

MR01

Particulars of a charge

233172/13



A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **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
refer to our guidance at
www.companieshouse.gov.uk

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 a
court order extending the time for delivery



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



A2N53PTC

A29

13/12/2013

#47

COMPANIES HOUSE

1

Company details

Company number 0 8 6 5 8 0 3 1

Company name in full PRECISE MORTGAGE FUNDING NO 1 PLC

2

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 0 5 1 2 0 1 3

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 U S . BANK TRUSTEES 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

4

Description

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

5

Fixed charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

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

☒ Yes

☐ No

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 **Matthew Leung**

Company name **Allen & Overy LLP**

Address **One Bishops Square**

Post town **London**

County/Region

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:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ 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.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

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

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

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

on behalf of Precise Mortgage Funding No 1 PLC

X

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



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8658031

Charge code: 0865 8031 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th December 2013 and created by PRECISE MORTGAGE FUNDING NO. 1 PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th December 2013.

POST

Given at Companies House, Cardiff on 17th December 2013



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

DEED OF CHARGE

5 DECEMBER 2013

Between

BUTTERMERE PLC
as Seller

and

ELAVON FINANCIAL SERVICES LIMITED
as Cash Manager, Issuer Account Bank, Principal Paying Agent and Agent Bank

and

ELAVON FINANCIAL SERVICES LIMITED
as Registrar

and

CHARTER COURT FINANCIAL SERVICES LIMITED
as Originator and Servicer

and

PRECISE MORTGAGE FUNDING NO. 1 PLC
as Issuer

and

U.S. BANK TRUSTEES LIMITED
as Security Trustee and Note Trustee

and

STRUCTURED FINANCE MANAGEMENT LIMITED
as Corporate Services Provider

and

CREDIT SUISSE INTERNATIONAL
as Swap Provider

and

BARCLAYS BANK PLC
as Collection Account Bank

Except for material redacted pursuant
to s 859G of the Companies Act 2006
I certify that this is a copy of
the original document

Name **Matthew Leung**
Qualified as **SOLICITOR, NEW SOUTH WALES**
Allen Overy LLP
One Bishops Square
London E1 6AD
United Kingdom
Date **12 DECEMBER 2013**

ALLEN & OVERY

Allen & Overy LLP

0065809-0000018 ICM 18603465 1

CONTENTS

Clause	Page
1 Interpretation	2
2 Issuer's Covenant to Pay	3
3 Security and Declaration of Trust	3
4 Release of Charged Assets.	8
5 Continuance of Security	9
6 Payments out of the Issuer Accounts, Authorised Investments and Application of Cash Prior to Enforcement	10
7 Payments out of the Issuer Accounts upon Enforcement	12
8 Conflict	15
9 The Security Trustee's Powers.	17
10 Receiver	19
11 Protection of Third Parties	23
12 Protection of Security Trustee and Receiver	23
13 Protection of Security	24
14 Crystallisation	24
15 Power of Attorney	25
16 Other Security	25
17 Merger	26
18 Avoidance of Payments	26
19 Set off	27
20 Execution of Documents	27
21 Confidentiality	27
22 Exercise of Certain Rights	29
23 Covenants and Warranties	31
24 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000	37
25 Supplemental Provisions Regarding the Security Trustee.	46
26 Remuneration and Indemnification of the Security Trustee	49
27 Appointment of New Security Trustee and Removal of Security Trustee	52
28 Retirement of Security Trustee	53
29 Notices	53
30 Language	54
31 Further Provisions	54
32 Choice of Law	56

Schedule

1 Power of Attorney	60
2 Form of Deed of Charge Accession Undertaking	62
3 Form of Scottish Sub-Security (Land Register)	69
4 Form of Scottish Sub-Security (Sasine Register)	73
5 Form of Scottish Supplemental Charge	77
Part 1 Form of Intimation	79
Part 2 Form of Acknowledgement	80

Signatories	56
-------------	----

THIS DEED OF CHARGE is made on 5 December 2013

BETWEEN

- (1) **BUTTERMERE PLC** (registered number 06737937), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Seller**),
- (2) **ELAVON FINANCIAL SERVICES LIMITED**, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland, acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Cash Manager, Issuer Account Bank, Principal Paying Agent and Agent Bank**),
- (3) **ELAVON FINANCIAL SERVICES LIMITED**, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland (the **Registrar**),
- (4) **CHARTER COURT FINANCIAL SERVICES LIMITED** (registered number 06749498), a private limited company incorporated under the laws of England and Wales, whose registered office is at 2 Charter Court, Broadlands, Wolverhampton, WV10 6TD (the **Servicer and the Originator**),
- (5) **PRECISE MORTGAGE FUNDING NO. 1 PLC** (registered number 08658031), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Issuer**),
- (6) **U.S. BANK TRUSTEES LIMITED** (registered number 2379632), a private limited company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee and Note Trustee**, which expression shall include such person and all other persons for the time being acting as note trustee(s) under the Trust Deed or as security trustee(s) under the Deed of Charge, respectively),
- (7) **STRUCTURED FINANCE MANAGEMENT LIMITED** (registered number 03853947), a private limited company under the laws of England and Wales whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Corporate Services Provider**),
- (8) **CREDIT SUISSE INTERNATIONAL** (registered number 02500199), a private unlimited company incorporated under the laws of England and Wales, whose registered office is at One Cabot Square, London E14 4QJ (the **Swap Provider**), and
- (9) **BARCLAYS BANK PLC**, (registered number 01026167), a public limited company incorporated under the laws of England and Wales whose registered office is at 1 Churchill Place, London E14 5HP (the **Collection Account Bank**)

WHEREAS

- (A) This Deed of Charge secures, *inter alia*, the Secured Obligations
- (B) The Issuer will on or about the date of this Deed issue the Notes and the Residual Certificates pursuant to the Trust Deed
- (C) By the Mortgage Sale Agreement, the Seller has agreed to sell its interest in the Portfolio to the Issuer

- (D) By the Servicing Agreement, the Servicer has agreed to act as servicer and to service the Portfolio on behalf of the Issuer.
- (E) By the Cash Management Agreement, the Cash Manager has agreed to act as cash manager and to provide certain administration and cash management services to the Issuer
- (F) By the Bank Account Agreement, the Issuer Account Bank has agreed to provide certain bank account services to the Issuer in respect of the Issuer Accounts
- (G) By the Swap Agreement, the Swap Provider has agreed to enter into a swap transaction with the Issuer
- (H) By the Agency Agreement, the Agents have agreed to provide certain agency services on behalf of the Issuer for the benefit of the Noteholders and the Certificateholders
- (I) By the Corporate Services Agreement, the Corporate Services Provider has agreed to act as corporate services provider to the Issuer and Holdings
- (J) By the DD Collection Account Declaration of Trust and Account Bank Deed, the Collection Account Bank has agreed to provide certain bank account services to the Originator and the Issuer (as beneficiary of the DD Collection Account Trust) in respect of the DD Collection Account
- (K) The Issuer has agreed to provide the Security Trustee with the benefit of the Security described in this Deed to secure the Secured Obligations. The Security Trustee shall hold the benefit of such Security on trust for itself and the other Secured Creditors on the terms set out in this Deed

IT IS HEREBY AGREED as follows

1. INTERPRETATION

1.1 Definitions

The master definitions and construction schedule signed by, amongst others, the parties hereto and dated on or about the Closing Date (as the same may be amended, varied or supplemented from time to time with the consent of the parties hereto) (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 shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the Recitals hereto. This Deed shall be construed in accordance with the interpretation provisions set out in Clause 2 (Interpretation and Construction) of the Master Definitions and Construction Schedule

In this Deed, except where the context otherwise requires.

