-ACCELERATION REVENUE PRIORITY OF PAYMENTS

##### 1. Rules for application of Funding 1 Available Revenue Receipts

###### Rule (1)

Subject as provided in rules (2) and (4) below, the portion of Funding 1 Issuer Allocable Revenue Receipts remaining after item (f) of the Funding 1 Pre-Acceleration Revenue Priority of Payments, shall constitute **Shared Funding 1 Issuer Revenue Receipts**. Shared Funding 1 Issuer Revenue Receipts will be allocated by the Cash Manager on a Funding 1 Interest Payment Date in accordance with item (g) of the Funding 1 Pre-Acceleration Revenue Priority of Payments and will continue to be distributed on such Funding 1 Interest Payment Date in accordance with item (g) of the Funding 1 Pre-Acceleration Revenue Priority of Payments until either there are no remaining amounts of Shared Funding 1 Issuer Revenue Receipts to be allocated and distributed or there are no remaining Funding 1 Issuers entitled to such Shared Funding 1 Issuer Revenue Receipts on such Funding 1 Interest Payment Date. If there is more than one Funding 1 Issuer that is entitled to Shared Funding 1 Issuer Revenue Receipts, then each such Funding 1 Issuer will be allocated a portion of Shared Funding 1 Issuer Revenue Receipts equal to

amount of Shared Funding 1 Issuer Revenue Receipts	x	$\frac{\text{Outstanding Principal Amount of the Intercompany Loan of such Funding 1 Issuer entitled to Shared Funding 1 Issuer Revenue Receipts}}{\text{aggregate Outstanding Principal Amount of all the Intercompany Loans of Funding 1 Issuers entitled to such Shared Funding 1 Issuer Revenue Receipts}}$
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###### Rule (2)

No Funding 1 Issuer shall be entitled to nor shall any Funding 1 Issuer receive any amount of Funding 1 Issuer Allocable Revenue Receipts from Funding 1 on a Funding 1 Interest Payment Date on which such Funding 1 Issuer is not required to make a payment in accordance with the applicable Funding 1 Issuer Pre-Acceleration Revenue Priority of Payments or other relevant Funding 1 Issuer Priority of Payments which applies to that Funding 1 Issuer on such Funding 1 Interest Payment Date. The Cash Manager will take account of all of the funds which are or will become available to any Funding 1 Issuer on such Funding 1 Interest Payment Date and which constitute Funding 1 Issuer Available Revenue Receipts (including any payments due under any swap agreement, any amounts standing to the credit of any Funding 1 Issuer Reserve Fund and any interest or other income received or to be received prior to the relevant Funding 1 Interest Payment Date by that Funding 1 Issuer) for the purpose of making this determination.

###### Rule (3)

If, on any Funding 1 Interest Payment Date, any Funding 1 Issuer Allocable Revenue Receipts and/or any Shared Funding 1 Issuer Revenue Receipts are paid to any Funding 1 Issuer and are

applied by that Funding 1 Issuer in reducing any deficiency recorded on any principal deficiency ledger of that Funding 1 Issuer (but only to the extent of any deficiency which has arisen as a result of Losses on the Loans allocated by Funding 1 to that Funding 1 Issuer), then such Funding 1 Issuer Allocable Revenue Receipts and/or such Shared Funding 1 Issuer Revenue Receipts so applied shall constitute repayments of principal under the Intercompany Loan Agreement of that Funding 1 Issuer and shall reduce the Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer accordingly

#### **Rule (4)**

For the purpose of determining the amount of Funding 1 Issuer Allocable Revenue Receipts and/or Shared Funding 1 Issuer Revenue Receipts which may be paid to any Funding 1 Issuer on any Funding 1 Interest Payment Date, the Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer shall be deemed to be reduced by the amount of any deficiency recorded on the Funding 1 Issuer principal deficiency ledger of that Funding 1 Issuer as at such Funding 1 Interest Payment Date, but only to the extent that such deficiency has arisen as a result of Losses on the Loans allocated by Funding 1 to that Funding 1 Issuer

## **2. Distribution of Funding 1 Available Revenue Receipts before service on Funding 1 of an Intercompany Loan Acceleration Notice**

This section sets out the priority of payments of Funding 1 Available Revenue Receipts Except for amounts due to third parties (other than parties to the Transaction Documents) by each Funding 1 Issuer and/or Funding 1 under item (a) or amounts due to the Funding 1 Account Bank and/or by way of fees under the relevant Issuer Intercompany Loan Agreement to the Issuer Account Bank or to any other Funding 1 Issuer Account Bank, which will in each case be paid when due, on each Funding 1 Interest Payment Date (but prior to the date on which an Intercompany Loan Acceleration Notice is served on Funding 1), the Cash Manager will apply the Funding 1 Available Revenue Receipts for such date in the following order of priority (the **Funding 1 Pre-Acceleration Revenue Priority of Payments**)

- (a) without priority among them but in proportion to the respective amounts due (including remuneration), to pay amounts due to
  - (i) the Funding 1 Security Trustee (together with interest and any amount in respect of VAT thereon) and to provide for any amounts due or to become due in the immediately following interest period to the Funding 1 Security Trustee under the Funding 1 Deed of Charge, and
  - (ii) any third party creditors of Funding 1 (other than those referred to later in this priority of payments), which amounts have been incurred without breach by Funding 1 of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and to provide for any of these amounts expected to become due and payable in the immediately following Funding 1 Interest Period by Funding 1 and to pay or discharge any liability of Funding 1 for corporation tax on any chargeable income or gain of Funding 1,
- (b) without priority among them but in proportion to the respective amounts due, towards payment of amounts, if any, due and payable (in each case together with any VAT thereon) to the Cash Manager under the terms of the Cash Management Agreement, to the Funding 1 Account Bank under the terms of the Funding 1 Bank Account Agreement, to the Funding 1 Corporate Services Provider under the terms of the Funding 1 Corporate Services

Agreement and to the Secretarial Services Provider under the terms of the Secretarial Services Agreement,

- (c) towards payment of all amounts (if any) due and payable to the Funding 1 Swap Provider under the Funding 1 Swap Agreement (including termination payments, but excluding any Funding 1 Swap Excluded Termination Amount),
- (d) to pay to each Funding 1 Issuer, in no order of priority among them, an amount up to its Funding 1 Issuer Allocable Revenue Receipts in respect of interest, fees and other amounts (excluding principal) due and payable under the Intercompany Loan Agreement of that Funding 1 Issuer but not exceeding the aggregate amount of, and to be applied in the amounts and priorities set forth in, the applicable Funding 1 Issuer Pre-Reserve Payments,
- (e) in no order of priority among them, *pro rata*, from each Funding 1 Issuer's Allocable Revenue Receipts, to credit the Funding 1 Reserve Ledger in an amount up to the Funding 1 Reserve Required Amount,
- (f) to pay to each Funding 1 Issuer, in no order of priority among them, an amount up to its Funding 1 Issuer Allocable Revenue Receipts in respect of (i) interest, fees and other amounts (excluding principal) due and payable under the Intercompany Loan Agreement of that Funding 1 Issuer and (ii) interest, principal and other amounts due and payable to each Funding 1 Issuer under its relevant Funding 1 Start-Up Loan Agreement, but not exceeding the aggregate amount of, and to be applied in the amounts and priorities set forth in the Funding 1 Issuer Post-Reserve Payments,
- (g) to the extent required, to apply all remaining Shared Funding 1 Issuer Revenue Receipts in the priorities set forth in paragraphs (d) to (f) above, but as if references to Funding 1 Issuer Allocable Revenue Receipts were to its share of the Shared Funding 1 Issuer Revenue Receipts,
- (h) without priority among them but in proportion to the respective amounts due, to pay (without double counting)
  - (i) any other amounts due to each Funding 1 Issuer under the Intercompany Loan Agreement of that Funding 1 Issuer and not otherwise provided for in this priority of payments, and
  - (ii) any Funding 1 Swap Excluded Termination Amount due and payable by Funding 1 to the Funding 1 Swap Provider under the Funding 1 Swap Agreement,
- (i) towards payment of an amount to be retained by Funding 1 equal to the sum of: (1) £1,250 and (2) an amount equal to £1,250 in respect of each previously occurring Funding 1 Interest Payment Date to the extent that such amount was not retained by Funding 1 in accordance with this paragraph (i) on such Funding 1 Interest Payment Date or any subsequently occurring Funding 1 Interest Payment Date,
- (j) towards payment of any Deferred Contribution due from Funding 1 to the Mortgages Trustee pursuant to the terms of the Mortgages Trust Deed, and
- (k) the balance (if any) to Funding 1

For the avoidance of doubt, the Funding 1 Pre-Acceleration Revenue Priority of Payments also applies before and after the occurrence of a Trigger Event and before and after the service of a Note Acceleration Notice on any Funding 1 Issuer

## PART 2

### FUNDING 1 PRE-ACCELERATION PRINCIPAL PRIORITIES OF PAYMENTS

#### 1. Due and payable dates of Loan Tranches

A Loan Tranche (or part thereof) shall become due and payable on the earlier to occur of

- (a) any date specified in relation to such Loan Tranche in the applicable Intercompany Loan Confirmation,
- (b) the date upon which a Trigger Event occurs,
- (c) the date upon which a Note Acceleration Notice is served on a Funding 1 Issuer under the Note Trust Deed or new Note Trust Deed of a New Issuer (as applicable) and/or a Funding 1 Issuer's security is enforced under the relevant Funding 1 Issuer Deed of Charge, and
- (d) the date upon which an Intercompany Loan Acceleration Notice is served on Funding 1 under an Intercompany Loan Agreement and/or security is enforced under the Funding 1 Deed of Charge

In each case, when a Loan Tranche becomes due and payable, it shall continue to be due and payable until it is fully repaid. If there are insufficient Funding 1 Available Principal Receipts to repay a Loan Tranche on a Funding 1 Interest Payment Date upon which that Loan Tranche is due and payable, then the shortfall will be repaid on subsequent Funding 1 Interest Payment Dates from Funding 1 Available Principal Receipts until that Loan Tranche is fully repaid. Any remaining unpaid amounts under the Issuer Intercompany Loan after the Final Repayment Date of the last maturing Loan Tranche (after application of any available amounts) will be extinguished.

#### 2. Repayment of Funding 1 Loan Tranches before an Asset Trigger Event or service on Funding 1 of an Intercompany Loan Acceleration Notice

On each Funding 1 Interest Payment Date prior to the occurrence of an Asset Trigger Event or the service on Funding 1 of an Intercompany Loan Acceleration Notice, the Cash Manager shall apply Funding 1 Available Principal Receipts in the following priority (the **Funding 1 Pre-Acceleration Principal Priority of Payments**) (but, in the case of (a) and (b) below, only so long as the Rated Notes of a Funding 1 Issuer are outstanding)

- (a) to pay to each Funding 1 Issuer, as a credit towards its Funding 1 Issuer Reserve Fund, *pro rata*, and in no order of priority between them, the amount required to replenish the Funding 1 Issuer Reserve Fund of that Funding 1 Issuer up to the applicable Funding 1 Issuer Reserve Required Amount but only to the extent that monies have been drawn from its Funding 1 Issuer Reserve Fund to make Funding 1 Issuer Reserve Principal Payments,
- (b) to pay to each Funding 1 Issuer as a credit towards its Funding 1 Issuer Liquidity Reserve (if established), *pro rata* and in no order of priority between them, the amount required by that Funding 1 Issuer (A) to initially fund its Funding 1 Issuer Liquidity Reserve Fund up to the applicable Funding 1 Issuer Liquidity Fund Reserve Required Amount, and (B) once its Funding 1 Issuer Liquidity Reserve Fund has been initially funded, to the extent that its Funding 1 Issuer Available Revenue Receipts or its Shared Funding 1 Issuer Revenue Receipts are insufficient to do so, to replenish its Funding 1 Issuer Liquidity Reserve Fund up to the applicable Funding 1 Issuer Liquidity Reserve Fund Required Amount,

- (c) to pay to each Funding 1 Issuer, in no order of priority between them, an amount equal to the lesser of (i) its remaining Funding 1 Issuer Allocable Principal Receipts, and (ii) the amount required in respect of principal due and payable on the Intercompany Loan of that Funding 1 Issuer, which amount shall be an amount up to the aggregate amount of, and shall be applied in the amounts and priorities set forth in, the Funding 1 Issuer Principal Priority of Payments for that Funding 1 Issuer,
- (d) to apply all Shared Funding 1 Issuer Principal Receipts in accordance with item (c) above, but as if references to Funding 1 Issuer Allocable Principal Receipts were to its share of the Shared Funding 1 Issuer Principal Receipts, and
- (e) the balance (if any) to be credited to the Funding 1 Principal Ledger

For the avoidance of doubt, the Funding 1 Pre-Acceleration Principal Priority of Payments will also apply before and after the occurrence of a Non-Asset Trigger Event and before and after the service of a Note Acceleration Notice on any Funding 1 Issuer

### 3. The Rules

In the applicable circumstances, the following rules apply in determining the amounts to be paid under the Funding 1 Pre-Acceleration Principal Priority of Payments set out above on each Funding 1 Interest Payment Date

#### Rule (1)

One Business Day prior to each Funding 1 Interest Payment Date, the Cash Manager will calculate the Funding 1 Issuer Allocable Principal Receipts for each Funding 1 Issuer in respect of such Funding 1 Interest Payment Date. Subject as provided in Rules (2) to (6) below, the **Funding 1 Issuer Allocable Principal Receipts** for a Funding 1 Issuer is an amount that is equal to the sum of

- (a) the amount, if any, by which the relevant Funding 1 Issuer Reserve Fund will be less than the relevant Funding 1 Issuer Reserve Required Amount, in each case prior to the application of Funding 1 Available Principal Receipts on such Funding 1 Interest Payment Date but following the application of Funding 1 Available Revenue Receipts on such Funding 1 Interest Payment Date,
- (b) the amount, if any, by which the relevant Funding 1 Issuer Liquidity Reserve Fund will be less than the relevant Funding 1 Issuer Liquidity Reserve Required Amount, in each case prior to the application of Funding 1 Available Principal Receipts on such Funding 1 Interest Payment Date but following the application of Funding 1 Available Revenue Receipts on such Funding 1 Interest Payment Date, and
- (c) an amount equal to the lesser of (i) the sum of (A) any Bullet Loan Tranche or Scheduled Amortisation Amount due and payable under the Intercompany Loan Agreement of that Funding 1 Issuer on that Funding 1 Interest Payment Date and (B) any other principal amount due and payable under the Intercompany Loan of that Funding 1 Issuer on such Funding 1 Interest Payment Date, and (ii) an amount equal to

Funding 1 Available Principal Receipts  
minus the aggregate amount payable under  
items (a) and (b) above in respect of all  
Funding 1 Issuers on such Funding 1  
Interest Payment Date

x

Outstanding Principal Amount of the  
Intercompany Loan of such Funding 1  
Issuer

aggregate Outstanding Principal  
Amount of all Intercompany Loans of  
all Funding 1 Issuers

## Rule (2)

For the purpose of determining the amount of Funding 1 Issuer Allocable Principal Receipts and/or Shared Funding 1 Issuer Principal Receipts which may be paid to any Funding 1 Issuer on any Funding 1 Interest Payment Date pursuant to Rule (1) above or Rule (5) below, the Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer shall be deemed to be reduced by the amount of any deficiency recorded on the principal deficiency ledger of that Funding 1 Issuer as at such Funding 1 Interest Payment Date, but only to the extent that such deficiency has arisen as a result of Losses on the Loans allocated by Funding 1 to that Funding 1 Issuer

## Rule (3)

In determining the amount due and payable under Rule (1)(c)(i), the amount of Funding 1 Available Principal Receipts payable to each Funding 1 Issuer on a Funding 1 Interest Payment Date will be reduced by an amount equal to the aggregate of the Funding 1 Issuer Available Revenue Receipts of that Funding 1 Issuer which are to be applied on that Funding 1 Interest Payment Date in reducing deficiencies recorded on the Funding 1 Issuer Principal Deficiency Ledgers of that Funding 1 Issuer, but only to the extent that such deficiency has arisen as a result of Losses on the Loans allocated by Funding 1 to that Funding 1 Issuer

## Rule (4)

No Funding 1 Issuer shall be entitled to, or shall receive on a Funding 1 Interest Payment Date, any amount of Funding 1 Issuer Allocable Principal Receipts from Funding 1 if that Funding 1 Issuer is not required to make a principal payment on the relevant Funding 1 Interest Payment Date in accordance with the applicable Funding 1 Issuer Pre-Enforcement Principal Priority of Payments or to credit that Funding 1 Issuer Reserve Fund and/or that Funding 1 Issuer Liquidity Reserve

## Rule (5)

The portion of Funding 1 Issuer Allocable Principal Receipts (calculated in accordance with Rule (1)(c)(ii) above), not required to be applied by a Funding 1 Issuer on a Funding 1 Interest Payment Date in accordance with the applicable Funding 1 Issuer Pre-Enforcement Principal Priority of Payments (excluding the amount of any Funding 1 Issuer Reserve Fund or Funding 1 Issuer Liquidity Reserve Fund (if any)) shall constitute **Shared Funding 1 Issuer Principal Receipts**. Shared Funding 1 Issuer Principal Receipts will be allocated and distributed by the Cash Manager in accordance with item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments and will continue to be applied in accordance with item (d) until either there are no amounts of Shared Funding 1 Issuer Principal Receipts to be so allocated and distributed on such Funding 1 Interest Payment Date or there are no remaining Funding 1 Issuers entitled to such Shared Funding 1 Issuer Principal Receipts on such Funding 1 Interest Payment Date. Save as provided in Rule (2) above, if there is more than one Funding 1 Issuer that is entitled to Shared Funding 1 Issuer Principal Receipts, then each such Funding 1 Issuer will be allocated a portion of the Shared Funding 1 Issuer Principal Receipts equal to

amount of Shared Funding 1 Issuer Principal Receipts	x	$\frac{\text{Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer entitled to Shared Funding 1 Issuer Principal Receipts}}{\text{aggregate Outstanding Principal Amount of all the Intercompany Loans of Funding 1 Issuers entitled to Shared Funding 1 Issuer Principal Receipts}}$
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#### Rule (6)

The repayment of the Intercompany Loan of any Funding 1 Issuer prior to the occurrence of a Trigger Event or the service of an Intercompany Loan Acceleration Notice on Funding 1 will be made in accordance with the terms of the Intercompany Loan Agreement and the Funding 1 Deed of Charge

#### 4. Repayment of Funding 1 Loan Tranches after an Asset Trigger Event and before the service on Funding 1 of an Intercompany Loan Acceleration Notice

On each Funding 1 Interest Payment Date after the occurrence of an Asset Trigger Event but before the service on Funding 1 of an Intercompany Loan Acceleration Notice, the Cash Manager shall apply Funding 1 Available Principal Receipts in the following priority (the **Funding 1 Post-Asset Trigger Principal Priority of Payments**) (but, in the case of (a) and (b) below, only so long as the Rated Notes of a Funding 1 Issuer are outstanding)

- (a) to pay to each Funding 1 Issuer, as a credit towards its Funding 1 Issuer Reserve Fund, *pro rata* and in no order of priority between them, the amount required to replenish the Funding 1 Issuer Reserve Fund of that Funding 1 Issuer up to the applicable Funding 1 Issuer Reserve Required Amount, but only to the extent that monies have been drawn from its Funding 1 Issuer Reserve Fund to make Funding 1 Issuer Reserve Principal Payments,
- (b) to pay to each Funding 1 Issuer as a credit towards its Funding 1 Issuer Liquidity Reserve, *pro rata* and in no order of priority between them, the amount required by that Funding 1 Issuer (A) to initially fund its Funding 1 Issuer Liquidity Reserve Fund up to the applicable Funding 1 Issuer Liquidity Fund Reserve Required Amount, and (B) once its Funding 1 Issuer Liquidity Reserve Fund has been initially funded, to the extent that its Funding 1 Issuer Available Revenue Receipts or its shared Funding 1 Issuer Revenue Receipts are insufficient to do so, to replenish its Funding 1 Issuer Liquidity Reserve Fund up to the applicable Funding 1 Issuer Liquidity Fund Reserve Required Amount,
- (c) to pay to each Funding 1 Issuer, in no order of priority between them, an amount equal to the lesser of (i) its remaining Funding 1 Issuer Allocable Principal Receipts, and (ii) the amount required in respect of principal due on the Intercompany Loan of that Funding 1 Issuer, which amount shall be an amount up to the aggregate amount of, and shall be applied in the amounts and priorities set forth in, the Funding 1 Issuer Principal Priority of Payments for that Funding 1 Issuer,
- (d) to apply all shared Funding 1 Principal Receipts in the accordance with item (c) above, but as if references to Funding 1 Issuer Allocable Principal Receipts were to its share of the shared Funding 1 Issuer Principal Receipts, and
- (e) the balance (if any) to be credited to the Funding 1 Principal Ledger

5. **The rules**

In the applicable circumstances, the rules set out above in relation to the application of monies in the Funding 1 Pre-Acceleration Principal Priority of Payments will apply to the application of monies in the Funding 1 Post-Asset Trigger Principal Priority of Payments, except as follows

- (a) in Rule (1), item (c)(i) shall be amended to read "(i) all principal amounts due and payable under the Intercompany Loan Agreement of that Funding 1 Issuer on such Funding 1 Interest Payment Date", and
- (b) in Rule (5), references to item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments shall mean references to item (d) of the Funding 1 Post-Asset Trigger Principal Priority of Payments

6. **Repayment of Loan Tranches under Intercompany Loan Agreement on a Funding 1 Interest Payment Date when Funding 1 receives on or prior to such Funding 1 Interest Payment Date the proceeds of a New Intercompany Loan or a Refinancing Distribution**

If either

- (a) the proceeds of a New Issuer Intercompany Loan are to be used to refinance all or part of the Loan Tranches outstanding under the Intercompany Loan(s), or
- (b) Funding 1 has received, or will receive during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date, a Refinancing Distribution funded by another Beneficiary and either
  - (i) the Funding 1 Issuer has issued, or will issue within the period of 60 days of receipt of that Refinancing Distribution, an Optional Redemption Notice to the Noteholders in the circumstances set out in (and in accordance with) the Terms and Conditions of the Notes, or
  - (ii) with the consent of Funding 1, the contributing Beneficiary specifies that the proceeds of the Refinancing Distribution are to be applied (in whole or in part) by Funding 1 towards repayment of all or part of the Loan Tranches outstanding under the Intercompany Loan(s),

then Funding 1 will not apply the amount received under the New Intercompany Loan or the relevant Refinancing Distribution in accordance with the Funding 1 Pre-Acceleration Principal Priority of Payments. Rather, Funding 1 will apply the amount received under the New Intercompany Loan or, as applicable, the relevant Refinancing Distribution to repay the relevant Loan Tranches under the Intercompany Loan(s). If (at any time) only one Loan Tranche is outstanding under the Intercompany Loans, then Funding 1 shall apply the amount received under the New Intercompany Loan or, as applicable, the relevant Refinancing Distribution to repay such Funding 1 Loan Tranches.