- (a) The terms of the Trust Deed, the Master Definitions and Construction Schedule and any other agreement in existence at the date hereof between the parties hereto in relation to any such documents are incorporated in this Deed to the extent required to ensure that any proposed disposition of the Charged Assets contained in this Deed is a valid disposition in accordance with Section 2(1) of the LP (MP) Act.
- (b) A reference in this Deed to any property, assets, undertakings or rights includes, unless the context otherwise requires, present and future property, assets, undertakings or rights

- (c) This Deed means this Deed of Charge and all the Schedules hereto (as from time to time modified and/or supplemented in accordance with the provisions set out herein) and/or expressed to be supplemented hereto and each other document or deed (including each Scottish Supplemental Charge and each Scottish Sub-Security) entered into pursuant hereto (as from time to time modified and/or supplemented as aforesaid) and/or expressed to be supplemental hereto
- (d) All references in the Transaction Documents involving compliance by the Security Trustee with a test of reasonableness shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference to the interests of the Noteholders, or if there are no Notes outstanding, the interests of the Certificateholders, or if there are no Notes then outstanding and the Residual Certificates have been cancelled, the interests of all of the other Secured Creditors

2. ISSUER'S COVENANT TO PAY

The Issuer covenants with and undertakes to the Security Trustee for itself and on trust for the other Secured Creditors that it will, subject to the provisions of the Transaction Documents

- (a) duly, unconditionally and punctually pay and discharge all monies and liabilities whatsoever which now are or at any time hereafter may (whether before or after demand) become due and payable to the Security Trustee (whether for its own account or as trustee for the Secured Creditors) or any of the other Secured Creditors by the Issuer, whether actually or contingently, solely or jointly with one or more persons and whether as principal or surety under or pursuant to this Deed or any other Transaction Document, and
- (b) observe, perform and satisfy all its other obligations and liabilities under this Deed and each other Transaction Document

3. SECURITY AND DECLARATION OF TRUST

3.1 Contractual Rights

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Assets), hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than the Trust Deed and this Deed, each Scottish Supplemental Charge and each Scottish Declaration of Trust) to which it is a party including all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder (provided that the assignment by way of security of the Issuer's rights under the Swap Agreement shall be subject to any rights of set-off or netting provided for thereunder) including all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof, to hold the same unto the Security Trustee absolutely

3.2 English Loans and their Related Security

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, as the registered owner or as the person entitled to be registered as owner and subject to Clause 4 (Release of Charged Assets), hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the English Loans and their Related Security and all

other related rights under the same, and without limitation, all monies assured by or to become payable under the same and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same and the Title Deeds and documents relating to the Properties situated in England and Wales and the English Loans from time to time comprised in the Portfolio, including (without prejudice to the generality of the foregoing) any consents, postponements, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the English Loans from time to time comprised in the Portfolio (and all causes and rights of action of the Issuer against any person in connection with the same) and any other contractual documents or any security documents in either case setting out the terms of such English Loans or their Related Security, to hold the same unto the Security Trustee absolutely

3.3 Insurance Policies

The Issuer, by way of first fixed security for the payment and discharge of the Secured Obligations, (as beneficial owner) and subject to Clause 4 (Release of Charged Assets), hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Insurance Policies to the extent that such rights, title, interest and benefit in, to and under the Insurance Policies have been assigned to the Issuer pursuant to the Mortgage Sale Agreement, and including all amounts which may become payable thereunder and the benefit of all covenants, undertakings and rights relating thereto and all powers and remedies for enforcing the same, to hold the same unto the Security Trustee absolutely

3.4 Scottish Sub-Securities

The Issuer, subject to Clause 4 (Release of Charged Assets), hereby undertakes to the Security Trustee and binds and obliges itself

- (a) upon the delivery to it of any SLR Transfer from the Originator pursuant to Clause 7 (Perfection of the Sale) of the Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the payment and discharge of the Secured Obligations a Scottish Sub-Security substantially in the form set out in Schedule 3 (Form of Scottish Sub-Security (Land Register)) to this Deed in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages (and the Scottish Loans secured thereby) to which the Issuer is entitled in terms of such SLR Transfer,
- (b) upon the delivery to it of any Sasine Transfer from the Originator pursuant to Clause 7 (Perfection of the Sale) of the Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the payment and discharge of the Secured Obligations a Scottish Sub-Security substantially in the form set out in Schedule 4 (Form of Scottish Sub-Security (Sasine Register)) of this Deed in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages (and the Scottish Loans secured thereby) to which the Issuer is entitled in terms of such Sasine Transfer,
- (c) at the time of delivery of any Scottish Sub-Security in accordance with the preceding provisions of this Clause 3 4 simultaneously to deliver to the Security Trustee the relevant SLR Transfer and the relevant Sasine Transfer respectively pertaining to the Scottish Mortgages specified in that Scottish Sub-Security,
- (d) if and when called upon to do so by the Security Trustee (but subject to the provisions of the Mortgage Sale Agreement), to use all reasonable endeavours and to take all such steps as are necessary to perfect legal title to the Scottish Loans and their Related Security from time to time comprised in the Portfolio, including the registration or recording of the Issuer as

heritable creditor under such Scottish Mortgages at the Land Register of Scotland or the General Register of Sasines and intimation thereof to the relevant Borrowers, and

- (e) if and when called upon to do so by the Security Trustee, to use all reasonable endeavours to execute and deliver such documents, and in such form, and to take such other steps as the Security Trustee shall reasonably consider necessary to enable the Security Trustee to perfect a first ranking heritable security over the Scottish Mortgages from time to time comprised in the Portfolio and a first ranking fixed security over the rights, title and interest of the Issuer in and to the other Related Security from time to time comprised in the Portfolio and all sums secured thereby

3.5 Scottish Trust Security

- (a) The Issuer undertakes forthwith upon the execution and delivery of each Scottish Declaration of Trust entered into pursuant to Clause 3 (Closing Date), Clause 4 (Sale and Purchase of the Further Portfolio) or Clause 12 (Further Assurance) of the Mortgage Sale Agreement, to execute and deliver to the Security Trustee a Scottish Supplemental Charge substantially in the form set out in Schedule 5 (Form of Scottish Supplemental Charge) to this Deed. The other parties to this Deed consent to the entering into of such Scottish Supplemental Charges and the Security Trustee authorises and instructs the Issuer to intimate and give notice to the Originator of the assignment in security made thereunder as provided therein
- (b) The Originator undertakes to execute each Scottish Supplemental Charge as trustee under each Scottish Declaration of Trust referred to therein
- (c) The Issuer undertakes to the Security Trustee at the time of delivery of each Scottish Supplemental Charge under the terms of Clause 3 5(a) simultaneously to deliver to the Security Trustee each Scottish Declaration of Trust referred to therein

3.6 Issuer Accounts

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Assets), hereby charges by way of first fixed charge in favour of the Security Trustee all of its rights, title, interest and benefit, present and future, in and to all monies now or at any time hereafter standing to the credit of the Issuer Accounts and each other account (if any) (including any securities accounts and any securities standing to the credit thereto) maintained with the Issuer Account Bank and any other bank or custodian in which the Issuer may at any time and from time to time have or acquire any right, title benefit or interest, together with all interest accruing from time to time thereon and the debt represented thereby, to hold the same unto the Security Trustee absolutely

3.7 DD Collection Account Trust and Non-DD Collection Account Trust

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Assets), hereby assigns by way of security (and to the extent not assigned, charges by way of first fixed charge) (but subject to the right of reassignment) to the Security Trustee all of its rights, title, interest and benefit, present and future, under or in respect of the Non-DD Collection Account Trust (created pursuant to the Non-DD Collection Account Declaration of Trust) and the DD Collection Account Trust (created pursuant to the DD Collection Account Declaration of Trust and Account Bank Deed)

3.8 Authorised Investments

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Assets), hereby charges by way of first fixed charge in favour of the Security Trustee all of its rights, title, interest and benefit, present and future, to and under or in respect of any Authorised Investments to be made from time to time by the Issuer (or the Cash Manager on its behalf) using monies standing to the credit of the Issuer Accounts and all monies, income and proceeds payable thereunder or accrued thereon and the benefit of all covenants relating thereto and all rights and remedies for enforcing the same, to hold the same unto the Security Trustee absolutely

3.9 Floating Charge

The Issuer, by way of first floating security for the payment or discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Assets), hereby charges to the Security Trustee by way of first floating charge the whole of its undertaking and all its property and assets, rights and revenues, whatsoever and wheresoever, both present and future, other than its share capital but including its uncalled capital, other than any property or assets from time to time or for the time being the subject of fixed charges pursuant to Clauses 3 1 (Contractual Rights) to 3 3 (Insurance Policies) (inclusive), 3.6 (Issuer Accounts) and 3 8 (Authorised Investments) or otherwise effectively assigned by way of security or charged by way of fixed security, such floating charge including but not limited to all of its property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not the subject of fixed charges as aforesaid) The floating charge created hereby is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 of the Insolvency Act 1986 (the **Insolvency Act**) and accordingly paragraph 14 of Schedule B1 of the Insolvency Act applies to the floating charges created hereby

3.10 Full Title Guarantee

Each of the dispositions, assignments or assignations of or charges over property effected in or pursuant to Clauses 3 1 (Contractual Rights) to 3 9 (Floating Charge) (inclusive) is made with Full Title Guarantee or, in relation to Scottish Loans and their Related Security, with absolute warrandice.

3.11 Further Acquired Rights

Subject to Clauses 3.4 (Scottish Sub-Securities) and 3 5 (Scottish Trust Security), it is hereby confirmed that reference herein to Loans (including English Loans and Scottish Loans), their Related Security and Insurance Policies and related rights under the same include those which are hereafter sold or transferred to or otherwise acquired by the Issuer and that the Security created by or pursuant to Clause 3 1 (Contractual Rights) to Clause 3 8 (Authorised Investments) (inclusive) are, and are intended to be, specific and fixed assignments and assignations by way of security of, or specific and fixed charges or standard securities over (as the case may be), the items to which they relate, both present and future acquired

3.12 Notice and Acknowledgement

- (a) The execution of this Deed by each Secured Creditor constitutes irrevocable notice in writing to each Secured Creditor of the assignment and assignation of all of the Issuer's rights, title, interest and benefit, present and future in, to and under the Transaction Documents charged under Clause 3.1 (Contractual Rights) (the **Charged Documents**) and the execution of this Deed by each of the Secured Creditors shall constitute an express acknowledgement by each of them of such conveyances, transfers, charges, assignations and assignments and other Security Interests made or granted by the foregoing provisions of this Clause 3 (Security and Declaration of Trust) and Clause 2

(Issuer's Covenant to Pay) The Issuer authorises and instructs each of the Secured Creditors, in relation to the Issuer's rights (but not its obligations) under the relevant Charged Document(s), to deal with the Security Trustee without reference to the Issuer

- (b) Each Secured Creditor (other than the Security Trustee) acknowledges and consents to the assignment or assignation referred to in paragraph (a) above and confirms that
 - (i) it will deal only with the Security Trustee in relation to the Issuer's rights (but not its obligations) under the Charged Document(s) without any reference to the Issuer, and
 - (ii) as of the date of this Deed it has not received from any other person notice of any assignment or charge of any Charged Document
- (c) Each Secured Creditor (other than the Security Trustee) acknowledges the Security and covenants to the Security Trustee not to do anything inconsistent with the Security or knowingly to prejudice that Security or any of the Charged Assets (or the Security Trustee's interest in such property) **provided that**, subject to Clause 22 (Exercise of Certain Rights), this Deed does not limit the rights or obligations of any of the Secured Creditors exercisable or to be performed in accordance with and subject to the terms of any of the Transaction Documents

3.13 Charged Documents

Subject to Clause 25 2 (Delegation), without prejudice to the rights of the Security Trustee after the Security created under or pursuant to this Deed has become enforceable, the Issuer hereby authorises the Security Trustee, prior to the Security created by or pursuant to this Deed becoming enforceable, to exercise, or refrain from exercising, all rights, powers, authorities, discretions and remedies of the Issuer under or in respect of the Transaction Documents referred to in Clause 3 1 (Contractual Rights) in such manner as the Security Trustee in its absolute discretion shall think fit. The Security Trustee shall not be required to have regard to the interests of the Issuer in the exercise or non-exercise of any such rights, powers, authorities, discretions and remedies or to comply with any direction given by the Issuer in relation thereto

3.14 Notice of Transaction Documents

Each Secured Creditor shall be deemed to have notice of all of the provisions of the Transaction Documents

3.15 Payments to the Issuer

Notwithstanding the Security but subject as provided otherwise in this Deed, each of the parties acknowledges that each Secured Creditor and each other party to any Charged Document may continue to make all payments becoming due to the Issuer under any Transaction Document in the manner envisaged by that document until receipt of written notice from the Security Trustee or any Receiver requiring payments to be made otherwise following the service of an Enforcement Notice on the Issuer

3.16 Declaration of Trust

The Security Trustee hereby declares itself trustee of all the covenants, undertakings, charges, securities, assignments, assignations and other Security Interests made or given or to be made or given under or pursuant to this Deed and the other Transaction Documents to which it is a party for itself and the other Secured Creditors in respect of the Secured Obligations owed to each of them respectively upon and subject to the terms and conditions of this Deed. Each Secured Creditor acknowledges and agrees to that trust

3.17 General

(a) All the security

- (i) is created in favour of the Security Trustee for itself and as trustee on behalf of the other Secured Creditors,
- (ii) is created over the present and future assets of the Issuer,
- (iii) is security for the payment or discharge of the Secured Obligations, and
- (iv) is made with Full Title Guarantee or, where applicable, as beneficial owner or with absolute warrantice

(b) The term "all of its rights" as used in this Clause 3 (Security and Declaration of Trust) 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) (subject, in the case of payments under the Swap Agreement after giving effect to all applicable netting provisions therein, including Sections 2 and 6 of the Swap Agreement), 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 Charged Assets

4. RELEASE OF CHARGED ASSETS

4.1 Prior to Payment or Discharge of Secured Obligations

Notwithstanding anything to the contrary contained herein, the Issuer (or the Cash Manager on its behalf) may make cash payments out of the Issuer Accounts as and to the extent permitted or required by the Transaction Documents

4.2 On Payment or Discharge of Secured Obligations

On proof being given to the satisfaction of the Security Trustee as to the full, final, irrevocable and unconditional payment or discharge of all the Secured Obligations, the Security Trustee, at the written request and cost of the Issuer, shall release, reassign or discharge from the Security the Charged Assets to, or to the order of, the Issuer

4.3 On Disposal of Authorised Investments

Upon the Cash Manager, on behalf of the Issuer, making a disposal of an Authorised Investment charged pursuant to Clause 3.8 (Authorised Investments), the Security Trustee shall, if so requested in writing by the Cash Manager and at the sole cost and expense (on an indemnity basis) of the Issuer, but without being responsible for any loss, costs, claims or liabilities whatsoever occasioned and howsoever arising by so acting upon such request, release, reassign or discharge from the Security Interests constituted by this Deed the relevant Authorised Investments, without recourse,

representation or warranty, provided that the proceeds of such disposal are paid into an account charged pursuant to Clause 3 6 (Issuer Accounts) in accordance with Clause 6 4 (Authorised Investments) from which the monies to make such Authorised Investments were originally drawn, subject to and in accordance with the provisions of the Bank Account Agreement, the Cash Management Agreement and this Deed