### **PART 3**

#### **FUNDING 1 POST-ACCELERATION PRIORITY OF PAYMENTS**

The Cash Manager will apply amounts received following the service of an Intercompany Loan Acceleration Notice on Funding 1 or, as applicable, the Funding 1 Security Trustee will apply amounts received or recovered following the enforcement of the Funding 1 Security in accordance with the following order of priority (the **Funding 1 Post-Acceleration Priority of Payments**)

- (a) without priority among them, but in proportion to the respective amounts due (including remuneration), to pay amounts due to the Funding 1 Security Trustee and any receiver appointed by the Funding 1 Security Trustee, together with interest and any amount in respect of VAT thereon as provided therein, and to provide for any amounts due or to become due to the Funding 1 Security Trustee and the receiver in the following interest period under the Funding 1 Deed of Charge, and
- (b) without priority among them but in proportion to the respective amounts due, towards payment of amounts (if any) due to the Cash Manager under the terms of the Cash Management Agreement, to the Funding 1 Account Bank under the terms of the Funding 1 Bank Account Agreement, to the Funding 1 Corporate Services Provider under the terms of the Funding 1 Corporate Services Agreement and to the Secretarial Services Provider under the terms of the Secretarial Services Agreement,
- (c) towards payment of amounts (if any) due to the Funding 1 Swap Provider under the Funding 1 Swap Agreement (including any termination payment, but excluding any Funding 1 Swap Excluded Termination Amount),
- (d) in no order of priority among them but in proportion to the respective amounts due, to each Funding 1 Issuer its Funding 1 Issuer Allocable Revenue Receipts and its Funding 1 Issuer Allocable Principal Receipts towards payment of amounts of interest, principal and fees due to each Funding 1 Issuer under its Intercompany Loan Agreement,
- (e) to the extent required, to apply all Shared Funding 1 Issuer Revenue Receipts and Shared Funding 1 Principal Receipts in accordance with item (d) above, but as if references to Funding 1 Issuer Allocable Revenue Receipts were to its share of the Shared Funding 1 Issuer Revenue Receipts and as if references to Funding 1 Issuer Allocable Principal Receipts were to its share of the Shared Funding 1 Issuer Principal Receipts,
- (f) any Funding 1 Swap Excluded Termination Amounts due to the Funding 1 Swap Provider,
- (g) to pay interest due or overdue on, and to repay principal to, the Funding 1 Start-Up Loan Providers under the Funding 1 Start-Up Loan Agreements pro rata and pari passu,
- (h) towards payment of any Deferred Contribution due from Funding 1 to the Mortgages Trustee pursuant to the terms of the Mortgages Trust Deed, and
- (i) the balance (if any) to Funding 1

#### **Rules for application of Funding 1 Available Revenue Receipts and Funding 1 Available Principal Receipts following service of an Intercompany Loan Acceleration Notice on Funding 1**

The following rules apply to the allocation of monies by the Cash Manager or, as applicable, the Funding 1 Security Trustee following the service of an Intercompany Loan Acceleration Notice on Funding 1 or the enforcement of the Funding 1 Security

**Rule (1)** Subject as provided in Rules (2) and (3) below, the portion of Funding 1 Issuer Allocable Revenue Receipts remaining after item (d) of the Funding 1 Post-Acceleration Priority of Payments, shall constitute (for the purposes of the Funding 1 Post-Acceleration Priority Of Payments) **Shared Funding 1 Issuer Revenue Receipts** Shared Funding 1 Issuer Revenue Receipts will be allocated and distributed by the Cash Manager or, as applicable, the Funding 1 Security Trustee in accordance with item (e) of the Funding 1 Post-Acceleration Priority of Payments and will continue to be distributed in accordance with item (e) until each relevant Intercompany Loan is fully repaid (taking into account any principal repayments, and subject to the terms of this Deed and each Intercompany Loan Agreement) If there is more than one Funding 1 Issuer that is entitled to Shared Funding 1 Issuer Revenue Receipts, then each such Funding 1 Issuer will be allocated a portion of Shared Funding 1 Issuer Revenue Receipts equal to

$$\begin{array}{rcl} \text{amount of Shared Funding 1 Issuer} & & \text{Outstanding Principal Amount of the} \\ \text{Revenue Receipts} & \times & \text{Intercompany Loan of that Funding 1 Issuer} \\ & & \text{entitled to Shared Funding 1 Issuer Revenue} \\ & & \text{Receipts} \\ & & \hline & & \text{aggregate Outstanding Principal Amount of all} \\ & & \text{the Intercompany Loans of Funding 1 Issuers} \\ & & \text{entitled to Shared Funding 1 Issuer Revenue} \\ & & \text{Receipts} \end{array}$$

**Rule (2)** The Cash Manager or, as applicable, the Funding 1 Security Trustee will take account of all of the other funds which are or will become available to any Funding 1 Issuer on any relevant date and which constitute Funding 1 Issuer Available Revenue Receipts (including any payments due under any swap agreement, any amounts standing to the credit of any reserve fund and any interest or other income received or to be received by that Funding 1 Issuer) Any such amounts shall reduce the amount payable to the relevant Funding 1 Issuer

**Rule (3)** For the purpose of determining the amount of Funding 1 Issuer Allocable Revenue Receipts and/or Shared Funding 1 Issuer Revenue Receipts (as defined in Rule (1) above) and or Funding 1 Issuer Allocable Principal Receipts (as defined in Rule (4) below) and/or Shared Funding 1 Issuer Principal Receipts (as defined in Rule (5) below) which may be paid to any Funding 1 Issuer on any date, the Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer shall be deemed to be reduced by the amount of any deficiency recorded on the principal deficiency ledger of that Funding 1 issuer as at such date, but only to the extent that such deficiency has arisen as a result of Losses on the Loans allocated by Funding 1 to that Funding 1 Issuer

**Rule (4)** Subject to Rule (3) above, for the purpose of the Funding 1 Post-Acceleration Priority Of Payments, **Funding 1 Issuer Allocable Principal Receipts** for a Funding 1 Issuer is an amount on any relevant date that is equal to the lesser of (a) the Outstanding Principal Amount of the relevant Intercompany Loan Agreement of that Funding 1 Issuer and (b) an amount equal to

$$\begin{array}{rcl} \text{amount of Funding 1 Issuer Principal} & & \text{Outstanding Principal Amount of the} \\ \text{Receipts} & \times & \text{Intercompany Loan of that Funding 1 Issuer} \\ & & \hline & & \text{aggregate Outstanding Principal Amount of all} \\ & & \text{the Intercompany Loans of Funding 1 Issuers} \end{array}$$

**Rule (5)** Subject to Rule (3) above, the portion of Funding 1 Issuer Allocable Principal Receipts (calculated in accordance with Rule 4(b) above), not required to be applied by a Funding 1 Issuer on the relevant date in accordance with the applicable Funding 1 Issuer Post-Enforcement Priority of Payments shall constitute **Shared Funding 1 Issuer Principal Receipts**. Shared Funding 1 Issuer Principal Receipts will be allocated and distributed by the Cash Manager or, as applicable, the Funding 1 Security Trustee in accordance with item (e) of the Funding 1 Post-Acceleration Priority of Payments and will continue to be distributed in accordance with item (e) until each relevant Intercompany Loan is fully repaid (taking into account any repayments of interest and fees, and subject to the terms of this Deed and each Intercompany Loan Agreement). If there is more than one Funding 1 Issuer that is entitled to Shared Funding 1 Issuer Principal Receipts, then each such Funding 1 Issuer will be allocated a portion of the Shared Funding 1 Issuer Principal Receipts equal to

amount of Shared Funding 1 Issuer Principal Receipts	x	<div> Outstanding Principal Amount of the Intercompany Loan of that Funding 1 Issuer entitled to Shared Funding 1 Issuer Principal Receipts </div> <hr/> <div> aggregate Outstanding Principal Amount of all the Intercompany Loans of Funding 1 Issuers entitled to Shared Funding 1 Issuer Principal Receipts </div>
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## SCHEDULE 5

### FORM OF FUNDING 1 SECURITY POWER OF ATTORNEY

**THIS POWER OF ATTORNEY** is made on 25 January 2008 by **LANGTON FUNDING (NO. 1) LIMITED** (registered number 6432610) whose registered office is 35 Great St Helen's, London EC3A 6AP (the **Principal**)

#### WHEREAS

- (1) By virtue of a deed of charge (the **Funding 1 Deed of Charge**) dated 25 January 2008 between, *inter alios*, the Principal, the Issuer, the Funding 1 Security Trustee, the Issuer Security Trustee, the Seller, the Cash Manager, the Funding 1 Account Bank, the Funding 1 Swap Provider, the Corporate Services Provider and the Mortgages Trustee, (each as referred to therein) provision was made for the execution by the Principal of this Power of Attorney
- (2) Words and phrases in this Power of Attorney shall (save where expressed to the contrary) have the same meanings respectively as the words and phrases in the Funding 1 Deed of Charge

#### NOW THIS POWER OF ATTORNEY WITNESSETH

- 1 The Principal hereby irrevocably and by way of security for the performance of the covenants, conditions, obligations and undertakings on the part of the Principal contained in the Funding 1 Deed of Charge appoints Citicorp Trustee Company Limited and any other person or persons for the time being the security trustee or security trustees of and under the Funding 1 Deed of Charge (the **Attorney**) and any receiver (including any administrative receiver) and any manager (the **Receiver**) and/or administrator (the **Administrator**) appointed from time to time by the Attorney or on its behalf its true and lawful attorney for and in the Principal's name or otherwise jointly and severally to do any act matter or thing which the Attorney, Receiver or Administrator considers in each case bona fide necessary for the protection or preservation of the Attorney's interests and rights in and to the Funding 1 Charged Property or which ought to be done under the covenants, undertakings and provisions contained in the Funding 1 Deed of Charge in each case on or at any time after the service of an Intercompany Loan Acceleration Notice or in any other circumstances where the Attorney has become entitled to take the steps referred to in Clauses 9 4 (Power of sale) to 9 10 (Scottish Trust Property) (inclusive) of the Funding 1 Deed of Charge including (without limitation) any or all of the following
  - (a) to do every act or thing which the Attorney, Receiver or Administrator may deem to be necessary, proper or expedient for fully and effectually vesting, transferring or assigning the Funding 1 Security and/or the Funding 1 Charged Property or any part thereof and/or the Principal's estate, right, title, benefit and/or interest therein or thereto in or to the Attorney and its successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Principal could have done, and
  - (b) the power by writing under its hand by an officer of the Attorney (including every Receiver appointed under the Funding 1 Deed of Charge) from time to time to appoint a substitute attorney (each a **Substitute**) who shall have power to act on behalf of the Principal as if that Substitute shall have been originally appointed Attorney by this Power of Attorney and/or to revoke any such appointment at any time without assigning any reason therefor

- 2 In favour of the Attorney, any Receiver and/or Administrator and/or Substitute, or a person dealing with any of them and the successors and assigns of such a person, all acts done and documents executed or signed by the Attorney, a Receiver, an Administrator or a Substitute in the purported exercise of any power conferred by this Power of Attorney shall for all purposes be valid and binding on the Principal and its successors and assigns
- 3 The Principal irrevocably and unconditionally undertakes to indemnify the Attorney and each Receiver and/or Administrator and/or Substitute appointed from time to time by the Attorney and their respective estates against all actions, proceedings, claims, costs, expenses and liabilities of every description arising from the exercise, or the purported exercise, of any of the powers conferred by this Power of Attorney, save where the same arises as the result of the fraud, negligence or wilful default of the relevant Indemnified Party or its officers or employees
- 4 The provisions of Clause 3 shall continue in force after the revocation or termination, howsoever arising, of this Power of Attorney
- 5 The laws of England shall apply to this Power of Attorney and the interpretation thereof and to all acts of the Attorney and each Receiver and/or Administrator and/or Substitute carried out or purported to be carried out under the terms hereof
- 6 The Principal hereby agrees at all times hereafter to ratify and confirm whatsoever the said Attorney or its attorney or attorneys or any Receiver or Administrator or Substitute shall properly and lawfully do or cause to be done in and concerning the Funding 1 Security Trustee's, the Funding 1 Security and/or the Funding 1 Charged Property

**IN WITNESS WHEREOF** this Power of Attorney has been executed and delivered as a deed by the Principal the day and year first before written

**EXECUTED as a DEED by** )  
**LANGTON FUNDING (NO. 1) LIMITED** )  
by two directors, being )  
SFM Directors Limited and )  
SFM Directors (No 2) Limited )

## APPENDIX

### **Definitions from the Master Definitions and Construction Schedule as referred to in Clause 1.1 of the Eighth Amendment Deed to Funding 1 Deed of Charge**

In any agreement, instrument or deed expressly and specifically incorporating by reference the Master Definitions and Construction Schedule, the parties to the Master Definitions and Construction Schedule hereby agree that the following words and expressions shall, unless otherwise defined therein or unless the context otherwise requires, have the following meanings

**1881 Act** means the Conveyancing and Law of Property Act 1881 of Northern Ireland,

**1911 Act** means the Conveyancing Act 1911 of Northern Ireland,

**1925 Act** means the Law of Property Act 1925 of England and Wales,

**2008-3 Issuer** means Langton Securities (2012-1) plc (formerly Langton Securities (2008-3) plc),

**2008 Notes** means the means the Class A Notes, the Class B Notes and the Class Z Notes issued by the Issuer on the Initial Closing Date,

**2010-1 Issuer** means Langton Securities (2010-1) plc,

**2010-2 Issuer** means Langton Securities (2010-2) plc,

**2011-1 Issuer** means Langton Securities (2008-1) plc,

**AAA Loan Tranche** means a Loan Tranche made by an Issuer to a Funding Company under an Intercompany Loan Agreement from the proceeds of any Class A Notes,

**AA Loan Tranche** means a Loan Tranche made by an Issuer to a Funding Company under an Intercompany Loan Agreement from the proceeds of issue of any Class B Notes,

**Accession Agreement** has the meaning given to it in the Master Definitions and Construction Schedule,

**Accession Deed** means a deed by which a New Funding 1 Secured Creditor accedes to the Funding 1 Deed of Charge, including the First Accession and Amendment Deed, the Second Accession and Amendment Deed, the Third Accession and Amendment Deed, the Fourth Accession and Amendment Deed and the Fifth Accession and Amendment Deed,

**Account Bank** means the bank at which the Mortgages Trustee GIC Account, the Funding 1 GIC Account, the Funding 1 Collateral Account and the Funding 1 Transaction Account are maintained from time to time, being Santander UK and thereafter such other replacement account bank as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee (in relation to the Funding 1 Bank Accounts) or as the Mortgages Trustee (in relation to the Mortgages Trustee GIC Account) may choose with the prior written consent of the Beneficiaries,

**Accrued Interest** means, in respect of a Mortgage Account on a given date (the **relevant date**), the interest which has accrued but which is not yet due and payable from and including the last regular Monthly Payment Date up to (but excluding) the relevant date,



**Administrator** means, for the purposes of the Mortgages Trustee Corporate Services Agreement, Structured Finance Management Limited,

**Additional Interest** has the meaning given to it in clause 4.1 (Deferred interest and extinguishment of interest) of the Intercompany Loan Terms and Conditions,

**Advance** means the aggregate of the amount advanced by the Issuer to Funding 1 on the Initial Closing Date pursuant to the Funding 1 Start-up Loan Agreement or, as applicable, by any New Issuer to Funding 1 on the relevant New Closing Date pursuant to a New Funding 1 Start-up Loan Agreement or such part of such amount as shall be outstanding from time to time,

**Agent Bank** means Citibank, N A , whose London branch address is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as agent bank for the purposes of an Intercompany Loan Agreement at its specified office or other such person for the time being acting in such capacity,

**Agent/Delegate Liabilities** means any amounts or claims which the Funding 1 Security Trustee is or would be obliged to pay or reimburse to any agent or delegate appointed pursuant to the Funding 1 Deed of Charge,

**Alliance & Leicester** or **A&L** means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE19 0AL,

**Alliance & Leicester Collection Accounts Declaration of Trust** means the Collection Account declaration of trust entered into by Alliance & Leicester in favour of the Mortgages Trustee and dated on or about the Initial Closing Date,

**Annualised CPR** means the result of

$$1 - ((1 - M) \wedge 12)$$

where "M" is expressed as a percentage and determined as at the most recent Trust Calculation Date as indicated in the definition of Funding 1 Anticipated Cash Accumulation Period,

**Arrears of Interest** means, in respect of a given date, interest, and expenses which are due and payable and remain unpaid on that date,

**Asset Trigger Event** means the event that occurs when an amount is debited to the Principal Deficiency Ledger established by an Issuer in respect of its Class A Notes, unless such debit is recorded when (i) the aggregate principal amount outstanding of the relevant Subordinated (Class Z) Loan Tranche is equal to zero and (ii) the sum of the amount standing to the credit of the relevant Issuer Reserve Ledger and the relevant Issuer Revenue Ledger together with amounts determined and due to be credited to the relevant Issuer Revenue Ledger prior to the immediately following Funding 1 Interest Payment Date after such debit is made is greater than the amount necessary to pay items (a) to (e) of the relevant Issuer Pre-Acceleration Revenue Priority of Payments on the immediately following Funding 1 Interest Payment Date after such debit is made (for which purpose, all defined terms not defined herein shall have the meanings given to them in the relevant New Issuer Master Definitions and Construction Schedule),

**Assignment of Insurance Contracts** means an assignment of the Insurance Contracts substantially in the form set out in schedule 8 to the Mortgage Sale Agreement,