4.4 On Withdrawals from Issuer Accounts

From time to time there shall be deemed to be released and discharged from the Security Interests constituted by this Deed all amounts which the Cash Manager, on behalf of the Issuer, is permitted to withdraw from the Issuer Accounts pursuant to Clauses 6 2 (Pre-Enforcement Priority of Payments) and 6 3 (Payments under the Cash Management Agreement, the Bank Account Agreement and the Swap Agreement) or as otherwise permitted or required by the Transaction Documents, any such release to take effect immediately upon the relevant withdrawal being made **provided that** where the relevant amount is transferred to another Issuer Account of the Issuer, it shall thereupon become subject to the Security Interests constituted by this Deed in respect of such Issuer Account

4.5 Repurchase of Loans

In the event of any repurchase of Loans and their Related Security by the Seller or the Originator pursuant to and in accordance with the Transaction Documents, such Loans and their Related Security shall no longer form part of the Portfolio and shall be automatically released from the Security Interests created under or pursuant to this Deed and the Security Trustee shall, if so requested in writing by the Issuer (at the sole cost and expense of the Issuer), release, reassign, retrocess or discharge those Loans and their Related Security from the Security Interests created hereunder or pursuant to this Deed in respect thereof on or prior to the date of any such repurchase provided that the Issuer shall have provided to the Security Trustee a certificate from a director of the Issuer (or an Authorised Signatory of the Cash Manager on behalf of the Issuer) that such sale of Loans and their Related Security has been made in accordance with the terms of the Transaction Documents and that the purchase price in respect of such repurchased Loans and their Related Security has been received into the Deposit Account

5. CONTINUANCE OF SECURITY

5.1 Continuing Security

The charges, assignments, assignations and other Security Interests constituted by or granted pursuant to this Deed

- (a) shall be without prejudice and in addition to and shall not merge with any other security whatsoever which may be held by the Secured Creditors or the Security Trustee on behalf of the Secured Creditors from the Issuer or any other person for or in respect of the whole or part of the Secured Obligations, and
- (b) shall remain in force as continuing security for the Secured Creditors notwithstanding any settlement of account or the existence at any time of a credit balance on any current or other account or any other act, event or matter whatsoever

5.2 Acknowledgement

The Issuer hereby acknowledges the assignments, charges and other Security Interests constituted or granted by the foregoing provisions of this Deed and undertakes to the Security Trustee not to do anything inconsistent with the Security given under or pursuant to this Deed or knowingly to prejudice the Security granted to the Security Trustee under or pursuant to this Deed or the Charged

Assets or the Security Trustee's interest therein and the Issuer covenants not to permit the validity, effectiveness, or priority of the Security given under or pursuant to this Deed to be postponed, amended, terminated or discharged

5.3 Accession of New Secured Creditors

The parties hereto agree and acknowledge that an entity may become a Secured Creditor and accede to the terms of this Deed by execution of a Deed of Charge Accession Undertaking with the Issuer and the Security Trustee, in the form scheduled to Schedule 2 (Form of Deed of Charge Accession Undertaking) to this Deed

6. PAYMENTS OUT OF THE ISSUER ACCOUNTS, AUTHORISED INVESTMENTS AND APPLICATION OF CASH PRIOR TO ENFORCEMENT

6.1 Following service of an Enforcement Notice

No payment, transfer or withdrawal from the Issuer Accounts (except for any payment, transfer or withdrawal from the Swap Collateral Account which is applied in accordance with the Swap Collateral Account Priority of Payments) may be made under this Clause 6 (Payments out of the Issuer Accounts, Authorised Investments and Application of Cash Prior to Enforcement) at any time after an Enforcement Notice has been served on the Issuer other than with the prior written consent of the Security Trustee

6.2 Pre-Enforcement Priority of Payments

Notwithstanding the security rights created by or pursuant to Clause 3 (Security and Declaration of Trust), for so long as no Enforcement Notice has been served, the Cash Manager, on behalf of the Issuer, shall withdraw, or shall instruct the Issuer Account Bank, or cause the Issuer Account Bank to be instructed, to withdraw (unless the intended recipient of the relevant payment agrees otherwise and subject to the terms of the Cash Management Agreement) monies from the relevant Issuer Accounts on each Interest Payment Date (subject to Clause 6.3 (Payments under the Cash Management Agreement, the Bank Account Agreement and the Swap Agreement)) to be applied in accordance with (in the case of amounts or securities standing to the credit of the Swap Collateral Account) the Swap Collateral Account Priority of Payments or (in all other cases) the Pre-Enforcement Priority of Payments, as set out in Schedule 2 (Cash Management and Maintenance of Ledgers) of the Cash Management Agreement

6.3 Payments under the Cash Management Agreement, the Bank Account Agreement and the Swap Agreement

Notwithstanding the Security Interests created by or pursuant to Clause 3 (Security and Declaration of Trust), for so long as no Enforcement Notice has been served, the Cash Manager, on behalf of the Issuer, shall withdraw, or shall instruct the Issuer Account Bank, or cause the Issuer Account Bank to be instructed, to withdraw (unless the intended recipient of the relevant payment agrees otherwise and subject to the terms of the Cash Management Agreement) monies from the relevant Issuer Accounts (but only to the extent that such withdrawal does not cause the applicable Issuer Account to become overdrawn) for application on any Business Day in investing in Authorised Investments and making any payments due to be made subject to and in accordance with the Cash Management Agreement, the Bank Account Agreement and the Swap Agreement

6.4 Authorised Investments

- (a) At the direction of the Servicer, the Cash Manager, on behalf of and in the name of the Issuer, may invest monies standing from time to time to the credit of the Deposit Account in Authorised Investments as determined by the Servicer subject to the following provisions.
- (i) any investment in an Authorised Investment shall be made in the name of the Issuer,
 - (ii) any costs properly and reasonably incurred in making, changing or otherwise disposing of any investment in an Authorised Investment will be reimbursed to the Cash Manager by the Issuer, and
 - (iii) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Deposit Account
- (b) Notwithstanding the security rights created by or pursuant to Clause 3 (Security and Declaration of Trust) but prior to the service of an Enforcement Notice, Authorised Investments may, at the request of the Cash Manager, on any Business Day, be sold or redeemed or disposed of or realised or otherwise deposited subject always to the other provisions hereof (including Clause 3 8 (Authorised Investments) and Clause 4 3 (On Disposal of Authorised Investments)).

6.5 Management and Application of Funds

The Issuer shall take or cause to be taken such action as may from time to time be necessary on its part to ensure that the Issuer Accounts shall from time to time be credited with all amounts received by the Issuer and falling within any of the following categories

- (a) all Revenue Receipts and all Redemption Receipts,
- (b) amounts received by the Issuer pursuant to the Swap Agreement into the Issuer Accounts,
- (c) the proceeds arising from the disposal of any Authorised Investments or any Swap Collateral and any and all income or other distributions received by the Issuer in respect thereof or arising from the proceeds of any Authorised Investments or any Swap Collateral,
- (d) any payments received from the Seller or the Originator in payment of any repurchase price for the Loans, and
- (e) such other payments received by the Issuer as are, or ought in accordance with this Deed to be, comprised in the Charged Assets

6.6 Enforcement When Not All Amounts Due and Payable

If the Security Trustee enforces the Security at a time when either no amounts or not all amounts owing in respect of the Secured Obligations have become due and payable, the 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 received or recovered by the Security Trustee or the Receiver for the benefit of the other Secured Creditors in respect of such Secured Obligations into, and retain such monies in, an interest bearing account in the name of the Security Trustee to be held by the Security Trustee as security and applied by it in accordance with Clause 7 (Payments out of the Issuer Accounts upon Enforcement)

6.7 VAT

If any sums which are payable by the Issuer under Clause 6.2 (Pre-Enforcement Priority of Payments) or Clause 7 (Payments out of the Issuer Accounts upon Enforcement) of this Deed are subject to VAT, the Issuer shall make payment of the amount in respect of VAT as provided in the relevant agreement pursuant to which payment is due to the relevant person in accordance with the order of priorities set out in those clauses

6.8 Obligations in relation to Charged Assets and Transaction Documents

Notwithstanding the security created under Clause 3 (Security and Declaration of Trust) of this Deed, the Issuer shall, subject to Clause 6.2 (Pre-Enforcement Priority of Payments) or as specifically provided otherwise in the Transaction Documents and for so long as no Enforcement Notice has been served, exercise its rights, powers and discretions and perform its obligations in relation to the Charged Assets and under the Transaction Documents in accordance with the provisions of the Transaction Documents

7. PAYMENTS OUT OF THE ISSUER ACCOUNTS UPON ENFORCEMENT

7.1 After an Enforcement Notice

From and including the time when an Enforcement Notice has been served on the Issuer

- (a) the Security Trustee shall promptly notify each party to the Transaction Documents that an Enforcement Notice has been served on the Issuer;
- (b) no amount may be withdrawn from the Issuer Accounts (other than amounts or securities standing to the credit of the Swap Collateral Account, which may be withdrawn and applied in accordance with the Swap Collateral Account Priority of Payments) without the prior written consent of the Security Trustee, and
- (c) if not already crystallised, any charge created by Clause 3 (Security and Declaration of Trust), which is or is recharacterised as a floating charge, shall (subject to applicable law) crystallise upon service of a notice from the Security Trustee to the Issuer

7.2 Post-Enforcement Priority of Payments

After an Enforcement Notice has been served on the Issuer, the Security Trustee (or the Cash Manager on its behalf) or any Receiver appointed by the Security Trustee in connection with the enforcement of the Security will apply all amounts received or recovered other than

- (a) any amount standing to the credit of the Swap Collateral Account which will be applied in accordance with the Swap Collateral Account Priority of Payments (other than any amount to be applied as Swap Collateral Account Surplus in accordance with the Swap Collateral Account Priority of Payments), and
- (b) any amount standing to the credit of the Issuer Profit Ledger, which shall be applied by the Issuer in or towards satisfaction of any liability of the Issuer for corporation tax of the Issuer,

in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Post-Enforcement Priority of Payments** and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Redemption Priority of Payments, the **Priority of Payments**)

- (a) first, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof of
 - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee, Receiver and any Appointee under the provisions of the Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein, and
 - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee, Receiver and any Appointee under the provisions of the Deed of Charge and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
- (b) second, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof of
 - (i) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agent and any costs, charges, liabilities and expenses then due and payable to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein,
 - (ii) any amounts then due and payable to the Cash Manager and any fees, costs, charges, liabilities and expenses then due under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein,
 - (iii) any amounts then due and payable to the Servicer and any fees (including the Special Servicing Fee and the Mortgage Administration Fee), costs, charges, liabilities and expenses then due under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein,
 - (iv) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement together with (if payable) VAT thereon as provided therein,
 - (v) any amounts then due and payable to the Issuer Account Bank and any fees, costs, charges, liabilities and expenses then due and payable to the Issuer Account Bank under the provisions of the Bank Account Agreement, together with (if payable) VAT thereon as provided therein, and
 - (vi) any amounts then due and payable to the Collection Account Bank and any fees, costs, charges, liabilities and expenses then due under the provisions of the DD Collection Account Declaration of Trust and Account Bank Deed, together with (if applicable) VAT thereon as provided therein,
- (c) third, to pay in or towards satisfaction of any amounts due to the Swap Provider in respect of the Swap Agreement (including any termination payment due and payable by the Issuer to the extent it is not satisfied by any payments by the Issuer to the Swap Provider under the Swap Collateral Account Priority of Payments but excluding, if applicable, any related Hedge Subordinated Amounts),
- (d) fourth, to pay, pro rata and pari passu, according to the respective outstanding amounts thereof interest and principal due and payable on the Class A Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero,

- (e) fifth, to pay, pro rata and pari passu, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero,
- (f) sixth, to pay, pro rata and pari passu, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero,
- (g) seventh, to pay, pro rata and pari passu, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero,
- (h) eighth, to pay, pro rata and pari passu, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero,
- (i) ninth, to pay in accordance with the terms of the Swap Agreement to the Swap Provider in respect of any Hedge Subordinated Amounts (to the extent not satisfied by payment to the Swap Provider by the Issuer of any applicable amount under the Swap Collateral Account Priority of Payments),
- (j) tenth, to pay, pro rata and pari passu, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero,
- (k) eleventh, to pay, pro rata and pari passu, according to the respective outstanding amounts thereof, interest and principal due and payable on the Subordinated Notes until the Principal Amount Outstanding on the Subordinated Notes has been reduced to zero,
- (l) twelfth, to pay, pro rata and pari passu, amounts due and payable to third parties (if any), and
- (m) thirteenth, to pay any excess amounts, pro rata and pari passu, to the holders of the Residual Certificates

7.3 Subordination

- (a) Each of the Secured Creditors hereby agrees to be bound by the order of priority set out in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) Without prejudice to Clause 22 (Exercise of Certain Rights), each of the Secured Creditors further agrees with each other party to this Deed that, notwithstanding any other provision contained herein or in any other Transaction Document.
 - (i) (other than Security Trustee and the Note Trustee) it will not demand or receive payment of any distribution in respect of, or on account of, any amounts payable by the Issuer (or the Cash Manager on its behalf) or the Security Trustee (as applicable) to that Secured Creditor under the Transaction Documents, in cash or in kind,
 - (ii) it will not apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method other than pursuant to Sections 2 and 6 of the Swap Agreement and, in the case of the Issuer Account Bank, in accordance with Clause 3.3 (Bank Charges) of the Bank Account Agreement), unless all amounts then due and payable by the Issuer to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) have been paid in full, and

- (iii) without prejudice to the foregoing, whether in the liquidation of the Issuer or any other party to the Transaction Documents or otherwise, if any payment or distribution (including by way of set-off other than pursuant to Sections 2 and 6 of the Swap Agreement or the proceeds of any enforcement of any Security) is received by a Secured Creditor in respect of any amount payable by the Issuer or the Security Trustee (as applicable) to that Secured Creditor under the relevant Transaction Document at a time when, by virtue of the provisions of the relevant Transaction Document and this Deed, no payment or distribution should have been made, the amount so received shall be held by the Secured Creditor upon trust for the Issuer or, as applicable, the Security Trustee and shall be paid over to the Issuer or, as applicable, the Security Trustee as soon as is reasonably practicable following the earlier of (A) receipt of written notice from the Issuer or, as applicable, the Security Trustee and (B) actual knowledge of such Secured Creditor, in each case, that such payment or distribution should not have been made (whereupon the relevant payment or distribution shall be deemed not to have been made or received)
- (b) Neither the Issuer nor the Security Trustee shall pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor under the relevant Transaction Documents, in cash or in kind, except as expressly provided for in the relevant Transaction Documents, unless and until all amounts then payable by the Issuer or the Security Trustee to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) have been paid in full based on the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor. Subject to Clause 12 (Protection of Security Trustee and Receiver), the Security Trustee shall not be held liable for any incorrect payment, repayment or distribution if such payment, repayment or distribution is made in reliance upon the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor
- (c) Where amounts owing to a group of Secured Creditors under the relevant Transaction Document are expressed to be required to be made *pari passu* and pro rata among such group, the Security Trustee shall not pay or repay, or make any distribution in respect of, such amounts to any Secured Creditor of such group, in cash or in kind, except on a *pari passu* and pro rata basis among such group
- (d) The perpetuity period for the trusts in this Clause 7.3 shall be 125 years