**Assignment of Third Party Rights** means an assignment and assignation of Related Security and rights of action against third parties substantially in the form set out in schedule 7 to the Mortgage Sale Agreement,

**Auditors** means Deloitte LLP of 2 New Street Square London EC4A 3BZ or such other internationally independent firm of auditors selected from time to time by (in the case of the Mortgages Trustee) the Mortgages Trustee (with the prior written consent of the Funding 1 Security Trustee) or (in the case of Funding 1) Funding 1 (with the prior written consent of the Funding 1 Security Trustee),

**Authorised Investments** means

- (a) Sterling gilt-edged securities provided that in all cases such investments have a maturity date of 90 days or less and mature on or before the next following Funding 1 Interest Payment Date for the Rated Notes (in relation to any Issuer Bank Account), Funding 1 Interest Payment Date (in relation to any Funding 1 Bank Account) or Distribution Date (in relation to any Mortgages Trustee Bank Account), and
- (b) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper) provided that in all cases (i) such investments have a maturity date of 90 days or less and mature on or before the next following Funding 1 Interest Payment Date for the Rated Notes (in relation to any Issuer Bank Account), Funding 1 Interest Payment Date (in relation to any Funding 1 Bank Account) or Distribution Date (in relation to any Mortgages Trustee Bank Account) (ii) the short-term, unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA 2000) are rated at least equal to P-1 by Moody's and the short-term "Issuer Default Rating" of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) are at least equal to F1+ by Fitch and the long-term issuer default ratings of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) are at least equal to AA- by Fitch (or such other ratings as may be acceptable to the respective Rating Agencies to maintain the then current ratings of the Rated Notes) and (iii) in relation to any investments made from monies standing to the credit of the Funding 1 Bank Account or the Mortgages Trustee Bank Account, as applicable, the interest or other return payable on any such investment shall be in an amount not less than the Funding 1 GIC Rate or the Mortgages Trustee GIC Rate, as applicable, for the term of such investment

**Authorised Signatory** means in respect of any document or agreement to be signed by any person in any capacity under the Transaction Documents, the person authorised by the board of directors of that person to sign that document or agreement,

**BACS** means the Bankers' Automated Clearing Service as amended from time to time or any scheme replacing the same,

**Bank of England Base Rate** means the Bank of England's official dealing rate (the repo rate) as set by the UK Monetary Policy Committee,

**Base Rate-Linked Rate** means the rate of interest that applies to the Base Rate Loans in the Portfolio that is a margin (expressed as a percentage figure) above and/or equal to and/or below the Bank of England Base Rate,

**Base Rate Loan** means those Loans to the extent that and for such period that their Mortgage Terms provide that they are subject to the Base Rate-Linked Rate,

**Base Rate Spread** has the meaning given in the Funding 1 Swap Agreement,

**Basket Swap Rate** has the meaning given in the Funding 1 Swap Agreement,

**Beneficiaries** means the Funding Companies and the Seller, as beneficiaries of the Mortgages Trust and each a **Beneficiary** as the context requires,

**Borrower** means, in relation to a Loan, the individual or individuals specified as such in the relevant Mortgage Terms together with the individual or individuals (if any) from time to time assuming an obligation to repay such Loan or any part of it,

**Buildings Policies** means

- (a) all buildings insurance policies relating to freehold or heritable Properties which have been taken out in the name of the relevant Borrower in accordance with the applicable Mortgage Terms, and
- (b) all landlord's buildings insurance policies relating to leasehold Properties including Properties in Scotland held under a long lease,

**Bullet Loan Tranche** means any Loan Tranche where the full amount of principal is scheduled to be repaid in full on one Scheduled Repayment Date. Each such Bullet Loan Tranche will be deemed to be a Pass-Through Loan Tranche if

- (a) a Trigger Event occurs,
- (b) the security granted by the Issuer that advanced such Bullet Loan Tranche is enforced, or
- (c) the security granted by the Funding Company to which such Bullet Loan Tranche is advanced is enforced

**Business Day** means a day that is a London Business Day, a New York Business Day and a TARGET2 Business Day,

**Buy-To-Let Loans** mean those Loans on properties that are purchased for the purpose of letting,

**Calendar Year** means a year from the beginning of 1st January to the end of 31st December,

**Capitalised Arrears** means, in relation to a Loan at any date (the **determination date**), the amount (if any) at such date of any interest In Arrears in respect of which, at the determination date, each of the following conditions have been satisfied

- (a) the Seller has, by arrangement with the relevant Borrower, agreed to capitalise such interest In Arrears, and
- (b) such interest In Arrears has been capitalised and added, in the accounts of the Seller (or, if the determination date occurs after the Initial Closing Date, the Mortgages Trustee), to the principal amount outstanding in respect of such Loan,

**Cash Accumulation Ledger** means the separate ledger established for each Funding Company and maintained by the Cash Manager pursuant to the Cash Management Agreement to record the amount

accumulated by each Funding Company from time to time to pay the Relevant Accumulation Amounts,

**Cash Accumulation Ledger Amount** means, at any time, the amount standing to the credit of the Cash Accumulation Ledger at that time (in the case of an amount accumulated by Funding 1 on any Funding 1 Interest Payment Date immediately prior to any drawing to be applied on that Funding 1 Interest Payment Date and prior to any payment under item (c) in the Funding 1 Pre-Acceleration Principal Priority of Payments),

**Cash Accumulation Liability** means, on any Funding 1 Interest Payment Date prior to any payment under item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments, the aggregate of each Relevant Accumulation Amount at that time of each Scheduled Amortisation Instalment which is within a Cash Accumulation Period,

**Cash Accumulation Loan Tranche** means a Bullet Loan Tranche and/or a Scheduled Amortisation Tranche which is within a Cash Accumulation Period,

**Cash Accumulation Period** means the Funding 1 Cash Accumulation Period and/or each Further Funding Company Cash Accumulation Period,

**Cash Accumulation Requirement** means on a Trust Calculation Date in relation to a Funding Company

- (a) the principal amount remaining to be repaid in relation to each Relevant Accumulation Amount due to that Funding Company (without double counting),
- (b) plus, on a Trust Calculation Date falling immediately prior to a Funding Company Interest Payment Date, amounts due and payable by or which must be provisioned for by that Funding Company on the following Funding Company Interest Payment Date (or which will become due and payable in the current Funding Company Interest Period) in priority to principal amounts due by that Funding Company on the Relevant Accumulation Amount under the pre-acceleration principal priority(s) of payments relevant to that Funding Company (for example, in relation to Funding 1, see items (a), (b) and (c) of the Funding 1 Pre-Acceleration Principal Priority of Payments),
- (c) plus, on a Trust Calculation Date falling immediately prior to a Funding Company Interest Payment Date, the amount of Principal that will be required on the following Funding Company Interest Payment Date to meet the deficit in Funding Company Available Revenue Receipts (if any) in respect of that Funding Company,
- (d) less the amount standing to the credit of the Cash Accumulation Ledger of the relevant Funding Company at the last Funding Company Interest Payment Date (which amount was not distributed on that Funding Company Interest Payment Date and which is available to reduce the relevant Cash Accumulation Requirement), and
- (e) less the sum of each relevant Cash Accumulation Requirement amount paid to the relevant Funding Company on a previous Distribution Date during the relevant Funding Company Interest Period,

**Cash Accumulation Shortfall** means, at any time, that the Cash Accumulation Ledger Amount is less than the Cash Accumulation Liability,

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between Alliance & Leicester (and to which Santander UK acceded as Cash Manager

and Seller on the Part VII Effective Date), the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Cash Management Services** means the cash management services set out in the Cash Management Agreement,

**Cash Manager** means Santander UK acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, the Funding Companies and (following the service of an Intercompany Loan Acceleration Notice if the relevant Funding Security Trustee so requests) the Funding Security Trustees, *inter alia*, to manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, the Funding Companies and the Funding Security Trustees (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement),

**Cash Manager Termination Event** has the meaning given in clause 12.1 (Cash Manager Termination Events) of the Cash Management Agreement,

**Cash Withdrawal** means a cash withdrawal made by a Borrower in the amount of all or part of the accrued Overpayments,

**CCA** means the Consumer Credit Act 1974 (as amended from time to time),

**Certificate of Title** means a solicitor's, licensed conveyancer's or (in Scotland) qualified conveyancer's report or certificate of title obtained, in relation to Loans which are not advanced as part of the Seller's Mortgage Transfer Service, by or on behalf of the Seller in respect of each Property substantially in the form of the pro-forma set out in the Standard Documentation,

**Class A Notes**, in respect of the Issuer, has the same meaning as "Class A Notes" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer, has the same meaning as "Class A Notes" in the relevant New Issuer Master Definitions and Construction Schedule,

**Class B Notes** has the same meaning as "Class B Notes" in the Issuer Master Definitions and Construction Schedule and in respect of a New Issuer, has the same meaning as "Class B Notes" in the relevant New Issuer Master Definitions and Construction Schedule,

**Class Z Notes**, in respect of the Issuer, has the same meaning as "Class Z Notes" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer, has the same meaning as "Class Z Notes" in the relevant New Issuer Master Definitions and Construction Schedule,

**Closing Date** means the Initial Closing Date and any New Issuer Closing Date,

**Collection Accounts** means the collection accounts in the name of the Seller which are from time to time used for the purpose of collecting, directly or indirectly, on a daily basis, monies due in respect of the Loans and/or the Related Security forming part of the Trust Property and which will be transferred by the Servicer to the Mortgages Trustee GIC Account on the next Business Day,

**Common Safekeeper** means an ICSD in its capacity as a common safekeeper or a person nominated by the ICSDs to perform the role of common safekeeper,

**Completion** means the completion of the sale and purchase of the relevant Portfolio pursuant to and in accordance with clause 3 (Initial Closing Date) or 4 (Sale and Purchase of New Portfolios, Product Switches and Further Advances) (as applicable) of the Mortgage Sale Agreement,

**Conditions or Terms and Conditions** means the terms and conditions of the Issuer Notes and/or any New Notes, as the context requires,

**Contribution** means a contribution of certain assets made by a Beneficiary to the Mortgages Trustee from time to time by way of an Initial Contribution, a Deferred Contribution, a Refinancing Contribution, a Further Contribution or a Seller Contribution,

**Contributions Ledger** means the ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement in order to record Contributions made to the Mortgages Trustee pursuant to the Mortgages Trust Deed,

**Controlling Beneficiary Deed** means the controlling beneficiary deed entered into on the Initial Closing Date between the Mortgages Trustee, Funding 1, the Funding 1 Security Trustee and Alliance & Leicester (and to which Santander UK acceded on the Part VII Effective Date), to which any Further Funding Company and any Further Funding Security Trustee will accede at the time that such Further Funding Company becomes a Beneficiary of the Mortgages Trust (as the same may be amended, varied, restated, supplemented and/or novated from time to time),

**Controlling Directions** has the meaning given in the Controlling Beneficiary Deed,

**Convention** means the Modified Following Business Day Convention as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Associations,

**CPR** means on any Trust Calculation Date, the annualised principal repayment rate of all the Loans comprised in the Trust Property during the previous Trust Calculation Period calculated as follows

$$1 - ((1 - R) \wedge 12)$$

where "R" equals the result (expressed as a percentage) of the total Principal Receipts received during the period of one month (or, if shorter, from and including the Closing Date) ending on that Trust Calculation Date divided by the aggregate Outstanding Principal Balance of the Loans comprised in the Trust Property as at the first day of that period,

**Current Balance** means in relation to a Loan at any given date, the aggregate (without double counting) of the Outstanding Principal Balance, Accrued Interest and other amounts In Arrears relating to that Loan as at that date,

**Current Weighted Average LTV** has the meaning given in the Fitch Conditions,

**Customer Files** means the file or files relating to each Loan containing, *inter alia*

- (a) all material correspondence relating to that Loan, and
- (b) the completed mortgage documentation applicable to the Loan (other than the Title Deeds) including the Valuation Report and, in relation to Loans which are not advanced as part of the Seller's Mortgage Transfer Service, the solicitor's or licensed conveyancer's (or, in Scotland, qualified conveyancer's) Certificate of Title,

whether original documentation, electronic form or otherwise or information provided by such documentation stored on an electronic database,

**Data Controller** means the Mortgages Trustee,

**Data Processor** means the Servicer,

**Data Subject** has the same meanings as assigned to that term in the Data Protection Act 1998,

**Data Transfer Agreement** means the data transfer agreement entered into on the Initial Closing Date between the Seller and the Mortgages Trustee (as same may be amended, varied, restated, supplemented and/or novated from time to time),

**D.D. Date** means the date of delivery to the Mortgages Trustee Account Bank or BACS (as the case may be) of such instructions as may be necessary from time to time for the debit of a Borrower's account in respect of which there is a direct debit mandate,

**Deed of Accession** means a form of deed of accession to the Funding 1 Deed of Charge substantially in the form set out in schedule 3 to the Funding 1 Deed of Charge,

**Deed of Consent** means a deed whereby a person in or intended to be in occupation of a Property situated in England and Wales or Northern Ireland agrees with the Seller to postpone his or her interest (if any) in the Property so that it ranks after the interest created by the relevant Mortgage,

**Deed of Postponement** means a deed or agreement whereby a mortgagee of or the heritable creditor in relation to a Property agrees with the Seller to postpone its mortgage or standard security (as applicable) over the Property so that the sums secured by it will rank for repayment after the sums secured by the relevant Mortgage,

**Deferred Contribution** means a Contribution by way of cash payable pursuant to the terms of the Mortgages Trust Deed, by a Funding Company and in respect of the share of that Funding Company in the Trust Property for the purposes of enabling the Mortgages Trustee to fund the payment of the Deferred Purchase Price owed by the Mortgages Trustee, pursuant to the terms of the Mortgage Sale Agreement, to the Seller in respect of the Portfolio,

**Deferred Distribution Date** means each date that the Mortgages Trustee receives the payment of a Deferred Contribution,

**Deferred Purchase Price** means on any Funding 1 Interest Payment Date, an amount equal to any Deferred Contributions made by a Funding Company to the Mortgages Trustee in accordance with the terms of the Mortgages Trust Deed,

**Dematerialised Loan** means a Loan completed after 13 October 2003 in relation to which the Seller does not retain Title Deeds,

**Differential Rate** means, in relation to a Base Rate Loan or a Discount Loan, the applicable margin above or below the Base Rate or Variable Rate,

**Direct Debiting Scheme** the scheme for the manual or automated debiting of bank accounts operated in accordance with the detailed rules of certain members of the Association for Payment Clearing Services,

**Discount Loans** means those Loans that allow the Borrower to pay interest at a specified discount to the relevant Variable Rate for a certain period,

**Discount Rate Period** means the period of time during which a Discount Loan is subject to a rate of interest at a specified discount to the applicable Variable Rate,

**Distribution Date** means the day falling four Business Days after each Trust Calculation Date, being the date that the Mortgages Trustee will distribute Principal Receipts and Revenue Receipts to the Beneficiaries,

**Double Taxation Treaty** means any convention between the government of the United Kingdom and any other government for the avoidance of double taxation,

**DPA** means Data Protection Act 1998 (as amended from time to time),

**Drawdown Date** means the date on which a Loan Tranche under the Intercompany Loan Agreement is made to Funding 1 as specified in the relevant Intercompany Loan Confirmation (including, for the avoidance of doubt, the date on which the principal amount of any such Loan Tranche is increased pursuant to the issue of any Further Securities),

**Early Repayment Charges** means any fee which a Borrower is required to pay in the event that the Borrower is in default or his or her Loan becomes repayable for any other mandatory reason or the Borrower repays all or any part of the relevant Loan before a specified date,

**Encumbrance** has the same meaning as **Security Interest**,

**Enforcement Procedures** means the procedures for the enforcement of Mortgages undertaken by the Servicer from time to time in accordance with the Seller's Policy,

**English Loan** means a Loan which is secured by an English Mortgage,

**English Mortgage** means a Mortgage secured over a Property in England or Wales,

**Excluded Further Advance** means all Loans subject of a Further Advance that are or are to be repurchased (including, for the avoidance of doubt, the relevant Further Advance) by the Seller pursuant to clause 8 4(f) (Warranties and Repurchase by the Seller) of the Mortgage Sale Agreement,

**Excluded Further Advance Notice** means a notice from the Seller to the Mortgages Trustee pursuant to clause 8 4(f) (Warranties and Repurchase by the Seller) of the Mortgage Sale Agreement in the form set out in schedule 20 to the Mortgage Sale Agreement,

**Excluded Product Switch** means all Loans subject of a Product Switch that are or are to be repurchased by the Seller pursuant to clause 8 4(g) (Warranties and Repurchase by the Seller) of the Mortgage Sale Agreement,

**Excluded Product Switch Notice** means a notice from the Seller to the Mortgages Trustee pursuant to clause 8 4(g) (Warranties and Repurchase by the Seller) of the Mortgage Sale Agreement in the form set out in schedule 21 to the Mortgage Sale Agreement,

**Exhibit** means the exhibit to the Mortgage Sale Agreement which sets out details of the Provisional Initial Portfolio and the Standard Documentation,

**Extraordinary Resolution** has the meaning given in the relevant Note Trust Deed,

**FCA** means the Financial Conduct Authority of the United Kingdom (previously known as the Financial Services Authority until 1 April 2013) or such successor or replacement authority,

**FCA Rules** means the rules made by the FCA under the FSMA,

**Fifth Accession and Amendment Deed** means the deed pursuant to which the 2011-1 Issuer and the 2011-1 Funding Start-up Loan Provider acceded to the Funding 1 Deed of Charge and the parties thereto agreed to amend the Funding 1 Deed of Charge,

**Fifth New Portfolio** means the New Portfolio sold by the Seller to the Mortgages Trustee pursuant to the Fifth New Portfolio Notice on the Fifth New Portfolio Sale Date,

**Fifth New Portfolio Notice** means the New Portfolio Notice delivered by the Seller to the Mortgages Trustee on the Fifth New Portfolio Sale Date pursuant to which the Mortgages Trustee purchased New Loans and their Related Security,

**Fifth New Portfolio Sale Date** means on or about 12 October 2010,

**Final Maturity Date** means, in respect of a Class of Notes, the date specified as such for such Class of Notes in the relevant Conditions and, in relation to the Issuer Notes, the Issuer Master Definitions and Construction Schedule and, in relation to any New Notes, the relevant New Issuer Master Definitions and Construction Schedule,

**Final Repayment Date** means, in relation to a Loan Tranche advanced by the Issuer, the date specified as such in the Issuer Intercompany Loan Confirmation and/or the Issuer Master Definitions and Construction Schedule and, in relation to a Loan Tranche advanced by a New Issuer, the date specified as such in the relevant Intercompany Loan Confirmation and/or the relevant New Issuer Master Definitions and Construction Schedule,

**First Accession and Amendment Deed** means the deed pursuant to which Langton Securities (2008-2) plc acceded to the Funding 1 Deed of Charge and the parties thereto agreed to amend the Funding 1 Deed of Charge,

**First New Portfolio** means the first New Portfolio sold by the Previous Seller to the Mortgages Trustee pursuant to the First New Portfolio Notice on the First New Portfolio Sale Date,

**First New Portfolio Cut-off Date** means 19 May 2008,

**First New Portfolio Notice** means the New Portfolio Notice delivered by the Previous Seller to the Mortgages Trustee on the First New Portfolio Sale Date pursuant to which the Mortgages Trustee purchased New Loans and their Related Security,

**First New Portfolio Sale Date** means 9 June 2008,

**Fitch** means Fitch Ratings Limited and any successor to its ratings business,

**Fitch Conditions** means, collectively, that on the relevant Sale Date

- (i) the **Original Weighted Average LTV** (calculated in the manner agreed with Fitch from time to time) of the Loans in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, cannot be more than the original weighted average LTV at the most recent Closing Date plus 3% The Outstanding Principal Balance (for Flexible Loans, the maximum drawable amount) and the property valuation at the relevant origination date, in each case in respect of such Loan, shall be used in the calculation of original weighted average LTV,
- (ii) the **Current Weighted Average LTV** (calculated in the manner agreed with Fitch from time to time) of the Loans in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, not taking into account any indexation, cannot be more than the current weighted average LTV at the most recent Closing Date plus 2% The Outstanding Principal Balance (for Flexible Loans, the maximum drawable amount) and the most recent property valuation at the relevant Sale Date, in each case in respect of such Loan, shall be used in the calculation of current weighted average LTV,