8. CONFLICT

8.1 Noteholders, Certificateholders and the other Secured Creditors

- (a) So long as any Notes are outstanding and there is a conflict between the interests of the Noteholders, the Certificateholders and the other Secured Creditors, subject to Clauses 8.2 (Conflict between Noteholders) below, and except as otherwise expressly provided in this Deed, the Security Trustee shall have regard to the interests of only the Noteholders as regards the exercise and performance of all powers, rights, trusts, authorities, duties and discretions of the Security Trustee in respect of the Charged Assets, under this Deed or any other Transaction Document or in respect of the rights or benefits which are comprised in the Charged Assets (except where specifically provided otherwise). So long as the Notes have been redeemed in full but any Secured Obligations remain outstanding and there is a conflict between the Certificateholders and the Secured Creditors (other than the Noteholders and the Certificateholders), the Security Trustee will take into account the interests of only the Certificateholders (and not the other Secured Creditors) as regards the exercise and performance of all powers, rights, trusts, authorities, duties and discretions of the Security Trustee in respect of the Charged Assets, under this Deed or any other Transaction Document or in respect of the rights or benefits which are comprised in the Charged Assets (except where specifically provided otherwise), subject to the provisions of

Condition 13 (*Meetings Of Noteholders, Modification, Waiver And Substitution*), Residual Certificates Condition 12 (*Meetings Of Certificateholders and Noteholders, Modification, Waiver And Substitution*) and Clause 25 7 (Modification to the Transaction Documents)

8.2 Conflict between Noteholders

Subject to Clause 20(o)(iii) (Supplement to Trustee Acts) of the Trust Deed, in connection with the exercise by it of any of its trusts, powers, authorities, duties or discretions under these presents or any other Transaction Document (including any modification, waiver, authorisation or determination)

- (a) the Security Trustee shall have regard to the general interests of the Noteholders of each Class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any Tax or stamp duty consequences of any such exercise upon individual Noteholders, except to the extent already provided for in Condition 9 (*Taxation*) and/or in any undertaking or covenant given in addition thereto or in substitution therefor under these presents, and
- (b) the Security Trustee shall, except where expressly provided otherwise, have regard to the interests of each Class of the Noteholders, provided that (except in the case of any consent, approval, modification, waiver, authorisation or determination referred to in Clauses 22 (Exercise of Certain Rights), 23 (Covenants and Warranties) and/or 24 (Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000)), the Security Trustee in its sole opinion shall have regard to the interests of the holders of the Class of Notes ranking in priority to the other relevant Classes of Notes in the Priorities of Payments and the holders of such subordinated Classes of Notes shall have no claim against the Security Trustee for doing so.

8.3 Conflict between Certificateholders

The Security Trustee shall have regard to the interests of the Certificateholders as a Class and shall not have regard to any interest arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise or performance thereof for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any Tax or stamp duty consequences of any such exercise upon individual Certificateholders, except to the extent already provided for in Residual Certificates Condition 8 (*Taxation*) and/or in any undertaking or covenant given in addition thereto or in substitution therefor under these presents

8.4 Acknowledgement

Each of the Secured Creditors hereby acknowledges and concurs with the provisions of Clauses 8 1 (Noteholders, Certificateholders and the other Secured Creditors) to 8.3 (Conflict between

Certificateholders) (inclusive), and each of them agrees that it shall have no claim against the Security Trustee as a result of the application thereof

9. THE SECURITY TRUSTEE'S POWERS

9.1 Prior Notification

The Security Trustee shall, if reasonably practicable, give prior notification to the Issuer of the Security Trustee's intention to enforce the Security created by this Deed, provided always that the failure of the Security Trustee to provide such notification shall not prejudice the ability of the Security Trustee to enforce the Security created by this Deed

9.2 Enforceable

Without prejudice to the provisions of Clauses 9.5 (Law of Property Act 1925) and 10.1 (Appointment) (a) the Security created under this Deed shall become immediately enforceable and (b) the power of sale and other powers conferred by Section 101 of the Law of Property Act 1925 (the **1925 Act**) as varied or amended by this Deed, shall, in accordance with this Clause 9 (The Security Trustee's Powers) be exercisable by the Security Trustee and (c) the Issuer shall be deemed to be in default within the meaning of Standard Condition 9(1)(b) of Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (the **1970 Act**), in each case at any time after an Enforcement Notice has been served on the Issuer. Without prejudice to the effectiveness of any service of the Enforcement Notice or the obligation to deliver the same in accordance with Condition 11 (*Events of Default*) and/or Residual Certificates Condition 10 (*Events of Default*), the Issuer shall, upon receipt of the same from the Note Trustee, publish (or cause to be published) a copy of any Enforcement Notice in accordance with the provisions of Notices Conditions and deliver a copy to each of the Secured Creditors and the Rating Agencies

9.3 Amounts Due

Notwithstanding any other provision of this Deed, all amounts under the Secured Obligations shall become due for the purposes of Section 101 of the 1925 Act and the statutory powers of sale and appointment of a Receiver which are conferred on the Security Trustee under the 1925 Act (as varied or extended by this Deed) only (and for no other purpose) and all other powers shall be deemed to arise immediately after execution of this Deed but shall only become enforceable in accordance with Clause 9.2 (Enforceable) above

9.4 Power of Sale

Section 103 of the 1925 Act shall not apply in relation to any of the charges contained in this Deed and at any time after an Enforcement Notice has been served on the Issuer

- (a) the statutory power of sale (as extended by this Deed) and all other powers shall be immediately exercisable (without the restrictions contained in the 1925 Act), and
- (b) the Issuer shall be deemed to be in default within the meaning of Condition 9(1)(b) of Schedule 3 of the 1970 Act

9.5 Law of Property Act 1925

- (a) The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of Section 99 or 100 of the 1925 Act

- (b) The provisions of the 1925 Act relating to the power of sale and the other powers conferred by Section 101(1) and (2) of the 1925 Act, are hereby extended in relation to the Issuer (as if such extensions were contained therein) to authorise the Security Trustee at its absolute discretion at any time after the service of an Enforcement Notice has been served on the Issuer and subject to the Security Trustee being satisfied as to the indemnification and/or security available to it in relation to the exercise of such powers
- (i) to make demand in the name of the Secured Creditors or in its own right for any monies and liabilities in respect of the Charged Assets,
 - (ii) to sell the Issuer's title to or interest in the Charged Assets, and to do so for any shares, debentures or other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by a Security Interest or a guarantee, or for such other consideration whatsoever as the Security Trustee may think fit, and also to grant any option to purchase, and to effect exchanges of, any of the Charged Assets,
 - (iii) with a view to or in connection with the sale of the Charged Assets, to carry out any transaction, scheme or arrangement which the Security Trustee may, in its absolute discretion, consider appropriate,
 - (iv) to insure the Charged Assets against such risks and for such amounts as the Security Trustee may decide, and
 - (v) to do all or any of the things or exercise all or any of the powers which are mentioned or referred to in Clause 10.6 (Powers of Receiver) as if each of them was expressly conferred on the Security Trustee by this Deed and which may not be included in paragraphs (i) to (iv) above

9.6 Delegation to Receiver

In addition and without prejudice to any of its statutory powers, the Security Trustee may at any time by deed delegate to the Receiver all or any of the extended powers of leasing, surrendering or accepting surrenders of leases conferred on the Security Trustee by this Deed