- (iii) the **Weighted Average Income Multiple** (calculated in the manner agreed with Fitch from time to time) of the Loans in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, cannot be more than weighted average income multiple at the most recent Closing Date plus 0.5%, and
- (iv) the proportion of Loans with an **Original LTV** (calculated in the manner agreed with Fitch from time to time) higher than 80% in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, cannot be more than the proportion of Loans with an original LTV higher than 80% at the most recent Closing Date plus 0.5%,

as the same may be amended by Fitch from time to time,

**Fixed Rate Loan Balance** has the meaning given in the Funding 1 Swap Agreement,

**Fixed Rate Loans** means those Loans to the extent that and for such time that the interest rate payable by the Borrower on all or part of the Outstanding Principal Balance does not vary and is fixed for a certain period of time by the Seller,

**Fixed Rate Period** means the period of time during which a Fixed Rate Loan is subject to a specified fixed rate of interest,

**Fixed Rate Spread** has the meaning given in the Funding 1 Swap Agreement,

**Flexible Draw Capacity** has the meaning given in clause 12.2 (Fluctuation of Minimum Seller Share on each Trust Calculation Date) of the Mortgages Trust Deed,

**Fourth Accession and Amendment Deed** means the deed pursuant to which the 2010-2 Issuer and the 2010-2 Funding 1 Start-Up Loan Provider acceded to the Funding 1 Deed of Charge and the parties thereto agreed to amend the Funding 1 Deed of Charge,

**Fourth New Portfolio** means the New Portfolio sold by the Seller to the Mortgages Trustee pursuant to the Fourth New Portfolio Notice on the Fourth New Portfolio Sale Date,

**Fourth New Portfolio Cut-off Date** means 31 July 2010,

**Fourth New Portfolio Notice** means the New Portfolio Notice delivered by the Seller to the Mortgages Trustee on the Fourth New Portfolio Sale Date pursuant to which the Mortgages Trustee purchased New Loans and their Related Security,

**Fourth New Portfolio Sale Date** means 1 October 2010,

**Flexible Loans** means a type of Loan product that may, *inter alia*, incorporate features that give the Borrower the option to make Overpayments and, from the credit accumulated on the flexible facility by virtue of such Overpayments, make Underpayments or take Payment Holidays or make Cash Withdrawals,

**FSA** means the UK Financial Services Authority or any successor authority or authorities (as appropriate),

**FSMA 2000** or **FSMA** means the Financial Services and Markets Act 2000 (as amended from time to time),

**Funding 1** means Langton Funding (No 1) Limited (registered number 6432610), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

**Funding 1 Account Bank** means the bank at which the Funding 1 Bank Accounts are maintained from time to time (being, on or about the Part VII Effective Date, Santander UK acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN, and, thereafter, such other replacement account bank as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement),

**Funding 1 Account Bank Ratings** means (i) a short term, unsecured, unsubordinated debt and unguaranteed debt obligation ratings of at least P-1 Moody's and (ii) short-term and long-term "Issuer Default Ratings" of at least F1 and A (respectively) by Fitch (or such other ratings as may be acceptable to the respective Rating Agencies),

**Funding 1 Accounts** has the same meaning as Funding 1 Bank Accounts,

**Funding 1 Agreements** means each of the agreements to which Funding 1 is a party (as the same may be amended, varied, restated, supplemented, and/or novated from time to time) including (but not limited to) the Master Definitions and Construction Schedule, the Servicing Agreement, the Mortgages Trust Deed, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Corporate Services Agreement, the Secretarial Services Agreement, each Intercompany Loan Agreement, the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Funding 1 Start-up Loan Agreement, the Mortgages Trustee Bank Account Agreement, the Mortgage Sale Agreement, each Scottish Declaration of Trust, the Seller Power of Attorney, the Funding 1 Security Power of Attorney and all other agreements referred to therein or otherwise referred to as "Funding 1 Agreements" in each Deed of Accession entered into by, *inter alios*, Funding 1 and the Funding 1 Security Trustee, from time to time,

**Funding 1 Anticipated Cash Accumulation Period** means, on any Trust Calculation Date in relation to a Bullet Loan Tranche or a Scheduled Amortisation Loan Tranche, the anticipated number of months required by Funding 1 to accumulate sufficient Principal Receipts to pay the Relevant Accumulation Amount of Funding 1, which will be equal to

$$\frac{J + K - L}{M \times N \times O}$$

calculated in months and rounded up to the nearest whole number, where

J = the Relevant Accumulation Amount,

K = the aggregate Outstanding Principal Amount on that Trust Calculation Date of

- (a) each Cash Accumulation Loan Tranche made to Funding 1 that was not fully repaid on its Scheduled Repayment Date, and
- (b) each other Cash Accumulation Loan Tranche made to Funding 1, the Scheduled Repayment Date of which falls on or before the Scheduled Repayment Date of the Relevant Accumulation Amount,

L = the amount of any available cash already standing to the credit of the Cash Accumulation Ledger of Funding 1 at the start of that Funding 1 Interest Period (which is available to pay

the Relevant Accumulation Amount) plus the aggregate amount of Cash Accumulation Requirement paid to Funding 1 since the previous Funding 1 Interest Payment Date,

M = the sum of each Monthly CPR on the 12 most recent Trust Calculation Dates which have occurred prior to that date divided by 12;

N = 0.85, and

O = the aggregate Current Balance of the Loans comprised in the Trust Property as calculated on the previous Trust Calculation Date in respect of the previous Trust Calculation Period (or, if applicable, the Initial Closing Date),

**Funding 1 Available Principal Receipts** means on the day falling one Business Day prior to each Funding 1 Interest Payment Date, an amount equal to the sum of

- (a) all Mortgages Trust Available Principal Receipts received by Funding 1 during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date,
- (b) subject to (c) below, all other Funding 1 Principal Receipts standing to the credit of the Cash Accumulation Ledger which are to be applied on the next Funding 1 Interest Payment Date to repay a Scheduled Amortisation Instalment and/or a Bullet Loan Tranche made to Funding 1 or to make a payment under items (a), (b) and (c) of the Funding 1 Pre-Acceleration Principal Priority of Payments,
- (c) if such Funding 1 Interest Payment Date occurs on or after a Trigger Event, all Funding 1 Issuer Allocable Principal Receipts standing to the credit of the Cash Accumulation Ledger, and
- (d) any amounts standing to the credit of the Funding 1 Principal Ledger (other than amounts standing to the credit of the Funding 1 Cash Accumulation Ledger after application in accordance with paragraph (b) or (c) above (as applicable))

**Funding 1 Available Revenue Receipts** means for each Funding 1 Interest Payment Date, an amount calculated on the day falling one Business Day prior to such Funding 1 Interest Payment Date, and equal to the sum of

- (a) all Mortgages Trust Available Revenue Receipts distributed or to be distributed to Funding 1 during the Funding 1 Interest Period ending on the Funding 1 Interest Payment Date,
- (b) other income of Funding 1 (including all amounts of interest received on the Funding 1 GIC Account, the Funding 1 Transaction Account and/or Authorised Investments and all net amounts received by Funding 1 under the Funding 1 Swap Agreement (other than any early termination amount received by Funding 1 under the Funding 1 Swap Agreement to the extent used to purchase any replacement Funding 1 swap agreement), in each case to be received during the Funding 1 Interest Period ending on the Funding 1 Interest Payment Date,
- (c) the amounts then standing to the credit of the Funding 1 Reserve Ledger subject to any limits or conditions on the purposes for which the Funding 1 Reserve Fund may be utilised as set out in the Funding 1 Deed of Charge, and
- (d) any amounts received by Funding 1 from a Funding 1 Issuer in repayment of all or part of the amount standing to the credit of a Funding 1 Issuer Liquidity Reserve

The definition of Funding 1 Available Revenue Receipts does not include

- (a) any Refinancing Contribution which is applied to reduce the Funding 1 Share during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date, and
- (b) the proceeds of any New Intercompany Loan received by Funding 1 during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date,

**Funding 1 Bank Account Agreement** means the agreement entered into on the Initial Closing Date between Alliance & Leicester (and to which Santander UK acceded as the Funding 1 Account Bank on or about the Part VII Effective Date), Funding 1, the Cash Manager and the Funding 1 Security Trustee which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Funding 1 Bank Accounts** means the Funding 1 GIC Account, the Funding 1 Collateral Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time,

**Funding 1 Calculation Date** means the day falling one Business Day prior to each Funding 1 Interest Payment Date,

**Funding 1 Cash Accumulation Period** means (unless otherwise specified in the relevant Intercompany Loan Confirmation), in relation to a Scheduled Amortisation Loan Tranche, 3 months and, in respect of a Bullet Loan Tranche, the period of time beginning on the earlier of the following two dates

- (a) the date determined after counting back the number of months calculated under the definition of Funding 1 Anticipated Cash Accumulation Period for such Loan Tranche,
- (b) the date determined after counting back 3 months or any longer period specified in the Intercompany Loan Confirmation for such Loan Tranche from the relevant Scheduled Repayment Date,

provided that, if the beginning of a Funding 1 Cash Accumulation Period as determined above would fall on a date which is not a Distribution Date, then the Funding 1 Cash Accumulation Period shall commence on the Distribution Date falling immediately before that date. A Funding 1 Cash Accumulation Period shall end in respect of a Relevant Accumulation Amount when Funding 1 has accumulated an amount equal to that particular Relevant Accumulation Amount

**Funding 1 Charged Property** means all of the undertakings and all property and assets charged by Funding 1 under and pursuant to the Funding 1 Deed of Charge (and any supplement thereto),

**Funding 1 Collateral Account** means the collateral account in the name of Funding 1 held at the Funding 1 Account Bank,

**Funding 1 Corporate Services Agreement** means the agreement dated the Initial Closing Date between the Funding 1 Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester (and to which Santander UK acceded on the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Funding 1 Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Funding 1 Corporate Services Fee Letter** means the letter dated the date of the Funding 1 Corporate Services Agreement between, *inter alios*, Funding 1, Holdings, the Funding 1 Security

Trustee and the Funding 1 Corporate Services Provider, setting out the amount of fees payable to the Funding 1 Corporate Services Provider by Funding 1,

**Funding 1 Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 under the Funding 1 Corporate Services Agreement,

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between Funding 1, the Issuer, Alliance & Leicester (and to which Santander UK acceded as the Funding 1 Account Bank, the Seller, the Cash Manager, the Funding 1 Swap Provider, the Funding 1 Corporate Services Provider (in each of its capacities) and the Secretarial Services Provider on the Part VII Effective Date), the Mortgages Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and each Deed of Accession entered into pursuant thereto, as the same may be amended, restated, varied, supplemented from time to time (including on 29 April 2016 pursuant to the Eighth Amendment Deed to the Funding 1 Deed of Charge),

**Funding 1 Determination Date** means the Funding 1 Interest Payment Date on which the relevant Funding 1 Interest Period commences or, in the case of the first Funding 1 Interest Period, the Initial Closing Date,

**Funding 1 GIC Account** means the account in the name of Funding 1 (sort code 72-01-00) held at the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place with the prior consent of the Funding 1 Security Trustee,

**Funding 1 GIC Account Mandate** means the bank account mandate between Funding 1 and the Funding 1 Account Bank relating to the operation of the Funding 1 GIC Account,

**Funding 1 GIC Balance** means, on any day during a Funding 1 Interest Period, the amount standing to the credit of the Funding 1 GIC Account as at the opening of business on such day,

**Funding 1 GIC Rate** means the rate of interest accruing on the balance standing to the credit of the Funding 1 GIC Account equal to a variable rate of 0.10 per cent per annum below LIBOR for three-month sterling deposits,

**Funding 1 Interest Payment Date** means (i) the 18<sup>th</sup> day of March, June, September and December in each calendar year (or, if such day is not a Business Day, the next succeeding Business Day) or (ii) (following certification by Funding 1 or the Cash Manager, as the case may be, to the Funding 1 Security Trustee in accordance with clause 12.1(d) (Modification) of the Funding 1 Deed of Charge from the date specified by Funding 1 or the Cash Manager, as the case may be, to the Funding 1 Security Trustee in such certificate as the effective date for the modification of the definition of Funding 1 Interest Payment Date pursuant thereto) the 18th day of each month in each year or any other day in each month of each calendar year specified in such certificate (or, if such day is not a Business Day, the next succeeding Business Day),

**Funding 1 Interest Period** means, in respect of a Loan Tranche, with respect to the first Funding 1 Interest Payment Date, the period from (and including) the applicable Loan Tranche Interest Commencement Date to (but excluding) such first Funding 1 Interest Payment Date and, thereafter, the period from (and including) the preceding Funding 1 Interest Payment Date to (but excluding) that Funding 1 Interest Payment Date,

**Funding 1 Issuers** means the Issuer and any New Issuer that has entered into an Intercompany Loan Agreement with Funding 1,

**Funding 1 Issuer Account Bank**, in respect of the Issuer, has the same meaning as "Issuer Account Bank" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Account Bank" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Allocable Principal Receipts** has the meaning found in Rule (1) of the Funding 1 Pre-Acceleration Principal Priority of Payments as set out in part 2 of schedule 4 to the Funding 1 Deed of Charge or, as applicable, Rule (4) of the Funding 1 Post-Acceleration Priority of Payments as set out in part 3 of schedule 4 to the Funding Deed of Charge,

**Funding 1 Issuer Allocable Revenue Receipts** means, subject to Rule 4 of the Funding 1 Pre-Acceleration Revenue Priority of Payments and to Rule (3) of the Funding 1 Post-Acceleration Priority of Payments, for each Funding 1 Interest Payment Date, an amount calculated on the day falling one London Business Day prior to such Funding 1 Interest Payment Date based on the Outstanding Principal Amounts of the Intercompany Loans of each Funding 1 Issuer on the immediately preceding Funding 1 Interest Payment Date (or, in respect of the first Funding 1 Interest Payment Date, on the Closing Date) (following the application of Funding 1 Available Principal Receipts on such Funding 1 Interest Payment Date) and will be an amount (not less than zero) for

$$\begin{array}{lcl}
 \text{(Funding 1 Available Revenue Receipts – R)} & \times & \text{Outstanding Principal Amount of the} \\
 & & \text{Intercompany Loan of such Funding 1} \\
 & & \text{Issuer} \\
 & & \hline
 & & \text{aggregate Outstanding Principal} \\
 & & \text{Amount of all the Intercompany Loans} \\
 & & \text{of all Funding 1 Issuers}
 \end{array}$$

each Funding 1 Issuer calculated by reference to the following formula

where R = the sum of items (a), (b), and (c) of the Funding 1 Pre-Acceleration Revenue Priority of Payments or, as applicable, the sum of items (a), (b) and (c) of the Funding 1 Post-Acceleration Priority of Payments,

**Funding 1 Issuer Deed of Charge**, in respect of the Issuer, has the same meaning as "Issuer Deed of Charge" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Deed of Charge" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Liquidity Reserve**, in respect of the Issuer, has the same meaning as "Issuer Liquidity Reserve" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Liquidity Reserve" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Liquidity Reserve Fund**, in respect of the Issuer, has the same meaning as "Issuer Liquidity Reserve Fund" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Liquidity Reserve Fund" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Liquidity Reserve Fund Ledger**, in respect of the Issuer, has the same meaning as "Issuer Liquidity Reserve Fund Ledger" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Liquidity Reserve Fund Ledger" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Liquidity Reserve Required Amount**, in respect of the Issuer, has the same meaning as "Issuer Liquidity Reserve Required Amount" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Liquidity Reserve Required Amount" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Note Trustee** means the Issuer Note Trustee and any New Issuer Note Trustee,

**Funding 1 Issuer Note Trust Deed**, in respect of the Issuer, has the same meaning as "Issuer Note Trust Deed" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Note Trust Deed" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Post-Asset Trigger Event Principal Priority of Payments**, in respect of the Issuer, has the same meaning as "Issuer Post-Enforcement Priority of Payments" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Post-Enforcement Priority of Payments" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Post-Enforcement Priority of Payments**, in respect of the Issuer, has the same meaning as "Issuer Post-Enforcement Priority of Payments" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Post-Enforcement Priority of Payments" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Post-Reserve Payments**, in respect of the Issuer, has the same meaning as "Issuer Post-Reserve Payments" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Post-Reserve Priority of Payments" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Pre-Acceleration Revenue Priority of Payments**, in respect of the Issuer, has the same meaning as "Issuer Pre-Acceleration Revenue Priority of Payments" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Pre-Acceleration Revenue Priority of Payments" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Pre-Enforcement Principal Priority of Payments**, in respect of the Issuer, has the same meaning as "Issuer Pre-Enforcement Principal Priority of Payments" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Pre-Enforcement Principal Priority of Payments" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Pre-Reserve Payments**, in respect of the Issuer, has the same meaning as "Issuer Pre-Reserve Payments" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Pre-Reserve Payments" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Principal Deficiency Ledger**, in respect of the Issuer, has the same meaning as "Principal Deficiency Ledger" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Principal Deficiency Ledger" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Principal Priority of Payments**, in respect of the Issuer, has the same meaning as "Issuer Principal Priority of Payments" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Principal Priority of Payments" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Principal Receipts**, in respect of the Issuer, has the same meaning as "Issuer Principal Receipts" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Principal Receipts" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Priority of Payments**, in respect of the Issuer, has the same meaning as "Issuer Priority of Payments" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Priority of Payments" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Reserve Fund**, in respect of the Issuer, has the same meaning as "Issuer Reserve Fund" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Reserve Fund" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Reserve Fund Ledger**, in respect of the Issuer, has the same meaning as "Issuer Reserve Fund Ledger" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Reserve Fund Ledger" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Reserve Required Amount**, in respect of the Issuer, has the same meaning as "Issuer Reserve Required Amount" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Reserve Required Amount" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Reserve Fund Level** means, in respect of a Funding 1 Issuer, the level of its Issuer Reserve Fund,

**Funding 1 Issuer Reserve Principal Payments**, in respect of the Issuer, has the same meaning as "Issuer Reserve Principal Payments" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Reserve Principal Payments" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Revenue Receipts**, in respect of the Issuer, has the same meaning as "Issuer Revenue Receipts" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Revenue Receipts" in the relevant New Issuer Master Definitions and Construction Schedule,

**Funding 1 Issuer Secured Creditors** means, in respect of the Issuer, the parties (excluding the Issuer) to the Issuer Deed of Charge and, in respect of each New Issuer, the parties (excluding that New Issuer) to the New Issuer Deed of Charge,

**Funding 1 Issuer Security Trustee** means such person or companies as may from time to time be appointed as a security trustee (or co-trustee) pursuant to the terms of a Funding 1 Issuer Deed of Charge,

**Funding 1 Ledgers** means the Funding 1 Principal Ledger, the Funding 1 Revenue Ledger, the Funding 1 Reserve Ledger, the Intercompany Loan Ledger and the Cash Accumulation Ledger together with each sub-ledger thereof and such other ledgers as the Cash Manager determines are, or should be maintained to record the cashflows of Funding 1,

**Funding 1 Loan Tranches** means the separate Loan Tranches advanced by a Funding 1 Issuer to Funding 1 pursuant to an Intercompany Loan Agreement and identified therein, in each case funded from proceeds received by the relevant Funding 1 Issuer from the issue of a Class of Notes,

**Funding 1 Minimum Cash Accumulation Period** means the anticipated number of months required to accumulate sufficient Principal Receipts to pay the Relevant Accumulation Amount,

**Funding 1 Post-Acceleration Priority of Payments** means the order of priority in which, following acceleration of the Intercompany Loan, the Cash Manager or, following enforcement of any Funding 1 Security, the Funding 1 Security Trustee will apply all monies following an Intercompany Loan Event of Default and enforcement of the Funding 1 Security (as set out in Part 3 of schedule 4 to the Funding 1 Deed of Charge),

**Funding 1 Post-Reserve Payments**, in respect of the Issuer, has the same meaning as "Issuer Post-Reserve Payments" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer that makes an Intercompany Loan to Funding 1, has the same meaning as "Issuer Post-Reserve Payments" in the relevant New Issuer's Issuer Master Definitions and Construction Schedule,

**Funding 1 Pre-Acceleration Principal Priority of Payments** means the order in which, prior to acceleration of the Intercompany Loan, the Cash Manager will apply the Funding 1 Available Principal Receipts on each Funding 1 Interest Payment Date, as set out in part 2 of schedule 4 to the Funding 1 Deed of Charge,