9.7 Application to Court

The Security Trustee may at any time after an Enforcement Notice has been served on the Issuer apply to the court for an order that the powers and trusts of this Deed be exercised or carried into execution under the direction of the court and for the appointment of a Receiver of the Charged Assets or any part thereof and for any other order in relation to the execution and administration of the powers and trusts hereof as the Security Trustee shall deem expedient, and it may assent to or approve any application to the Court made at the instance of any of the Noteholders and/or the other Secured Creditors

9.8 Authorised Investments

Any monies which under the trusts of this Deed ought to or may be invested by the Security Trustee after an Enforcement Notice has been served on the Issuer may be invested in the name or under the control of the Security Trustee in any Authorised Investments and the Security Trustee may at any time vary or transfer any of such Authorised Investments for or into other such Authorised Investments as the Security Trustee at its absolute discretion may determine, and shall not be responsible (save where any loss results from the Security Trustee's fraud, wilful default or gross negligence or that of its officers or employees) for any loss occasioned by reason of any such

investments whether by depreciation in value or otherwise, provided that such Authorised Investments were made in accordance with the foregoing provisions

9.9 Deficiency or Additional Payment

The Security Trustee shall have no responsibility whatsoever to any Secured Creditor as regards any deficiency or additional payment, as the case may be, which might arise because the Security Trustee is subject to any stamp, issue, registration, documentary and other fees, duties and taxes, including interest and penalties in respect of the Charged Assets or any part thereof or any income therefrom or any proceeds thereof or is required to make any withholding or deduction from any payment to any Secured Creditor

9.10 Scottish Trust Property

The Originator hereby covenants and agrees and undertakes that if at any time after the Security constituted by or pursuant to this Deed shall have become enforceable and the Security Trustee or any Receiver shall so require, it will sell or dispose of all or any part of the relevant Scottish Trust Property on terms previously approved by the Security Trustee or any Receiver and/or in causing the trust constituted by each or any Scottish Declaration of Trust to be wound up and/or performed and they will use all reasonable endeavours to take all 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 a Scottish Trust Property or any part thereof in accordance with the terms of the relevant Scottish Declaration of Trust and this Deed. The Originator and the Issuer hereby acknowledge and consent to the foregoing as trustee and beneficiary respectively in terms of the relevant Scottish Declaration of Trust

10. RECEIVER

10.1 Appointment

- (a) Except as provided below, at any time after an Enforcement Notice has been served on the Issuer, the Security Trustee may, at its absolute discretion, appoint, by writing or by deed, such person or persons (including an officer or officers of the Security Trustee) as the Security Trustee thinks fit, to be Receiver of the Charged Assets or any part thereof and, in the case of an appointment of more than one person, to act together or independently of the other or others
- (b) 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) does not apply to this Deed
- (c) The Security Trustee is not entitled to appoint a Receiver solely as a result of
 - (i) obtaining a moratorium, or
 - (ii) anything done with a view to obtaining a moratorium under the Insolvency Act 2000 except with leave of the court

10.2 Removal and Replacement

Except as otherwise required by statute, the Security Trustee may by writing or by deed remove a Receiver and appoint another in its place or appoint another to act with a Receiver and the Security Trustee may apply to the court for an order removing an administrative receiver

10.3 Extent of Appointment

The exclusion of any part of the Charged Assets from the appointment of the Receiver shall not preclude the Security Trustee from subsequently extending its appointment (or that of the Receiver replacing it) to that part of the Charged Assets or appointing another Receiver over any other part of the Charged Assets.

10.4 Agent of the Issuer

The Receiver shall be the agent of the Issuer and the Issuer alone shall be responsible for the Receiver's contracts, engagements, acts, omissions, misconduct, negligence or default and for liabilities incurred by him and in no circumstances whatsoever shall the Security Trustee be in any way responsible for or incur any liability in connection with his contracts, engagements, acts, omissions, misconduct, negligence or default, and if a liquidator of the Issuer shall be appointed, the Receiver shall act as principal and not as agent for the Security Trustee.

10.5 Remuneration

The remuneration of the Receiver shall be fixed by the Security Trustee and may be or include a commission calculated by reference to the gross amount of all monies received or otherwise and may include remuneration in connection with claims, actions or proceedings made or brought against the Receiver by the Issuer or any other person or the performance or discharge of any obligation imposed upon him by statute or otherwise, but subject to Clause 7.2 (Post-Enforcement Priority of Payments), such remuneration shall be payable hereunder by the Issuer alone. The amount of such remuneration shall be paid in accordance with the terms and conditions and in the manner agreed from time to time between the Receiver and the Security Trustee and in accordance with the Post-Enforcement Priority of Payments.

10.6 Powers of Receiver

Any Receiver of the Issuer, in addition to any powers conferred on a receiver by statute or common law, shall have the following powers

- (a) to take possession of, get in and collect the Charged Assets (or such part thereof in respect of which it may be appointed) or any part thereof including income whether accrued before or after the date of his appointment,
- (b) to carry on, manage, concur in or authorise the management of, or appoint a manager of, the whole or any part of the business of the Issuer,
- (c) to sell, exchange, license, surrender, release, disclaim, abandon, return or otherwise dispose of or in any way whatsoever deal with the Charged Assets or any interest in the Charged Assets or any part thereof for such consideration (if any) and upon such terms (including by deferred payment or payment by instalments) as it may think fit and to concur in any such transaction,
- (d) to sell or concur in selling the whole or any part of the Issuer's business whether as a going concern or otherwise,
- (e) to appoint, engage, dismiss or vary the terms of employment of any employees, officers, managers, agents and advisers of the Issuer upon such terms as to remuneration and otherwise and for such periods as he may determine,

- (f) to insure, protect, maintain, repair, alter, improve, replace, exploit, add to and develop or concur in so doing, the Charged Assets or any part thereof in any manner and for any purpose whatsoever,
- (g) in connection with the exercise or the proposed exercise of any of its powers or in order to obtain payment of its remuneration (whether or not it is already payable), to borrow or raise money from any person without security or on the security of any of the Charged Assets and generally in such manner and on such terms as it may think fit,
- (h) to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims, disputes and proceedings concerning the Charged Assets or any part thereof,
- (i) to transfer all or any of the Charged Assets and/or any of the liabilities of the Issuer to any other company or body corporate, whether or not formed or acquired for the purpose and to form a subsidiary or subsidiaries of the Issuer,
- (j) to call up or require the directors of the Issuer to call up all or any portion of the uncalled capital for the time being of the Issuer and to enforce payment of any call by action (in the name of the Issuer or the Receiver as may be thought fit),
- (k) to redeem, discharge or compromise any Security Interest from time to time having priority to or ranking *pari passu* with this Deed,
- (l) to effect or maintain indemnity insurance and other insurance and obtain bonds and performance guarantees,
- (m) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, receipts, registrations, acts or things which it may consider appropriate,
- (n) to exercise any powers, discretions, voting, conversion or other rights or entitlements in relation to any of the Charged Assets or incidental to the ownership of or rights in or to any of the Charged Assets and to complete or effect any transaction entered into by the Issuer and complete, disclaim, abandon or modify all or any of the outstanding contracts or arrangements of the Issuer relating to or affecting the Charged Assets,
- (o) to exercise all powers as are described in Schedule 1 and Schedule 2 to the Insolvency Act or the 1970 Act (if appropriate), whether or not the Receiver is an "administrative receiver" as defined in the Insolvency Act,
- (p) to delegate its powers by way of power of attorney, or in any other manner to any person, any right, power or discretion exercisable by it under this Deed on the terms (including the power to sub-delegate) and subject to any regulations which such Receiver may think fit and such Receiver shall not be liable or responsible in any way to the Issuer or the Security Trustee for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate,
- (q) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Assets which it may consider expedient as effectually as if he were solely and absolutely entitled to the Charged Assets,
- (r) in addition