**Funding 1 Pre-Acceleration Revenue Priority of Payments** means the order of priority in which Funding 1 Available Revenue Receipts will be applied prior to the acceleration of the Intercompany Loan as set out in part 1 of schedule 4 to the Funding 1 Deed of Charge,

**Funding 1 Principal Funds** means, in respect of any Funding 1 Interest Payment Date

- (a) the aggregate of the following for each Trust Calculation Period which has ended in the period from the previous Funding 1 Interest Payment Date to the most recent Trust Calculation Date, such amount being the product of
  - (i) the Funding 1 Share Percentage or, as applicable, the Weighted Average Funding 1 Share (Principal) Percentage, as calculated at the start of the relevant Trust Calculation Period, and
  - (ii) the aggregate amount of Principal Receipts received by the Mortgages Trustee during the relevant Trust Calculation Period,
- (b) the amount credited to the Funding 1 Principal Deficiency Ledger on the relevant Funding 1 Interest Payment Date, and
- (c) the amount, if any, credited to the Funding 1 Principal Ledger pursuant to item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments on the immediately preceding Funding 1 Interest Payment Date,

**Funding 1 Principal Ledger** means the ledger on which receipts and payments of Funding 1 Principal Receipts will be recorded by the Cash Manager,

**Funding 1 Principal Receipts** means the Principal Receipts paid by the Mortgages Trustee to Funding 1 on each Distribution Date,

**Funding 1 Priority of Payments** means, as applicable, the Funding 1 Pre-Acceleration Principal Priority of Payments, the Funding 1 Pre-Acceleration Revenue Priority of Payments and/or the Funding 1 Post-Acceleration Principal Priority of Payments,

**Funding 1 Reserve Fund** means the reserve fund of Funding 1 established on the Initial Closing Date which will be funded and replenished, *inter alia*, in accordance with the terms of the Funding 1 Pre-Acceleration Revenue Priority of Payments,

**Funding 1 Reserve Ledger** means the ledger established and maintained by the Cash Manager pursuant to the Cash Management Agreement to record the amount credited to the Funding 1 Reserve Fund from the proceeds of a portion of each Funding 1 Start-up Loan and other withdrawals and deposits or credits in respect of the Funding 1 Reserve Fund,

**Funding 1 Reserve Required Amount** means, as at the Initial Closing Date, the sum of £10,000,000 and thereafter shall mean such amount as notified by the Seller to Funding 1, the Mortgages Trustee and the Issuers and as notified by the Issuers to the Noteholders in accordance with the Conditions,

**Funding 1 Revenue Ledger** means the ledger on which the Cash Manager will record all monies received by Funding 1 from the Mortgages Trustee on each Distribution Date other than the Funding 1 Principal Receipts, together with interest received on its Authorised Investments or pursuant to the Funding 1 Bank Account Agreement,

**Funding 1 Revenue Receipts** means the Funding 1 Share of Mortgages Trust Available Revenue Receipts received by Funding 1 from the Mortgages Trustee on each Distribution Date

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, the Funding 1 Account Bank, the Issuer, the Seller, the Mortgages Trustee, the Funding 1 Corporate Services Provider, the Secretarial Services Provider, the PECO Corporate Services Provider, the Holdings Corporate Services Provider, each Funding 1 Start-up Loan Provider and such other creditors of Funding 1 who may accede to the Funding 1 Deed of Charge from time to time pursuant to a Deed of Accession (including, for the avoidance of doubt, any New Issuer),

**Funding 1 Secured Obligations** means any and all of the monies, obligations and liabilities and all other amounts due, owing, payable or owed by Funding 1 to the Funding 1 Secured Creditors under and pursuant to the Funding 1 Agreements and references to Funding 1 Secured Obligations includes references to any of them,

**Funding 1 Security** means the security granted by Funding 1 to the Funding 1 Security Trustee under and pursuant to the terms of the Funding 1 Deed of Charge,

**Funding 1 Security Period** means the period beginning on the date of the Funding 1 Deed of Charge and ending on the date on which all the Funding 1 Secured Obligations have been unconditionally and irrevocably paid and discharged in full,

**Funding 1 Security Power of Attorney** means the power of attorney in the form of schedule 5 of the Funding 1 Deed of Charge,

**Funding 1 Security Trustee** means Citicorp Trustee Company Limited acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or such other persons or companies as may from time to time be appointed as Funding 1 Security Trustee (or co-trustee) pursuant to the term of the Funding 1 Deed of Charge,

**Funding 1 Share** means, prior to the first Trust Calculation Date, the Initial Funding 1 Share and thereafter means the amount as determined in accordance with clause 11 3 (Funding 1 Share) of the Mortgages Trust Deed,

**Funding 1 Share Ledger** means the ledger to be maintained by the Cash Manager in accordance with the Cash Management Agreement to record the current Funding 1 Share and the current Funding 1 Share Percentage,

**Funding 1 Share Percentage** means, prior to the first Trust Calculation Date, the Initial Funding 1 Share Percentage and thereafter means the percentage share of Funding 1 in the Trust Property from time to time as determined in accordance with clause 11 2 (Funding 1 Share Percentage) of the Mortgages Trust Deed,

**Funding 1 Start-Up Loan Agreement** means the agreement entered into on the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Funding 1 Start-Up Loan Agreements** means collectively the Funding 1 Start-Up Loan Agreement and each New Funding 1 Start-Up Loan Agreement from time to time,

**Funding 1 Start-Up Loan Provider** means Langton Securities (2008-1) plc in its capacity as lender pursuant to the Funding 1 Start-Up Loan Agreement entered into on the Initial Closing Date,

**Funding 1 Start-Up Loan Providers** means collectively the Funding 1 Start-Up Loan Provider and each New Funding 1 Start-Up Loan Provider from time to time,

**Funding 1 Swap** means each swap documented under the Funding 1 Swap Agreement which enables Funding 1 to hedge against the possible variance between the Mortgages Trustee variable Rate payable on the Variable Rate Loans, the fixed rates of interest payable on the Fixed rate Loans and the rates of interest payable on the Base Rate Loans and a LIBOR based rate for three-month Sterling deposits,

**Funding 1 Swap Agreement** means the ISDA Master Agreement, credit support annex and Schedule relating to the Funding 1 Swap entered into on or before the Initial Closing Date and any confirmations thereunder from time to time between Funding 1 and Alliance & Leicester (and to which Santander UK acceded as the Funding 1 Swap Provider on the Part VII Effective Date) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Funding 1 Swap Excluded Termination Amount** means in relation to the Funding 1 Swap Agreement an amount equal to

- (a) the amount of any termination payment due and payable to the Funding 1 Swap Provider as a result of a Funding 1 Swap Provider Default or following a Funding 1 Swap Provider Downgrade Termination Event or where the Funding 1 Swap Provider is the sole affected party as specified in the Funding 1 Swap Agreement,

less

- (b) the amount, if any, received by Funding 1 from a replacement swap provider upon entry by Funding 1 into an agreement with such replacement swap provider to replace the Funding 1 Swap Agreement which has terminated as a result of such Funding 1 Swap Provider Default or following the occurrence of such Funding 1 Swap Provider Downgrade Termination Event,

**Funding 1 Swap Provider** means Santander UK acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement and/or any replacement Funding 1 Swap Provider appointed in accordance with the Funding 1 Swap Agreement,

**Funding 1 Swap Provider Default** means the occurrence of an Event of Default (as defined in the Funding 1 Swap Agreement) where the Funding 1 Swap Provider is the Defaulting Party (as defined in the Funding 1 Swap Agreement),

**Funding 1 Swap Provider Downgrade Termination Event** means the occurrence of an Additional Termination Event (as defined in the Funding 1 Swap Agreement) following the failure by the Funding 1 Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the Funding 1 Swap Agreement,

**Funding 1 Transaction Account** means the account in the name of Funding 1 (sort code 72-01-00) held with the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such other account as may for the time being be in place with the prior consent of the Funding 1 Security Trustee and designated as such,

**Funding 1 Transaction Account Mandate** means the bank account mandate between Funding 1 and the Funding 1 Account Bank relating to the operation of the Funding 1 Transaction Account,

**Funding 1 Transaction Documents** has the same meaning as **Funding 1 Agreements**,

**Funding Companies** means Funding 1 and each Further Funding Company (if any),

**Funding Company Available Revenue Receipts** means Funding 1 Available Revenue Receipts and each Further Funding Company's available revenue receipts, as the context may require,

**Funding Company Deed of Charge** means the Funding 1 Deed of Charge and each Further Funding Company Deed of Charge (if any),

**Funding Company Initial Closing Date** means the date that the relevant Funding Company enters into a New Intercompany Loan Agreement or (directly or indirectly) raises any other indebtedness,

**Funding Company Interest Periods** means the Funding 1 Interest Period and the interest period of each Further Funding Company,

**Funding Company Loan Tranche** means any Loan Tranche made to a Funding Company,

**Funding Company Interest Payment Dates** means the Funding 1 Interest Payment Date and the interest payment date of each Further Funding Company,

**Funding Proportion** has the meaning given in clause 11.6 (Adjustments to Trust Property) of the Mortgages Trust Deed,

**Funding Security Trustees** means the Funding 1 Security Trustee and the security trustee of each Further Funding Company (if any),

**Further Advance** means an advance made following a request from an existing Borrower for a further amount to be lent to him or her under his or her Mortgage, where Santander UK has a discretion as to whether to accept that request,

**Further Contribution** means a Contribution (excluding any Initial Contribution or Deferred Contribution paid by Funding 1, but including a Refinancing Contribution and a Seller Contribution) by way of cash payable pursuant to clause 4 (Consideration) of the Mortgages Trust Deed by a Beneficiary to the Mortgages Trustee to increase the share of that Beneficiary in the Trust Property,

**Further Contribution Date** has the meaning given in clause 11 1(a)(iii) (Dates for Calculations and Distributions) of the Mortgages Trust Deed,

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings,

**Further Funding Company Cash Accumulation Period** means the anticipated period required by a Further Funding Company to accumulate sufficient funds to repay a Cash Accumulation Loan Tranche made to the relevant Further Funding Company (ending when the Further Funding Company has accumulated an amount equal to that Cash Accumulation Loan Tranche, taking into account its obligation to accumulate for any other Cash Accumulation Loan Tranche before, or at the same time as, the relevant Cash Accumulation Loan Tranche);

**Further Funding Company Deed of Charge** means any deed of charge (other than the Funding 1 Deed of Charge) entered into after the Initial Closing Date between, *inter alios*, a New Issuer, a Further Funding Company and a Further Funding Security Trustee pursuant to which such Further Funding Company creates security over all of its assets in favour of such Further Funding Security Trustee,

**Further Funding Company Proportion** has the meaning given in clause 11 6 (Adjustments to Trust Property) of the Mortgages Trust Deed,

**Further Funding Company Share** means the amount as determined in accordance with clause 11 5 (Share Percentage etc of each Further Funding Company) of the Mortgages Trust Deed,

**Further Funding Company Share Ledger** means the ledger to be maintained by the Cash Manager in accordance with the Cash Management Agreement to record the relevant Further Funding Company's current Further Funding Company Share and the current Further Funding Company Share Percentage,

**Further Funding Company Share Percentage** means, in relation to each Further Funding Company, the Initial Further Funding Company Share Percentage and thereafter means the percentage share of such Further Funding Company in the Trust Property from time to time, as determined in accordance with clause 11 5 (Share Percentage etc of each Further Funding Company) of the Mortgages Trust Deed,

**Further Funding Security Trustees** means any security trustee (other than the Funding 1 Security Trustee) appointed under any Further Funding Company Deed of Charge,

**Further Securities** means, in the case of any New Issuer, any "Further Notes" or "New Notes", being notes issued in accordance with Condition 16 1 or 16 2 (as the case may be) of the Conditions

relating to the Notes of the 2011-1 Issuer or the equivalent provision of any New Notes relating to a New Issuer,

**Future Trust Property** means any or all New Portfolios that have been or will be sold to or held on trust for the Mortgages Trustee on any Sale Date,

**Holding Company** means a holding company within the meaning of section 1159 of the Companies Act 2006,

**Holdings** means Langton Securities Holdings Limited (registered number 6432540), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

**Holdings Payment Agreement** means the agreement entered into on 18 December 2007 between Holdings and Alliance & Leicester (and to which Santander UK acceded on the Part VII Effective Date) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**ICTA** means the Income and Corporation Taxes Act 1988,

**In Arrears** means, in respect of a Mortgage Account, that one or more Monthly Payments in respect of such Mortgage Account have become due and unpaid by a Borrower,

**Initial Advance** means, in respect of any Loan, the original principal amount advanced by the Seller to the relevant Borrower,

**Initial Closing Date** means 25 January 2008,

**Initial Closing Trust Property** means the Initial Portfolio sold by the Seller to the Mortgages Trustee on the Initial Closing Date,

**Initial Contribution** means a Contribution by way of cash payable, pursuant to clause 4 (Consideration) of the Mortgages Trust Deed, by a Funding Company in respect of any Trust Property sold to or held on trust for the Mortgages Trustee at the time of such sale for the purposes of enabling the Mortgages Trustee to fund the payment of the Initial Purchase Price owed by the Mortgages Trustee to the Seller, pursuant to the terms of the Mortgage Sale Agreement, in respect of any Loans and their Related Security sold by the Seller to the Mortgages Trustee from time to time,

**Initial Funding 1 Share** has the meaning given in clause 10 (Initial Funding Company Shares and Initial Seller Share) of the Mortgages Trust Deed,

**Initial Funding 1 Share Percentage** has the meaning given in clause 10 (Initial Funding Company Shares and Initial Seller Share) of the Mortgages Trust Deed,

**Initial Loans** means the portfolio of residential first mortgage loans sold by the Seller to the Mortgages Trustee on the Initial Closing Date pursuant to the Mortgage Sale Agreement,

**Initial Portfolio** means the Provisional Initial Portfolio other than any Loan and its Related Security redeemed in full on or before the Initial Closing Date,

**Initial Purchase Price** means the cash sum paid or (as the context requires) payable by the Mortgages Trustee to the Seller in consideration for the sale of a Portfolio to the Mortgages Trustee pursuant to the terms of the Mortgage Sale Agreement, funded by an Initial Contribution,

**Initial Related Security** means the Related Security sold by the Seller to the Mortgages Trustee on the Initial Closing Date pursuant to the Mortgage Sale Agreement,

**Initial Seller Share** has the meaning given in clause 10 (Initial Funding Company Shares and Initial Seller Share) of the Mortgages Trust Deed,

**Initial Seller Share Percentage** has the meaning given in clause 10 (Initial Funding Company Shares and Initial Seller Share) of the Mortgages Trust Deed,

**Insolvency Event** means, in respect of the Mortgages Trustee, any Funding Company, the Issuer, any Further Funding Company, the Funding 1 Loan Provider, any New Issuer, the Seller, the Servicer, the Cash Manager and/or the Issuer Cash Manager (each, for the purposes of this definition, a **relevant entity**)

- (a) an order is made or an effective resolution passed for the winding up of the relevant entity,
- (b) the relevant entity ceases or threatens to cease to carry on its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (as amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent, or
- (c) proceedings (including, but not limited to, presentation of an application for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) are initiated against the relevant entity under any applicable liquidation, administration, reorganisation (other than a reorganisation where the relevant entity is solvent) or other similar laws, save where such proceedings are being contested in good faith, or an administrative or other Receiver, administrator or other similar official is appointed in relation to the whole or any substantial part of the undertaking or assets of the relevant entity or the appointment of an administrator takes effect, or a distress, execution, diligence or other process is enforced upon the whole or any substantial part of the undertaking or assets of the relevant entity and in any of the foregoing cases it is not discharged within 15 London Business Days, or if the relevant entity initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness,

**Insurance Contracts** means the insurance policies described in schedule 9 to the Mortgage Sale Agreement and any other insurance contracts in replacement, addition or substitution therefor from time to time which relate to the Loans and their Related Security,

**Insurance Policies** means the Buildings Policies, the Lender Interest-Only Policy, the Title Insurance Policies and the Properties in Possession Cover and **Insurance Policy** shall be construed accordingly,

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under an Intercompany Loan Agreement,

**Intercompany Loan Acceleration Notice** means a notice served (a) on Funding 1 following the occurrence of an Intercompany Loan Event of Default pursuant to an Intercompany Loan Agreement, and/or (b) on a Further Funding Company following an event of default pursuant to a New Intercompany Loan,

**Intercompany Loan Agreement** means the Intercompany Loan Terms and Conditions (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) read together with the relevant Intercompany Loan Confirmation(s) entered into by a Funding 1 Issuer, Funding 1, the Funding 1 Security Trustee, the relevant Funding 1 Issuer Security Trustee and the Agent Bank,

**Intercompany Loan Determination Date** means the Funding 1 Interest Payment Date,

**Intercompany Loan Confirmation** means, in respect of an Intercompany Loan made to Funding 1, a document or documents substantially in the form set out in schedule 3 to the Intercompany Loan Terms and Conditions confirming the principal terms of each Intercompany Loan Agreement between Funding 1 and the relevant Funding 1 Issuer,

**Intercompany Loan Event of Default** means the occurrence of an event of default as specified in clause 14 (Default) of the Intercompany Loan Terms and Conditions,

**Intercompany Loan Ledger** means the separate ledger established and maintained by the Cash Manager pursuant to the Cash Management Agreement to record the balance of the Intercompany Loans made to Funding 1 and to record payments made by Funding 1 pursuant to an Intercompany Loan Agreement,

**Intercompany Loan Terms and Conditions** means the standard terms and conditions incorporated into and forming part of each Intercompany Loan Agreement, signed for the purposes of identification on the Initial Closing Date by Funding 1, the Funding 1 Security Trustee and the Agent Bank (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Interim Trust Calculation Date** has the meaning given in clause 11 1(b) (Dates for Calculations and Distributions) of the Mortgages Trust Deed,

**Interim Trust Calculation Period** has the meaning given in clause 11 1(b) (Dates for Calculations and Distributions) of the Mortgages Trust Deed,

**Irrecoverable VAT** means any amount in respect of VAT incurred by a party to the Transaction Documents (for the purposes of this definition, a **Relevant Party**) to the extent that the Relevant Party does not or will not receive and retain a credit or repayment of such VAT as input tax (as that expression is defined in section 24(1) of the Value Added Tax Act 1994) for the prescribed accounting period (as that expression is used in section 25(1) of the Value Added Tax Act 1994) to which such input tax relates,

**Issuer** means each and any of Langton Securities (2008-1) plc, Langton Securities (2010-1) plc, Langton Securities (2010-2) plc and any New Issuer, as the context requires,

**Issuer Deed of Charge** has the meaning given in the Issuer Master Definitions and Construction Schedule,

**issuer default rating** has the meaning given to it in clause 12 2 of the Amended and Restated Mortgages Trust Deed,

**Issuer Master Definitions and Construction Schedule** means the master definitions and construction schedule of an Issuer, at 8 June 2012 being (i) Langton Securities (2008-1) plc, (ii) Langton Securities (2010-1) plc and (iii) Langton Securities (2010-2) plc, as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time,

**Issuer Notes** has the same meaning as "Notes" in the Issuer Master Definitions and Construction Schedule ,

**Issuer Note Trustee** means Citicorp Trustee Company Limited acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or such other person or companies as may from time to time be appointed as trustee (or co-trustee) pursuant to the trust deed entered into on the Initial Closing Date between it and the Issuer constituting the Issuer Notes,

**Issuer Security Trustee** means Citicorp Trustee Company Limited acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or such other person or companies as may from time to time be appointed as trustee (or co-trustee) pursuant to the terms of the Issuer Deed of Charge,

**Issuer Transaction Documents** has the meaning given in the Issuer Master Definitions and Construction Schedule,

**ITA 2007** means the Income Tax Act 2007,

**Jersey Share Trustee** means Mourant & Co Trustees Limited of 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands,

**Langton Group** has the meaning given to it in the Secretarial Services Agreement,

**Law** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction and any present or future directive, regulation, guideline, practice, concession, request or requirement whether or not having the force of law issued by any governmental body, agency or department or any central bank or other fiscal, monetary, taxation, regulatory, self regulatory or other authority or agency,

**Legal Opinions** means the legal opinions delivered by

- (a) Allen & Overy LLP (as to English law),
- (b) Allen & Overy LLP (as to UK tax),
- (c) Slaughter and May (as to English law),
- (d) L'Estrange & Brett (as to Northern Irish law) (on the Initial Closing Date and each subsequent Closing Date to and including the Third Closing Date),
- (e) McGrigors LLP (as to Northern Irish law) (on the Fourth Closing Date and each subsequent Closing Date to and excluding 8 June 2012),
- (f) Pinsent Masons LLP (as to Northern Irish law) (on each subsequent Closing Date from and including 8 June 2012),
- (g) Tods Murray LLP (as to Scots law) (on the Initial Closing Date and each subsequent Closing Date to and including 8 June 2012),
- (h) Shepherd and Wedderburn LLP (as to Scots law) (on each subsequent Closing Date from 29 April 2016), and
- (i) Mourant Ozannes (as to Jersey law) (on the Initial Closing Date and each subsequent Closing Date to and including 29 April 2016),

except as otherwise stated above, on the Initial Closing Date (with the exception of an opinion delivered by Slaughter and May) and on each subsequent Closing Date (in the case of opinions delivered by Slaughter and May, on each subsequent Closing Date on and after the date of the Fourth Amended and Restated Master Definitions and Construction Schedule),

**Lender Interest-Only Policy** means a block buildings policy in the name of the Seller relating to the Properties where the relevant Borrower has been unable to effect his own buildings insurance and written by Zurich Insurance Company, or any such similar alternative or replacement policy or be effected from time to time to cover the Seller in respect of the Loans and the Related Security, such other block buildings policy or policies to provide such level of cover as would be acceptable to a Reasonable, Prudent Mortgage Lender at the date of such other block buildings policy or policies,

**Lending Criteria** means the criteria contained in schedule 4 to the Mortgage Sale Agreement or such other criteria as would be acceptable to a Reasonable, Prudent Mortgage Lender,

**LIBOR** means the London inter-bank offered rate for deposits in the relevant currency,

**Liquidity Reserve Rating Event** means, where there are Class A Notes and/or Class B Notes then outstanding, the Seller's long-term, unsecured, unsubordinated and unguaranteed debt obligations are rated below A3 by Moody's or A- by Fitch (unless the Rating Agencies confirm that the then current ratings of the Notes will not be adversely affected as a consequence of such rating of the Seller),

**Loan** means each loan referenced by its loan identifier number (as specified in Appendix 1 to the Mortgage Sale Agreement or the Schedule to any New Portfolio Notice and, for the avoidance of doubt, including any such loan the subject of any Scottish Declaration of Trust) and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Terms by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same,

**Loan Repurchase Notice** means a notice in, or in substantially, the form set out in schedule 6 to the Mortgage Sale Agreement,

**Loan Tranche** means a separate amount advanced to Funding 1 or any Further Funding Company under the terms of an Intercompany Loan Agreement and identified as such therein, which advance is funded by a corresponding Class of New Notes,

**Loan Tranche Interest Amount** means the amount of interest payable under any Intercompany Loan Agreement for the relevant Funding 1 Interest Period,

**Loan Tranche Interest Commencement Date** means, in respect of any Loan Tranche, the relevant Closing Date or such other date as may be specified in the applicable Intercompany Loan Confirmation,

**Loan Tranche Interest Determination Date** means the first day of each Funding 1 Interest Period,

**Loan Tranche Notice** means, in respect of a Loan Tranche under an Intercompany Loan Agreement, a notice delivered by Funding 1 to, *inter alios*, the relevant Funding 1 Issuer in substantially the form set out in schedule 1 (Notice of Drawdown of a Loan Tranche) to the Intercompany Loan Terms and Conditions requesting a drawing under the relevant Intercompany Loan Agreement,

**Loan Warranties** means the Representations and Warranties,

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London,

**London Stock Exchange** means the London Stock Exchange plc,

**Losses** means all realised losses on the Loans in the Portfolio,

**Losses Ledger** means the ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the Losses on the Loans in the Portfolio,

**LP (MP) Act** means the Law of Property (Miscellaneous Provisions) Act 1989,

**LTV Ratio** or **Loan-To-Value Ratio** means the ratio (expressed as a percentage) of the Current Balance of a Loan to the value of the Property securing that Loan,

**Mandate** means the Funding 1 Transaction Account Mandate, the Funding 1 GIC Account Mandate, the Funding 1 Collateral Account Mandate and/or the Mortgages Trustee GIC Account Mandate, as the case may be,

**Master Definitions and Construction Schedule** means the master definitions and construction schedule (as amended, restated, varied, supplemented, replaced and/or novated from time to time) and shall include any and all Accession Agreements,

**Material Adverse Effect** means a material adverse effect on

- (a) the business or financial condition of Funding 1,
- (b) the ability of Funding 1 to perform its obligations under any Funding 1 Agreement, or
- (c) the validity or enforceability of any Funding 1 Agreement,

**MH/CP Documentation** means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 or (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or the Property secured thereby,

**Minimum Ratings** means the Seller ceases to have long term, unsecured, unsubordinated and unguaranteed credit ratings from Moody's of at least Baa3 or the Seller ceases to have a long term "Issuer Default Rating" by Fitch of at least BBB,

**Minimum Seller Share** means the amount included in the current Seller Share which is calculated in accordance with clause 12.2 (Fluctuation of Minimum Seller Share on each Trust Calculation Date) of the Mortgages Trust Deed,

**Monthly CPR** means, on any Trust Calculation Date, the total Principal Receipts received during the immediately preceding Trust Calculation Period divided by the aggregate Current Balance of the Loans comprised in the Trust Property calculated on the previous Trust Calculation Date in respect of the previous Trust Calculation Period,

**Monthly Payment** means the monthly payment amount for the relevant Loan,

**Monthly Payment Date** means the day of the month that the Monthly Payment of the relevant Loan is due,

**Moody's** means Moody's Investors Service Limited and includes any successor to its rating business,

**Moody's Portfolio Variation Test** means the calculation methodology provided by Moody's to the Servicer from time to time for the purpose of calculating the Moody's Portfolio Variation Test Value,

**Moody's Portfolio Variation Test Value** means a certain percentage resulting from the application of the Moody's Portfolio Variation Test,

**Mortgage** means a first fixed charge by way of legal mortgage (in relation to English Loans and Northern Irish Loans) or a first ranking standard security (in relation to Scottish Loans) sold by the Seller to the Mortgages Trustee pursuant to the Mortgage Sale Agreement, which secures the repayment of the relevant Loan or Loans,

**Mortgage Account** means a Loan secured on a Property forming a single mortgage account,

**Mortgage Conditions** or **Loan Conditions** means the terms and conditions applicable to a Loan as contained in the Standard Documentation provided to Borrowers from time to time,

**Mortgagee** means the person for the time being entitled to exercise the rights of the mortgagee or heritable creditor (as applicable) under a Mortgage,

**Mortgage Sale Agreement** means the mortgage sale agreement dated the Initial Closing Date and made between Alliance & Leicester (and to which Santander UK acceded as Seller on the Part VII Effective Date), Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of the Initial Portfolio and the sale of any New Portfolio to the Mortgages Trustee from time to time (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Mortgage Terms** means all the terms and conditions applicable to a Loan, including without limitation the applicable Mortgage Conditions and Offer Conditions,

**Mortgage Transfer Service** means the service offered by the Seller which allows remortgages of properties to be completed under an expedited procedure, whereby Loans are advanced to Borrowers as a means to discharge a pre-existing first fixed charge or first ranking standard security (as applicable) over residential property and to replace such pre-existing first fixed charge or first ranking standard security (as applicable) with a Mortgage and where a full conveyancing service is not undertaken by solicitors acting on behalf of the Seller but instead a truncated conveyancing process is undertaken and a Title Insurance Policy taken out in relation to the relevant Loan,

**Mortgages Trust** means the bare trust of the Trust Property as to both capital and income held by the Mortgages Trustee on trust absolutely for Funding 1 (as to the Funding 1 Share and as to the allocations to Funding 1 of Mortgages Trust Available Revenue Receipts) for each Further Funding Company (as to its Further Funding Company Share and as to the allocations to that Further Funding Company of Mortgages Trust Available Revenue Receipts), and the Seller (as to the Seller Share and as to the allocations to the Seller of Mortgages Trust Available Revenue Receipts) pursuant to the terms of the Mortgages Trust Deed as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time,

**Mortgages Trust Available Principal Receipts** means the Principal Receipts on the Loans and (without double counting) the proceeds of any Authorised Investments made by or on behalf of the Mortgages Trustee from such Principal Receipts (but excluding any interest or other amount received in respect thereof in an amount greater than the amount of the Principal Receipts invested therein), available to the Mortgages Trustee to distribute on the next Distribution Date in accordance with Clause 14 of the Mortgages Trust Deed,

**Mortgages Trust Available Revenue Receipts** means an amount equal to the aggregate of the following amounts, as calculated on each Trust Calculation Date in respect of the immediately preceding Trust Calculation Period

- (a) Revenue Receipts on the Loans (but excluding Principal Receipts),
- (b) the proceeds of Authorised Investments made by or on behalf of the Mortgages Trustee (but excluding the proceeds of such Authorised Investments which are treated as Mortgages Trust Available Principal Receipts and without double counting amounts referred to in paragraph (a)),
- (c) interest received or payable to the Mortgages Trustee on the Mortgages Trustee GIC Account,
- (d) the amount of any Seller Contribution received by the Mortgages Trustee, and *less* Third Party Amounts, which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account

**Mortgages Trust Deed** means the mortgages trust deed entered into on the Initial Closing Date between the Mortgages Trustee, the Funding Companies, Alliance & Leicester (and to which Santander UK acceded as Seller on the Part VII Effective Date) and the Jersey Share Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Mortgages Trust Principal Priority of Payments** means the order in which the Cash Manager applies Principal Receipts on the Loans on each Distribution Date, as set out in clause 14 (Allocation and Distribution of Principal Receipts) of the Mortgages Trust Deed,

**Mortgages Trust Revenue Priority of Payments** means the order in which the Cash Manager applies the Mortgages Trust Available Revenue Receipts on each Distribution Date, as set out in clause 13 (Allocation and Distribution of Revenue Receipts) of the Mortgages Trust Deed,

**Mortgages Trustee** means prior to 29 April 2016, Langton Mortgages Trustee Limited (registered number 99388), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands, or (on and after 29 April 2016) Langton Mortgages Trustee (UK) Limited (registered number 07210539), a private limited company incorporated under the laws of England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, in each case in their respective capacity as trustee of the Mortgages Trust,

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being, as of the Part VII Effective Date, Santander UK acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may choose with the prior written approval of the Funding Security Trustees and the prior written consent of the Beneficiaries in accordance with the Mortgages Trustee Bank Account Agreement),

**Mortgages Trustee Account Bank Ratings** means (i) short-term, unsecured, unsubordinated and unguaranteed debt obligation ratings of at least P-1 by Moody's and (ii) short-term and long-term "Issuer Default Ratings" of at least F1 and A (respectively) by Fitch (or such other ratings as may be acceptable to the respective Rating Agencies),

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on the Initial Closing Date between Alliance & Leicester (and to which Santander UK acceded as the Mortgages Trustee Account Bank on or around the Part VII Effective Date) Langton Mortgages Trustee Limited

(and to which Langton Mortgages Trustee (UK) Limited replaced Langton Mortgages Trustee Limited as trustee of the Mortgages Trust pursuant to the Supplemental Mortgages Trust Deed and became party to the amended and restated Mortgages Trustee Bank Account Agreement), the Cash Manager, Funding 1 and the Funding 1 Security Trustee which governs the operations of the Mortgages Trustee GIC Account (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time, respectively),

**Mortgages Trustee Collection Account Amounts** means all amounts from time to time standing to the credit of the Collection Account to the extent that such amounts represent payments into the Collection Account of sums derived or resulting from mortgage loans originated by the Seller which have been sold to or held on trust for the Mortgages Trustee pursuant to the Mortgage Sale Agreement,

**Mortgages Trustee Corporate Services Agreement** means the agreement dated 29 April 2016 and made between the Mortgages Trustee Corporate Services Provider, the Mortgages Trustee, Santander UK plc and the Funding 1 Security Trustee for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Mortgages Trustee Corporate Services Fee Letter** means the letter dated the date of the Mortgages Trustee Corporate Services Agreement between the Mortgages Trustee, the Mortgages Trustee Corporate Services Provider and the Funding 1 Security Trustee, setting out the amount of fees payable to the Mortgages Trustee Corporate Services Provider by the Mortgages Trustee,

**Mortgages Trustee Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement,

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee (sort code 72-01-00) maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place with the prior consent of the Funding 1 Security Trustee which is subject to a guaranteed rate of interest,

**Mortgages Trustee GIC Account Mandate** means the bank account mandate between the Mortgages Trustee and the Mortgages Trustee Account Bank relating to the operation of the Mortgages Trustee GIC Account,

**Mortgages Trustee GIC Balance** means, on any day during a Funding Company Interest Period, the amount standing to the credit of the Mortgages Trustee GIC Account as at the opening of business on such day,

**Mortgages Trustee GIC Rate** means the rate of interest accruing on the balance standing to the credit of the Mortgages Trustee GIC Account equal to a rate of 0.10 per cent per annum below LIBOR for three-month Sterling deposits,

**Mortgages Trustee Ledgers** means the Principal Ledger, the Revenue Ledger, the Losses Ledger, the Funding 1 Share Ledger, the Seller Share Ledger and the Contributions Ledger,

**New Beneficiary** means any Further Funding Company that accedes to the Mortgages Trust Deed in accordance with clause 17 (New Beneficiary of the Mortgages Trust) thereof,

**New Closing Date** means any New Issuer Closing Date,

**New Funding 1 Secured Creditor** means such other creditor of Funding 1 who accedes to the Funding 1 Deed of Charge from time to time including pursuant to a Deed of Accession,

**New Funding 1 Start-Up Loan** means a loan provided by a New Funding 1 Start-Up Loan Provider to Funding 1 under a New Funding 1 Start-Up Loan Agreement for the purposes of, *inter alia*, meeting the costs of the issue of Notes and/or increasing the Funding 1 Reserve Fund, if required,

**New Funding 1 Start-Up Loan Agreement** means a loan agreement under which a New Funding 1 Start-up Loan Provider shall provide Funding 1 with a New Funding 1 Start-up Loan for the purposes of meeting the costs of the issue of any New Notes and/or increasing the Funding 1 Reserve Fund (if required in connection therewith) and/or funding any payment to be made by Funding 1 to the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement on the relevant New Closing Date,

**New Funding 1 Start-Up Loan Provider** means an entity who shall supply a New Funding 1 Start-up Loan to Funding 1 from time to time, pursuant to a New Funding 1 Start-Up Loan Agreement, at 29 April 2016 being the 2010-1 Funding 1 Start-Up Loan Provider, the 2010-2 Funding 1 Start-Up Loan Provider and the 2011-1 Funding 1 Start-up Loan Provider only,

**New Funding 1 Swap** means a new swap under the existing Funding 1 Swap Agreement or a New Funding 1 Swap Agreement,

**New Funding 1 Swap Agreement** means a New Funding 1 Swap entered into by Funding 1 and a New Funding 1 Swap Provider in connection with New Loan Tranches,

**New Funding 1 Swap Provider** means the swap provider under a New Funding 1 Swap Agreement,

**New Intercompany Loan** means a loan of the proceeds of any issue of New Notes by a New Issuer after the Initial Closing Date, such loan being advanced to Funding 1 and/or any Further Funding Company by a New Issuer pursuant to the terms of a New Intercompany Loan Agreement,

**New Intercompany Loan Agreement** means the Intercompany Loan Terms and Conditions (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) together with the Intercompany Loan Confirmation entered into on a Closing Date between, *inter alios*, a New Issuer, a Funding Company and a Funding Security Trustee,

**New Issuer** means any company which is established by Holdings to issue New Notes where all or part of the proceeds of the issue of the New Notes will be on-lent to Funding 1 and/or a Further Funding Company as a New Intercompany Loan, at 29 April 2016 being the 2010-1 Issuer, the 2010-2 Issuer and the 2011-1 Issuer,

**New Issuer Closing Date** means the date of any issue of New Notes or Further Securities by a New Issuer,

**New Issuer Master Definitions and Construction Schedule** means the master definitions and construction schedule of a New Issuer signed in connection with any New Notes,

**New Issuer Note Trustee** means, in respect of any New Issuer, such person or companies as may from time to time be appointed as trustee (or co-trustee) pursuant to any trust deed constituting the New Notes of that New Issuer,

**New Issuer Master Definitions and Construction Schedule** means the master definitions and construction schedule of Funding 1 signed in connection with New Loan Tranches,

**New Issuer Security Trustee**, in respect of any New Issuer, has the same meaning as "Issuer Security Trustee" in the relevant New Issuer Master Definitions and Construction Schedule,

**New Issuer Start-Up Loan Agreements** means any new start-up loan agreement entered into between a New Issuer, any New Issuer Security Trustee and the Issuer Start-Up Loan Provider (as defined in the relevant New Issuer Master Definitions and Constructions Schedule),

**New Issuer Swap Provider** means any entity who enters into a hedging arrangement with a New Issuer,

**New Issuer Transaction Document** means any document or agreement to which any New Issuer is a party (together the **New Issuer Transaction Documents**),

**New Loan Tranche** means a Loan Tranche advanced by a New Issuer to Funding 1 or any Further Funding Company under the terms of a New Intercompany Loan Agreement, which advance is funded by a corresponding Class of New Notes,

**New Loan Type** means on any date a type of Loan that is materially different from the types of Loans comprised in the Portfolio,

**New Loans** means Loans, other than the Initial Loans, which the Seller may from time to time after the Initial Closing Date sell to or hold on trust for the Mortgages Trustee pursuant to the Mortgage Sale Agreement,

**New Notes**, in respect of any New Issuer, has the same meaning as "Notes" in the relevant New Issuer Master Definitions and Construction Schedule,

**New Portfolio** means, in each case, the portfolio of Loans and their Related Security (other than any Loans and their Related Security which have been redeemed in full prior to the Sale Date or which do not otherwise comply with the terms of Clause 4 of the Mortgage Sale Agreement as at the Sale Date), particulars of which are set out in the relevant New Portfolio Notice or in a document stored upon electronic media (including, but not limited to, a CD-ROM), and all right, title, interest and benefit of the Seller in and to

- (a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears) and other sums due or to become due in respect of such Loans and their Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on all covenants and any undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Terms,
- (b) subject where applicable to the subsisting rights of redemption of Borrowers, all Deeds of Consent, Deeds of Postponement, MH/CP Documentation and all third party guarantees and any other collateral security for the repayment of the relevant New Loans secured by the relevant New Mortgages,
- (c) the right to exercise all the powers of the Seller in relation thereto,
- (d) all the estate and interest in the relevant Properties vested in the Seller,
- (e) each relevant Certificate of Title and Valuation Report and any right of action of the Seller against any solicitor, licensed conveyancer, qualified conveyancer, Valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with such Loans and their Related Security, or any part thereof

or affecting the decision of the Seller to make or offer to make any such Loan or part thereof,

- (f) all rights, titles and interests of the Seller (both present and future) (including, without limitation the proceeds of all claims to which the Seller is entitled) under the Insurance Policies, and
- (g) all proceeds from the enforcement of such Loans and their Related Security,

**New Portfolio Notice** means a notice in the form set out in schedule 10 to the Mortgage Sale Agreement served in accordance with the terms of the Mortgage Sale Agreement,

**New Related Security** means the Related Security for any New Loans (including any Mortgages) sold to or held on trust for the Mortgages Trustee by the Seller,

**New Trust Property** means any New Loans and their Related Security to be sold to or held on trust for the Mortgages Trustee by the Seller,

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York,

**Non-Asset Trigger Event** means, on a Trust Calculation Date

- (a) the occurrence of an Insolvency Event in relation to the Seller on or before that Trust Calculation Date,
- (b) the role of the Seller as Servicer under the Servicing Agreement is terminated and a new Servicer is not appointed within 60 days of such termination, or
- (c) the current Seller Share is less than the Minimum Seller Share on two consecutive Trust Calculation Dates (in each case by reference to the most recent Trust Calculation Date),

**Northern Irish Loan** means a Loan secured by a Northern Irish Mortgage,

**Northern Irish Mortgage** means a Mortgage secured over a Property in Northern Ireland,

**Northern Irish Transfers** means each Registered Land Transfer and each Unregistered Land Transfer,

**Note Acceleration Notice**, in respect of the Issuer following a Note Event of Default, has the same meaning as "Note Acceleration Notice" in the Issuer Master Definitions and Construction Schedule and, in respect of a New Issuer following a Note Event of Default, has the same meaning as "Note Acceleration Notice" in the relevant New Issuer Master Definitions and Construction Schedule,

**Note Event of Default** means the occurrence of an event of default by the Issuer or any New Issuer as specified in the relevant Conditions of the Notes,

**Noteholders** means any holders of the Notes,

**Notes** means the Issuer Notes and any New Notes,

**Notional Amount of the Funding 1 Swap** has the meaning given to it in the Funding 1 Swap Agreement,

**NSS** means the New Safekeeping Structure for registered notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations,

**Offer Conditions** means the terms and conditions applicable to a specific Loan as set out in the relevant offer of advance to the Borrower,

**Original Pass-Through Loan Tranche** means a Loan Tranche which, at the time it was advanced, was a Pass-Through Loan Tranche,

**Original Bullet Loan Tranche** means that part of a Loan Tranche which at any time has been a Bullet Loan Tranche (even if such Loan Tranche has subsequently become a Pass-Through Loan Tranche),

**Original LTV** has the meaning given in the Fitch Conditions,

**Original Scheduled Amortisation Loan Tranche** means a Loan Tranche which at any time has been a Scheduled Amortisation Loan Tranche (even if such Loan Tranche has subsequently become a Pass-Through Loan Tranche),

**Original Weighted Average LTV** has the meaning given in the Fitch Conditions,

**Optional Redemption Notice** has the same meaning as that given in the relevant Terms and Conditions of the Notes,

**Outstanding Balance Notice** means a notice from the Seller to the Mortgages Trustee pursuant to clause 8 4(e) of the Mortgage Sale Agreement in the form set out in Schedule 19 to the Mortgage Sale Agreement,

**Outstanding Principal Amount** means in relation to any Intercompany Loan or Loan Tranche or New Loan Tranche, the original principal amount thereof on the date that it is made to Funding 1 less any payments of principal in respect thereof, except if and to the extent that any such payment has been improperly withheld or refused,

**Outstanding Principal Balance** means, in relation to a Loan at any date (the **determination date**), the aggregate principal balance of the Loan at such date (but avoiding double counting) including

- (a) the original principal amount advanced by the Seller to the relevant Borrower,
- (b) any increase in the principal amount due under the Loans due to the Borrower making Cash Withdrawals, a Borrower taking Payment Holidays or making Underpayments, or a Further Advance being made available to a Borrower, and

in each case relating to such Loan less any prepayment (including any decrease in the principal amount due under that Loan due to the Borrower making Overpayments), repayment or payment of the foregoing made on or prior to the determination date,

**Overpayment** means a payment by a Borrower in an amount greater than the Monthly Payment then due on the Loan,

**Part VII Effective Date** means 28 May 2010,

**Part VII Order** means an order published on 13 May 2010 by the High Court sanctioning the Part VII Scheme,

**Part VII Scheme** means a banking business transfer scheme pursuant to which the entire business of Alliance & Leicester, and all related assets and liabilities, were transferred to, and vested in or became liabilities of (as applicable), Santander UK, which scheme became effective on the Part VII Effective Date,

**Pass-Through Loan Tranche** means a Loan Tranche which has no Scheduled Repayment Date other than the Final Repayment Date. If a Pass-Through Trigger Event occurs then any Bullet Loan Tranche or Scheduled Amortisation Loan Tranche of any Funding Company will be deemed to be Pass Through Loan Tranches,

**Pass-Through Trigger Event** means

- (a) a Trigger Event occurs,
- (b) a Note Acceleration Notice is served by the relevant Note Trustee on the Issuer or the relevant New Issuer, as the case may be, that advanced such Loan Tranche to the relevant Funding Company, or
- (c) an Intercompany Loan Acceleration Notice is served by the Issuer or the relevant New Issuer, as the case may be, that advanced such Loan Tranche to the relevant Funding Company on the relevant Funding Company,

**Payment Holiday** means the period of time that a Borrower refrains from making payments of interest and principal under a Loan without penalty,

**PECOH Corporate Services Agreement** means the agreement dated the Initial Closing Date between the PECO Corporate Services Provider, Funding 1, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the PECO Corporate Services Provider of certain corporate services and personnel to PECO (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**PECOH Corporate Services Fee Letter** means the letter dated the date of the PECO Corporate Services Agreement between, *inter alios*, PECO, Funding 1, the Funding 1 Security Trustee and the PECO Corporate Services Provider, setting out the amount of fees payable to the PECO Corporate Services Provider by Funding 1;

**PECOH Corporate Services Provider** means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post-Enforcement Call Option Holder under the PECO Corporate Services Agreement,

**Perfection** means the perfection of certain matters relating to the sale and purchase of the Portfolio as contemplated in, pursuant to and in accordance with clause 6 (Completion of the Transfer of Loans) of the Mortgage Sale Agreement,

**Permitted Product Switch** means a Product Switch, provided that

- (a) the relevant Borrower has made at least one monthly payment on its then current Loan product, and
- (b) the new Loan for which the prior Loan is to be exchanged is a Permitted Replacement Loan, and
- (c) the conditions in Clause 4.4 of the Mortgage Sale Agreement are satisfied at the immediately following Trust Calculation Date, and

- (d) the Interest-Only Mortgages Level Test is satisfied if calculated on the most recent trust calculation date  $A/B \times 100 \leq C$

where

A = the Current Balance of all interest-only Loans (which, for the avoidance of doubt includes interest-only components of combination repayment and interest-only Loans) in the Trust Property as at the relevant Trust Calculation Date,

B = the Current Balance of all Loans comprised in the Trust Property as at the relevant Trust Calculation Date, and

C = 40 per cent , and

- (e) the product switch is not a variation or arrangement agreed with a borrower made pursuant to the Homeowner Mortgage Support Scheme as set out by H M Treasury in a press notice on 10 December 2008 and as set out in further detail by the Department for Communities and Local Government in a press notice on 21 April 2009 (or a comparable scheme operated by the Seller),

**Permitted Replacement Loan** means a Loan

- (a) that is either a Fixed Rate Loan, a Variable Rate Loan or a Base Rate-Linked Rate Loan, and  
(b) that has a maturity date prior to 31 October 2052,

**Personal Data** means any information of whatever nature satisfying the definition of 'personal data' in the Data Protection Act 1998 that, by whatever means, is provided to the Data Processor by the Data Controller, is accessed by the Data Processor on the authority of the Data Controller or is otherwise received by the Data Processor on the Data Controller's behalf, for the purposes of the Processing specified in the Servicing Agreement,

**Portable Loan** means a Loan (other than a Variable Rate Loan) that incorporates a portability facility, which allows the Borrower to transfer the loan balance at the same interest rate and subject to all the existing terms and conditions to a new Property during any applicable Discount Rate Period, Fixed Rate Period or Premium Rate Period,

**Portfolio** means at any time the Loans and their Related Security sold to or held on trust for the Mortgages Trustee on trust for the Beneficiaries,

**Post-Enforcement Call Option Holder** means Langton PECO Limited (registered number 6432571), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

**Post-2008 Loans** means the Loans and their Related Security more particularly described in Appendix 3 to the Mortgage Sale Agreement,

**Potential Intercompany Loan Event of Default** means the occurrence of any event which with the giving of notice, any relevant certificate, the lapse of time or fulfilment of any other condition (or any combination of the foregoing) could become an Intercompany Loan Event of Default,

**Potential Note Event of Default** means the occurrence of an event which with the giving of notice, any relevant certificate, the lapse of time or fulfilment of any other condition (or any combination of the foregoing), could become a Note Event of Default,

**Premium Rate Period** means the period of time during which a Base Rate Loan is subject to the Base Rate-Linked Rate,

**Previous Seller** means Alliance & Leicester plc,

**Principal Ledger** means the ledger of such name maintained by the Cash Manager on behalf of the Mortgages Trustee, pursuant to the Cash Management Agreement and clause 16 (Ledgers) of the Mortgages Trust Deed to record the Principal Receipts on the Loans and distributions of such Principal Receipts to the Beneficiaries,

**Principal Payment Rate or PPR** means the average monthly rolling principal payment rate on the Loans for the 12 months immediately preceding the relevant Distribution Date calculated on each such date by

- (a) dividing (i) the aggregate Principal Receipts received in relation to the Loans during the immediately preceding month on such calculation date by (ii) the aggregate Outstanding Principal Balance of the Loans on the previous calculation date,
- (b) aggregating the result of the calculation in (a) above with the results of the equivalent calculation made on each of the eleven most recent calculation dates during the relevant 12 month period, and
- (c) dividing the result of the calculation in (b) above by 12,

**Principal Receipts** means all principal amounts received from Borrowers in respect of the Loans or otherwise paid or recovered in respect of the Loans and their Related Security representing monthly repayments of principal, prepayments or overpayments of principal, redemption proceeds and amounts recovered on enforcement representing principal and prepayments on the Loans (but excluding principal received or treated as received in respect of a Loan subsequent to enforcement procedures and certain Early Repayment Charges) and amounts received on repurchase of the Loans equal to their Outstanding Principal Balance,

**Processing** has the meaning given to it in the Data Protection Act 1998,

**Product Switch** means a variation to the financial terms or conditions included in the Mortgage Terms applicable to a Loan other than any variation

- (d) agreed with a Borrower to control or manage arrears on a Loan,
- (e) of the maturity date of a Loan unless, while any Intercompany Loan is outstanding, it is extended beyond October 2052,
- (f) imposed by statute (excluding any variation or arrangement agreed with a Borrower made pursuant to the Homeowner Mortgage Support Scheme as set out by HM Treasury in a press notice on 10 December 2008 and as set out in further detail by the Department for Communities and Local Government in a press notice on 21 April 2009 (or a comparable scheme operated by the Seller)),
- (g) of the standard variable rate of interest payable in respect of the loan where that rate is offered to the Borrowers of more than 10 per cent by Current Balance of Loans in the Trust Property as calculated on the next Trust Calculation Date as at the end of the immediately preceding Trust Calculation Period (except where such variation would cause the yield of the Loans comprising the Trust Property to be less than 0.60 per cent greater than LIBOR for three-month sterling deposits (after taking into account the average yield on the Loans

which are Variable Rate Loans, Base Rate Loans and Fixed Rate Loans and the margins on the Funding 1 Swap(s) (and the relevant swaps of any Further Funding Companies, where applicable)), and/or

- (h) in the frequency with which the interest payable in respect of the Loan is charged,

**Properties in Possession Cover** means the properties in possession cover written by Zurich Insurance Company (policy number 12/006419/41048361) for Loans originated by the Seller and any endorsements or extensions thereto as issued from time to time, or any such similar alternative or replacement properties in possession policy or policies as may be effected from time to time to cover the Seller in respect of Loans and their Related Security, such other properties in possession policy or policies to provide such level of cover as would be acceptable to a Reasonable, Prudent Mortgage Lender at the date of such other policy or policies,

**Property** means a freehold, heritable, leasehold or common hold property (or in Scotland a property held under a long lease) which is subject to a Mortgage,

**Provisional Initial Portfolio** means the portfolio of Loans and their Related Security, particulars of which were set out in the document stored upon the CD-ROM which accompanied part 1 of appendix 1 of the Mortgage Sale Agreement dated 25 January 2008, and all right, title, interest and benefit of the Seller in and to

- (i) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears) and other sums due or to become due in respect of such Loans and Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on all covenants and any undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Terms,
- (j) subject where applicable to the subsisting rights of redemption of Borrowers, all Deeds of Consent, MH/CP Documentation, Deeds of Postponement, all third party guarantees and any other collateral security for the repayment of the relevant Loans secured by the Mortgages,
- (k) the right to exercise all the powers of the Seller in relation thereto,
- (l) all the estate and interest in the Properties vested in the Seller,
- (m) each Certificate of Title and Valuation Report and any right of action of the Seller against any solicitor, licensed conveyancer, qualified conveyancer, Valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with such Loans and their Related Security, or any part thereof or affecting the decision of the Seller to make or offer to make any such Loan or part thereof,
- (n) all rights, title and interests of the Seller (both present and future) (including, without limitation, the proceeds of all claims to which the Seller is entitled) under the Insurance Policies, and
- (o) all proceeds from the enforcement of such Loans and their Related Security,

**Purchase Price** means the sum of (i) the Initial Purchase Price, (ii) the Deferred Purchase Price and (iii) the covenant of the Mortgages Trustee to hold the Trust Property on trust for, *inter alios*, the Seller pursuant to the terms of the Mortgages Trust Deed,

**Quarter** means the period from and including the previous Quarter Date to and excluding the following Quarter Date,

**Quarter Date** means the 18<sup>th</sup> day of March, June, September and December in each calendar year (or, if such day is not a Business Day, the next succeeding Business Day),

**Quarterly CPR** on any date means the average of the three most recent CPRs,

**Rated Notes** means all Notes that have initially been rated by one or more of the Rating Agencies,

**Rating Agencies** means Moody's and Fitch and any further or replacement rating agency appointed by the Issuer or, as the case may be, any New Issuer with the approval of the relevant Note Trustee to give a credit rating to any Class of its Notes,

**Reasonable, Prudent Mortgage Lender** means a reasonably prudent prime residential mortgage lender lending to borrowers in England, Wales, Scotland and Northern Ireland who generally satisfy the lending criteria of traditional sources of residential mortgage capital,

**Receiver** means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Funding 1 Charged Property by the Funding 1 Security Trustee pursuant to clause 13 1 (Remuneration and Indemnification of the Funding 1 Security Trustee) of the Funding 1 Deed of Charge,

**Recipient Funding Company** has the meaning given in clause 8 1(b) (Refinancing Contributions) of the Mortgages Trust Deed,

**Redemption Fee** means the standard redemption fee charged to the Borrower by the Seller where the Borrower makes a repayment of the full outstanding principal of a Loan,

**Reference Banks** means the principal London office of each of Barclays Bank PLC, Citibank, N A and The Royal Bank of Scotland plc and/or such other bank as may be appointed agent bank from time to time pursuant to the Paying Agent and Agent Bank Agreement,

**Refinancing Contribution** means a Contribution by way of cash payable made by a Beneficiary to the Mortgages Trustee pursuant to clause 8 1 (Refinancing Contributions) of the Mortgages Trust Deed,

**Refinancing Distribution** means amounts held by the Mortgages Trustee on any date in respect of any Refinancing Contribution paid by a Beneficiary to the Mortgages Trustee which will be allocated and paid by the Mortgages Trustee to the Recipient Funding Company pursuant to Clause 8 of the Mortgages Trust Deed,

**Refinancing Notice** has the meaning given in Clause 8 1(b) of the Mortgages Trust Deed,

**Registered Land** means land in England and Wales, title to which is, or is required to be registered at the Land Registry or land in Northern Ireland, title to which is, or is required to be registered at the Land Registry of Northern Ireland,

**Registered Land Transfer** means a deed of transfer of a Mortgage or Mortgages over Properties title to which is registered in the Land Registry of Northern Ireland substantially in the form set out in schedule 16 to the Mortgage Sale Agreement,

**Registered Transfer** means a deed of transfer of a Mortgage or Mortgages over Registered Land in England and Wales substantially in the form set out in schedule 2 to the Mortgage Sale Agreement,

**Registers of Northern Ireland** means the Land Registry of Northern Ireland and the Registry of Deeds, Belfast,

**Registers of Scotland** means the Land Register of Scotland and/or the General Register of Sasines,

**Regulatory Authority** means the FCA and the CMA, together with any predecessor or successor authority to either the FCA and the CMA,

**Related Security** means, in relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Portfolio sold to or held on trust for the Mortgage Trustee pursuant to clause 2 1 (Sale and Purchase of Initial Portfolio) or clause 4 1 (Sale and Purchase of New Portfolios, Product Switches and Further Advances) of the Mortgage Sale Agreement including (without limitation)

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent, Deeds of Postponement and MH/CP Documentation) from occupiers and other persons having an interest in or rights in connection with the relevant Property,
- (b) each right of action of the Seller against any person (including, without limitation, any Valuer, licensed or qualified conveyancer, solicitor and any registrar or registry) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan, and
- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, returns of premium and proceeds of claims under) Insurance Policies (including the Buildings Policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and Customer Files,

**Relevant Accumulation Amount** means the amount of funds to be accumulated over a Cash Accumulation Period in respect of a Bullet Loan Tranche or a Scheduled Amortisation Loan Tranche in order to repay a Bullet Loan Tranche or a Scheduled Amortisation Instalment on its Scheduled Repayment Date (whether or not actually repaid on that Scheduled Repayment Date),

**Relevant Margin** means, in respect of any Loan Tranche, the margin per annum specified as such in the applicable Intercompany Loan Confirmation,

**Relevant Refinancing Distribution** has the meaning given in clause 6 2(c) (Funding 1 Bank Accounts) of the Funding 1 Deed of Charge,

**Relevant Screen Rate** in relation to each Intercompany Loan means (a) in respect of the first Funding 1 Interest Period, the "Initial Relevant Screen Rate" specified in the relevant Intercompany Loan Confirmation and (b) in respect of subsequent Interest Periods, means the arithmetic mean of offered quotations rates to leading banks for three-month Sterling deposits or, following the occurrence of a Pass-Through Trigger Event, one-month Sterling deposits in the London inter bank market displayed on Moneyline Telerate Page No 3750, in each case, displayed on the above mentioned page of the Moneyline Telerate Monitor (or such replacement page on that service which display the information) or, if that service ceases to display the information, such other screen service as may be determined by Funding 1 with the approval of the Funding 1 Security Trustee (which shall not be unreasonably withheld) (rounded upwards, if necessary, to five decimal places),

**Repayment Requirement** means on a Trust Calculation Date, the amount, if any, by which

the aggregate of all principal amounts that will be due and payable by a Funding Company on the next Funding Company Payment Date in respect of the Funding Company Loan Tranches made to that Funding Company on the basis

- (i) there would be no deferral in relation to Funding Company Loan Tranches due to the operation of applicable deferral rules (e.g. in respect of Funding 1 (separate rules may apply to Further Funding Companies) pursuant to Rule (1) set out in paragraph 3 of part 2 of schedule 4 of the Funding 1 Deed of Charge),
- (ii) in respect of Funding 1 only (separate rules may apply to Further Funding Companies), where Rule (3) as set out in paragraph 3 of part 2 of schedule 4 of the Funding 1 Deed of Charge applies to an Intercompany Loan, that the amount so payable by Funding 1 in respect of Loan Tranches and New Loan Tranches (where applicable) (other than Scheduled Amortisation Instalments) under that Intercompany Loan shall be treated as the lesser of (A) the amount due and payable in respect of those Loan Tranches, and (B) the aggregate amount that may be repaid by Funding 1 on a Funding 1 Interest Payment Date in respect of those Loan Tranches if Rule (3) applies, and (C) the remaining Mortgages Trust Available Principal Receipts after paying or providing for amounts set out in items (a) to (c) (inclusive) of the Mortgages Trust Principal Priority of Payments,
- (iii) that Funding Company Loan Tranche will be treated as due and payable if they are already due and payable, or would become due and payable on or before the next Funding Company Payment Date in accordance with the relevant Funding 1 Priority of Payments or, in respect of each Further Funding Company, the relevant priority of payments for that company, and
- (iv) the amounts due and payable to that Funding Company in respect of Bullet Loan Tranches and/or Scheduled Amortisation Instalments are excluded,

exceeds the sum of

- (i) the amounts standing to the credit of the Funding 1 Principal Ledger and the corresponding ledgers of each Further Funding Company (if any) as at the last Funding Company Payment Date (which amount was not distributed on that Funding Company Payment Date but excluding the amounts standing to the credit of the Cash Accumulation Ledger of that Funding Company), and
- (ii) the sum of each Repayment Requirement amount paid to the relevant Funding Company on a previous Distribution Date during the relevant Funding Company Interest Period,

**Representations and Warranties** means the representations and warranties set out in schedule 1 to the Mortgage Sale Agreement,

**Reserve Principal Payments** means repayments of principal in respect of Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only,

**Revenue Ledger** means the ledger maintained by the Cash Manager on behalf of the Mortgages Trustee pursuant to the Cash Management Agreement and clause 16 (Ledgers) of the Mortgages Trust Deed to record Revenue Receipts received from the Mortgages Trustee and payment of the same to Beneficiaries on each Distribution Date. The Revenue Ledger and the Principal Ledger together reflect the aggregate of all amounts of cash standing to the credit of the Mortgages Trustee GIC Account,

**Revenue Receipts** means each payment received by the Mortgages Trustee in respect of any Loan, whether as all or part of a Monthly Payment in respect of such Loan, on redemption (including partial redemption) of such Loan, on enforcement of such Loan (including the proceeds of sale of such Loan), on the disposal of such Loan or on the repurchase of such Loan or otherwise (including payments pursuant to any Insurance Policy) which in any such case is not a Principal Receipt in respect of such Loan or a Third Party Amount,

**Sale Date** means the date on which any New Portfolio is sold to or becomes subject of a trust for the Mortgages Trustee in accordance with clause 4 (Sale and Purchase of New Portfolios, Product Switches and Further Advances) of the Mortgage Sale Agreement,

**Santander UK** means Santander UK plc (registered number 2294747), a public limited company incorporated under the laws of England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN,

**Sasine Transfer** means, in relation to Properties situated in Scotland title to which is recorded in the General Register of Sasines, each assignation of the relevant Scottish Loans and their related Scottish Mortgages in the form set out in schedule 12 to the Mortgage Sale Agreement with such modifications as may be required from time to time,

**Scheduled Amortisation Instalment** means that part of a Scheduled Amortisation Loan Tranche which is payable on each of the Scheduled Repayment Dates of that Scheduled Amortisation Loan Tranche specified in the relevant Intercompany Loan Confirmation,

**Scheduled Amortisation Loan Tranche** means any Loan Tranche which is initially scheduled to be repaid in multiple instalments (each being Scheduled Amortisation Instalment) on Scheduled Repayment Dates in accordance with the terms of the relevant Intercompany Loan Agreement. A Scheduled Amortisation Loan Tranche will be deemed to be Pass-Through Loan Tranches if a Pass-Through Trigger Event occurs,

**Scheduled Repayment Date** means, in respect of Funding 1, the Funding 1 Interest Payment Date on which Funding 1 is required to repay a Bullet Loan Tranche or a Scheduled Amortisation Instalment,

**Scottish Declaration of Trust** means each declaration of trust entered into among the Seller, the Mortgages Trustee and the Funding Companies pursuant to clauses 3.1 (Initial Closing Date) or 4.8 (Sale and Purchase of New Portfolios, Product Switches and Further Advances) of the Mortgage Sale Agreement substantially in the form set out in schedule 13 to the Mortgage Sale Agreement transferring the beneficial interest in Scottish Loans and their Related Security to the Mortgages Trustee,

**Scottish Loan** means a Loan which is secured by a Scottish Mortgage,

**Scottish Mortgage** means a Mortgage secured over a Property in Scotland;

**Scottish Transfers** means each Sasine Transfer and each SLR Transfer,

**Scottish Trust Property** means the aggregate of all Scottish Trust Property as defined in each relevant Scottish Declaration of Trust,

**Second New Portfolio** means the New Portfolio sold by the Previous Seller to the Mortgages Trustee pursuant to the Second New Portfolio Notice on the Second New Portfolio Sale Date,

**Second New Portfolio Notice** the New Portfolio Notice delivered by the Previous Seller to the Mortgages Trustee on the Second New Portfolio Sale Date pursuant to which the Mortgages Trustee purchased New Loans and their Related Security,

**Second New Portfolio Sale Date** means 16 March 2009,

**Second Accession and Amendment Deed** means the deed pursuant to which Langton Securities (2012-1) plc (formerly Langton Securities (2008-3) plc) acceded to the Funding 1 Deed of Charge and the parties thereto agreed to amend the Funding 1 Deed of Charge;

**Secretarial Services Agreement** mean the agreement entered into on or before the Initial Closing Date by, among others, Alliance & Leicester, the Issuer, Funding 1 and Holdings and PECO for the provision of secretarial services by Alliance & Leicester (and to which Santander UK acceded as Secretarial Service Provider on the Part VII Effective Date) to the Issuer, Funding 1 and Holdings and PECO (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Secretarial Services Provider** means Santander UK or such other persons or companies as may from time to time be appointed to provide secretarial services pursuant to the terms of a secretarial services agreement,

**Securities Act** means the United States Securities Act of 1933, as amended,

**Security Interest or Encumbrance** means any mortgage, sub-mortgage, standard security, charge, sub-charge, pledge, lien (other than a lien arising in the ordinary course of business or by operation of law) assignment in security or other encumbrance or security interest howsoever created or arising,

**Security Power of Attorney** means the power of attorney granted by Funding 1 in favour of the Funding 1 Security Trustee under the Funding 1 Deed of Charge on the Initial Closing Date substantially in the form set out in schedule 5 to the Funding 1 Deed of Charge,

**Seller** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK,

**Seller Bank Accounts** means the bank account(s) of the Seller into which monies may be paid from time to time pursuant to the terms of the Mortgages Trust Deed, details of which will be given to the Mortgages Trustee and Funding 1,

**Seller Contribution** means a Contribution by way of cash payable, pursuant to clause 6.2 (Overpayments, Underpayments and Payment Holidays) of the Mortgages Trust Deed, by the Seller to the Mortgages Trustee,

**Seller Insurance Policies** means the Lender Interest-Only Policy, the Title Insurance Policy and the Properties in Possession Cover,

**Seller's Policy** means the originating, underwriting, administration, arrears and enforcement policy applied by the Seller from time to time to loans and the security for their repayment which are beneficially owned solely by the Seller,

**Seller Power of Attorney** means the power of attorney granted by the Seller in favour of Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee on the Initial Closing Date, substantially in the form set out in schedule 5 to the Mortgage Sale Agreement,

**Seller Share** means, only in respect of the period prior to the first Trust Calculation Date, the Initial Seller Share and thereafter means the amount as determined in accordance with clauses 11 8 (Seller Share) and 11 9 (Weighted Average Seller Share) of the Mortgages Trust Deed,

**Seller Share Ledger** means the ledger to be maintained by the Cash Manager in accordance with the Cash Management Agreement to record the Current Seller Share and the Current Seller Share Percentage,

**Seller Share Percentage** means, in respect of the period prior to the first Trust Calculation Date, the Initial Seller Share Percentage and thereafter means the percentage share of the Seller in the Trust Property from time to time, as determined in accordance with clause 11 7 (Seller Share Percentage) of the Mortgages Trust Deed,

**Seller Variable Rate** means the variable rates that apply to that type of variable rate loan beneficially owned by the Seller outside the Portfolio,

**Servicer** means Santander UK, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement,

**Servicer Termination Event** means any of the events listed in clause 21 (Termination) of the Servicing Agreement,

**Services** has the meaning set out in clause 3 1(a) (The Administration Services – General) of the Servicing Agreement,

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1, and Alliance & Leicester (and to which Santander UK acceded as Servicer and Seller on the Part VII Effective Date) pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Seventh Amendment Deed to the Funding 1 Deed of Charge** means the deed dated 8 June 2012 amending with effect as of 18 June 2012 the Funding 1 Deed of Charge between, among others, the Issuers and Funding 1,

**Share** means the Seller Share, the Funding 1 Share and/or each Further Funding Company Share, as the context requires,

**Share Percentage** means the Seller Share Percentage, Funding 1 Share Percentage and/or Further Funding Company Share Percentage, as the context requires,

**Shared Funding 1 Issuer Principal Receipts** has the meaning as set out in Rule (5) of part 2 of schedule 4 to the Funding 1 Deed of Charge or, as applicable, Rule (5) of part (3) of schedule 4 to the Funding 1 Deed of Charge,

**Shared Funding 1 Issuer Revenue Receipts** has the meaning as set out in Rule (1) of part 1 of schedule 4 to the Funding 1 Deed of Charge or, as applicable, Rule (1) of part (3) of schedule 4 to the Funding 1 Deed of Charge,

**Sixth Amendment Deed** means the deed dated 23 December 2011 amending the Funding 1 Deed of Charge between, among others, the Issuers and Funding 1,

**Sixth New Portfolio** means the New Portfolio to be sold by the Seller to the Mortgages Trustee pursuant to the Sixth New Portfolio Notice on the Sixth New Portfolio Sale Date,

**Sixth New Portfolio Notice** means the New Portfolio Notice delivered to the Seller to the Mortgages Trustee on the Sixth New Portfolio Sale Date pursuant to which the Mortgages Trustee will purchase New Loans and their Related Security,

**Sixth New Portfolio Sale Date** means 23 March 2011,

**SLR Transfer** means, in relation to Properties situated in Scotland title to which is registered or is in the course of being registered in the Land Register of Scotland, each assignation of the relevant Scottish Loans and their related Scottish Mortgages in the form set out in schedule 11 to the Mortgage Sale Agreement with such modifications as may be required from time to time,

**Special Distribution** means amounts held by the Mortgages Trustee on any date in respect of any Further Contribution (other than a Refinancing Contribution) paid by any Funding Company to the Mortgages Trustee on that date which will be allocated and paid by the Mortgages Trustee to the Seller as a distribution pursuant to clause 5.1 (Contributions from the Funding Companies) of the Mortgages Trust Deed,

**Sponsor** means, for the purposes of the Mortgages Trustee Corporate Services Agreement, Santander UK,

**Standard Documentation** means the standard documentation, a list of which is set out in part 2 of appendix 1 to the Mortgage Sale Agreement and copies of which have been initialled on behalf of the initial parties thereto for the purposes of identification, or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender,

**Standard Security** or **standard security** means a standard security as defined in Part II of the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended,

**Step-Up Date** means, in respect of any Intercompany Loan, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranches made thereunder increases by a pre-determined amount,

**Subordinated Loan Tranche** means a Loan Tranche made by a Funding 1 Issuer to Funding 1 under an Intercompany Loan Agreement from the proceeds of issue of any Class Z Notes,

**Subsidiary** means a subsidiary as defined in section 1159 of the Companies Act 2006 (as amended),

**TARGET2 Business Day** means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system is open,

**Tax Credits** has the meaning given in Section 2(d)(ii) of the Funding 1 Swap Agreement,

**Taxes** means all present and future taxes, levies, imposts, duties (other than stamp duty), fees, deductions, withholdings or charges of any nature whatsoever and wherever imposed, including, without limitation, income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and **Tax** and **Taxation** shall be construed accordingly,

**Third Accession and Amendment Deed** means the deed pursuant to which the 2010-1 Issuer and the 2010-1 Funding 1 Start-Up Loan Provider acceded to the Funding 1 Deed of Charge and the parties thereto agreed to amend the Funding 1 Deed of Charge,

**Third New Portfolio** means the New Portfolio sold by the Previous Seller to the Mortgages Trustee pursuant to the Third New Portfolio Notice on the Third New Portfolio Sale Date,

**Third New Portfolio Notice** means the New Portfolio Notice delivered by the Previous Seller to the Mortgages Trustee on the Third New Portfolio Sale Date pursuant to which the Mortgages Trustee purchased New Loans and their Related Security,

**Third New Portfolio Sale Date** means 29 March 2010,

**Third Party Amounts** includes

- (d) amounts under a direct debit which are repaid to the bank making the payment if such a bank is unable to recoup that amount itself from the customer's account,
- (e) payments by Borrowers of any fees and other charges which are due to the Seller (including payments of insurance premiums, if any, due to the Seller in respect of any Seller arranged insurance policy to the extent not paid or payable by the Seller (or to the extent such insurance premiums have been paid by the Seller in respect of any Loan, which is not repurchased by the Seller, to reimburse the Seller)), or
- (f) recoveries in respect of amounts deducted from Loans as described in paragraphs (i) to (iv) of clause 11 6(a) (Adjustments to Trust Property) of the Mortgages Trust Deed, which will belong to and be paid to the Funding Companies and/or the Seller as described therein,

**Third Party Collection Agent** means an entity that shall act as collection agent for the Mortgages Trustee and the Beneficiaries under the Direct Debiting Scheme or any successor to that scheme pursuant to clause 5 1(a)(i) (Direct Debiting Scheme) of the Servicing Agreement,

**Three Month LIBOR** has the meaning given in the Funding 1 Swap Agreement,

**Title Deeds** means, in relation to each Loan and its Related Security and the Property relating thereto, all conveyancing deeds, land and charge certificates, MH/CP Documentation and all other documents which make up the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the Borrower of the related Mortgage,

**Title Insurance Policy** means a title insurance policy with First Title Insurance PLC (company registration number 01112603) and referenced HLPP(E&W)8/01, HLPPSCOT8/01 or HLPPNI01/05, or any such similar alternative or replacement policy or be effected from time to time to cover the Seller in respect of the Loans and the Related Security, such other policy or policies to provide such level of cover as would be acceptable to a Reasonable, Prudent Mortgage Lender at the date of such other policy or policies,

**Transaction Documents** means the Funding 1 Agreements, the Issuer Transaction Documents, any documents and agreements to which any Further Funding Company is a party, any documents and agreements to which any New Issuer is a party, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement and all other documents and agreements referred to therein or amending, restating, supplementing and/or novating any of the foregoing,

**Trigger Event** means an Asset Trigger Event and/or a Non-Asset Trigger Event, as the case may be,

**Trust Calculation Date** has the meaning given in clause 11 1 (Dates for Calculations and Distributions) of the Mortgages Trust Deed,

**Trust Corporation** means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees,

**Trust Property** means

- (g) the portfolio of Loans and their Related Security sold to or held on trust for the Mortgages Trustee by the Seller at their relevant Sale Dates,
  - (h) any New Loans and their Related Security sold to or held on trust for the Mortgages Trustee by the Seller after the Initial Closing Date,
  - (a) any increase in the Current Balance of a Loan due to Borrowers making Underpayments or Cash Withdrawals or taking Payment Holidays under a Loan or a Borrower making a drawing under any Flexible Loan or the Seller making a Further Advance under a Loan or due to any Capitalised Arrears or due to Accrued Interest and other amounts of Arrears relation to that Loan from time to time,
  - (b) any Revenue Receipts and Principal Receipts on the Loans in the Portfolio,
  - (c) any consideration provided to the Mortgages Trustee in the form of Contributions in accordance with clause 4 (Consideration) of the Mortgages Trust Deed, until such Contributions have been applied by the Mortgages Trustee in accordance with the terms of the Mortgages Trust Deed,
  - (d) any other amounts received under or in respect of the Loans and their Related Security on or after the relevant Sale Date (excluding Third Party Amounts), including the proceeds of any sale of the Loans and their Related Security and any other proceeds of sale of any other Trust Property,
  - (e) any Authorised Investments made by or on behalf of the Mortgages Trustee,
  - (f) rights under insurance policies that are assigned to the Mortgages Trustee or which the Mortgages Trustee has the benefit of,
  - (g) amounts on deposit (and interest earned on those amounts) in the Mortgages Trustee GIC Account, and
  - (h) any other property representing (a) to (i) above,
- less
- (i) any actual Losses in relation to Loans and any actual reductions (and for the avoidance of doubt, not deemed reductions) occurring in respect of the Outstanding Principal Balance of the Loans in the circumstances set out in clause 11 2(a) (Funding 1 Share Percentage) of the Mortgages Trust Deed,
  - (j) distributions of Revenue Receipts and Principal Receipts made from time to time to the Beneficiaries of the Mortgages Trust Deed,
  - (k) Refinancing Distributions and/or Special Distributions made from time to time to the Beneficiaries, and

- (l) the Initial Purchase Price paid by the Mortgages Trustee to the Seller on the Initial Closing Date and each subsequent Sale Date for the sale to the Mortgages Trustee of the relevant Loans and their Related Security,

**UK Share Trustee** means SFM Corporate Services Limited of 35 Great St Helen's, London EC3A 6AP,

**Underpayment** means a payment made by a Borrower in an amount less than the Monthly Payment then due on the Loan being a sum not exceeding the aggregate of any previous Overpayments,

**United Kingdom** means The United Kingdom of Great Britain and Northern Ireland,

**Unregistered Land** means land in England and Wales title to which is not, and is not required to be, registered at the Land Registry or land in Northern Ireland title to which is registered at the Registry of Deeds, Belfast,

**Unregistered Land Transfer** means a deed of transfer of a Mortgage or Mortgages over Properties title to which is registered at the Registry of Deeds, Belfast, substantially in the form set out in schedule 17 to the Mortgage Sale Agreement,

**Unregistered Transfer** means a deed of transfer of a Mortgage or Mortgages over Unregistered Land in England and Wales substantially in the form set out in schedule 3 to the Mortgage Sale Agreement,

**Valuation Report** means the valuation report or reports for mortgage purposes, in the form of the pro-forma contained in the Standard Documentation, obtained by the Seller from a Valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable Prudent Mortgage Lender and which has been approved by the relevant officers of the Seller,

**Valuer** means an Associate or Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers who was at the relevant times either a member of a firm which was on the list of Valuers approved by or on behalf of the Seller from time to time or an Associate or Fellow of the Royal Institute of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers employed in-house by the Seller acting for the Seller in respect of the valuation of a Property,

**Variable Rate** means the rate of interest that applies to that type of Variable Rate Loan in the Portfolio as set, other than in limited circumstances, by the Servicer,

**Variable Rate Loan Balance** has the meaning given in the Funding 1 Swap Agreement,

**Variable Rate Loans** means those Loans, other than Base Rate Loans, to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may at any time be varied in accordance with a specified variable mortgage rate by the relevant Mortgage Terms, including those Loans where the Mortgage Terms provide that they are subject to a rate of interest at a specified discount to the Seller's standard variable rate for a specified period of time (and shall, for the avoidance of doubt, exclude Loans during the period that they are Fixed Rate Loans),

**Variable Rate Spread** has the meaning given in the Funding 1 Swap Agreement,

**WAFF** means the weighted average foreclosure frequency in respect of the Portfolio (as determined in accordance with the models and assumption provided by each of the Rating Agencies via weblink on a quarterly basis),

**WALS** means the weighted average loss severity in respect of the Portfolio (as determined in accordance with the models and assumption provided by each of the Rating Agencies via weblink on a quarterly basis),

**Weighted Average Base Rate** means a rate linked to the Bank of England base rate, as shall be determined by the Cash Manager in accordance with the provisions of the Cash Management Agreement,

**Weighted Average Funding 1 Share Percentage** has the meaning given in clause 11.4 (Weighted Average Funding 1 Share) of the Mortgages Trust Deed,

**Weighted Average Funding 1 Share (Losses) Percentage** has the meaning given in clause 11.4 (Weighted Average Funding 1 Share) of the Mortgages Trust Deed,

**Weighted Average Funding 1 Share (Principal) Percentage** has the meaning given in clause 11.4 (Weighted Average Funding 1 Share) of the Mortgages Trust Deed,

**Weighted Average Funding 1 Share (Revenue) Percentage** has the meaning given in clause 11.4 (Weighted Average Funding 1 Share) of the Mortgages Trust Deed,

**Weighted Average Further Funding Company Share Percentage** has the meaning given in clause 11.5 (Share Percentage etc. of each Further Funding Company) of the Mortgages Trust Deed,

**Weighted Average Further Funding Company Share (Losses) Percentage** has the meaning given in clause 11.5 (Share Percentage etc. of each Further Funding Company) of the Mortgages Trust Deed,

**Weighted Average Further Funding Company Share (Principal) Percentage** has the meaning given in clause 11.5 (Share Percentage etc. of each Further Funding Company) of the Mortgages Trust Deed,

**Weighted Average Further Funding Company Share (Revenue) Percentage** has the meaning given in clause 11.5 (Share Percentage etc. of each Further Funding Company) of the Mortgages Trust Deed,

**Weighted Average Income Multiple** has the meaning given in the Fitch Conditions,

**Weighted Average Seller Share Percentage** has the meaning given in clause 11.9 (Weighted Average Seller Share) of the Mortgages Trust Deed,

**Weighted Average Seller Share (Losses) Percentage** has the meaning given in clause 11.9 (Weighted Average Seller Share) of the Mortgages Trust Deed,

**Weighted Average Seller Share (Principal) Percentage** has the meaning given in clause 11.9 (Weighted Average Seller Share) of the Mortgages Trust Deed, and

**Weighted Average Seller Share (Revenue) Percentage** has the meaning given in clause 11.9 (Weighted Average Seller Share) of the Mortgages Trust Deed