- (i) to do all other acts and things which it may consider desirable or necessary for realising any Charged Assets or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed, and
- (ii) to exercise in relation to any Charged Assets all the powers, authorities and things which it would be capable of exercising if it were the absolute beneficial owner of the same,

and may use the name of the Issuer for any of the above purposes, and

- (s) to pay and discharge out of the profits and income of the relevant Charged Assets and the monies to be made by it in carrying on the business of the Issuer the expenses incurred in and about the carrying on and management of the business or in the exercise of any of the powers conferred by this Clause 10 6 (Powers of Receiver) or otherwise in respect of such Charged Assets and all outgoings which it shall think fit to pay and to apply the residue of the said profits, income or monies in the manner provided by Clause 7 2 (Post-Enforcement Priority of Payments) hereof

The Security Trustee may pay over to the Receiver or the Receiver may receive or recover any monies constituting part of the Charged Assets to the extent that the same may be applied for the purposes referred to in Clause 7 2 (Post-Enforcement Priority of Payments) by such Receiver and the Security Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver

10.7 Appointment of Administrator

Upon application being made to a court of competent jurisdiction for an administration order or the service of a notice of intention to appoint an administrator or the filing of documents with the court for the appointment of an administrator in relation to the Issuer or other order having substantially the same effect to be made on application by a creditor or creditors of the Issuer, the Security Trustee shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, as soon as practicable appoint a Receiver in accordance with this Deed (who shall, to the extent permitted by law, be an "administrative receiver" under Section 29(2) of the Insolvency Act) of the whole of the Charged Assets and, in the case of any application to the court or petition, the Security Trustee shall instruct the Receiver to attend at the hearing of the application or petition and take such steps as are necessary to act for the interests of the Secured Creditors and to prevent the appointment of an administrator, who would act in the interests of all of the creditors of the Issuer, whether secured or not. The Secured Creditors shall co-operate and do all acts and enter into such further documents, deeds or agreements as the Security Trustee may deem necessary or desirable to ensure that an administration order is not made or that an administrator is not otherwise appointed and that an administrative receiver is appointed

10.8 Costs of Receiver

Each of the Issuer and the Secured Creditors agrees and acknowledges that in the event of the enforcement of the Security or the appointment of a Receiver, the Security Trustee shall not be obliged to indemnify out of its own money any such Receiver for any of its costs, charges, liabilities or expenses or to advance, in whatever form, any moneys to such a Receiver or any other person arising out of or in connection with such enforcement or to undertake or to require any Receiver to undertake, any business carried on from time to time in connection with the Charged Assets

11. PROTECTION OF THIRD PARTIES

11.1 Enquiry

No purchaser from, or other person dealing with, the Security Trustee or a Receiver shall be concerned to enquire whether any of the powers exercised or purported to be exercised has arisen or become exercisable, whether the Secured Obligations remain outstanding or have become payable, whether the Receiver is authorised to act or as to the propriety or validity of the exercise or purported exercise of any power, and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters and the protections contained in Sections 104 to 107 of the 1925 Act shall apply to any person purchasing from or dealing with a Receiver or the Security Trustee or Section 2(3) of the Insolvency Act to any person dealing with an administrative receiver

11.2 Receipts

The receipt of the Security Trustee or the Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee or the Receiver

12. PROTECTION OF SECURITY TRUSTEE AND RECEIVER

12.1 Liability

Neither the Security Trustee nor the Receiver of the Issuer shall be liable to the Issuer in the absence of wilful default, fraud or gross negligence, on their part or that of their officers, employees or agents in respect of any Liability which arises out of the exercise or the attempted or purported exercise of or failure to exercise any of their respective powers

12.2 Possession

Without prejudice to the generality of Clause 12.3 (Mortgagee in Possession), entry into possession of the Charged Assets of the Issuer shall not render the Security Trustee or the Receiver of that company liable to account as mortgagee, security holder or heritable creditor or heritable creditor in possession. If and whenever the Security Trustee or the Receiver enters into possession of the Charged Assets, it shall be entitled at any time to go out of such possession

12.3 Mortgagee in Possession

Neither the Security Trustee, the Receiver nor the Secured Creditors shall, by reason of any assignment or other Security made under this Deed, be or be deemed to be a mortgagee, security holder, or heritable creditor in possession nor shall they take any action (other than, in the case of the Secured Creditors, with the Security Trustee's prior written consent) which would be likely to lead to the Secured Creditors, the Receiver or the Security Trustee becoming a mortgagee, security holder or heritable creditor in possession in respect of any property referred to in this Deed or any Scottish Supplemental Charge or Scottish Sub-Security. The Security Trustee, in its absolute discretion, may at any time serve a written notice on the Secured Creditors requiring the Secured Creditors from the date such notice is served to obtain the Security Trustee's prior written consent before taking any action which would be likely to lead to the Secured Creditors or the Security Trustee becoming a mortgagee or heritable creditor in possession in respect of any property referred to in this Deed

13. PROTECTION OF SECURITY

The Issuer further covenants with and undertakes to the Security Trustee from time to time (and, for the purposes mentioned in paragraph (a) below, notwithstanding that the Enforcement Notice may not have been served) upon demand to execute, at the Issuer's own cost, any document or do any act or thing (other than any amendment hereto) which the Security Trustee may specify

- (a) with a view to registering or perfecting any charge or other Security created or intended to be created by or pursuant to this Deed (including the perfecting of the conversion of any floating charge to a fixed charge pursuant to Clause 14.1 (Notice) or 14.2 (Automatic Crystallisation)), or
- (b) with a view to facilitating the exercise or the proposed exercise of any of their powers or the realisation of any of the Charged Assets, or
- (c) with a view to protecting the Security Interests created by or pursuant to this Deed,

provided that the Issuer shall not be obliged to execute any further documentation or take any other action or steps to the extent that it would breach a restriction in any such agreement to which it is a party relating to assigning, transferring, charging or sharing of possession/rights of such benefit

14. CRYSTALLISATION

14.1 Notice

Subject to applicable laws, in addition and without prejudice to any other event resulting in a crystallisation of the floating charge created by this Deed or any other right the Security Trustee may have, the Security Trustee may, at any time, if

- (a) any Event of Default is subsisting and has not been waived, or
- (b) the Security Trustee reasonably believes that the Charged Assets or any part thereof is in danger of being seized or sold under any form of distress, attachment, diligence, or execution levied or threatened or is otherwise in jeopardy or imperilled, or
- (c) any circumstance shall occur which in the reasonable opinion of the Security Trustee, imperils or will imperil the Security created by this Deed or the Issuer takes or threatens to take any action that would be prejudicial to the Security or would be inconsistent with the Security created hereby,

by notice in writing to the Issuer declare that any floating charge hereby created shall be converted into a first specific fixed charge or first ranking fixed security as to all of the undertakings, property and assets or such of them as may be specified in the notice, and by way of further assurance, the Issuer, at its own expense, shall execute all documents in such form as the Security Trustee shall require and shall deliver to the Security Trustee all conveyances, deeds, certificates and documents which may be necessary to perfect or, in respect of Scottish assets and their Related Security, to create and perfect, such first specific fixed charge or first ranking fixed security

14.2 Automatic Crystallisation

Subject as set out below, in addition and without prejudice to any other event resulting in a crystallisation of the floating charge, any floating charge contained herein shall automatically be converted into a fixed charge over all property, assets or undertakings of the Issuer subject to the floating charge and, in the case of property, assets or undertakings situated in Scotland or which are

governed by or subject to Scots law, only to the extent that such conversion would be legally effective in Scotland, if and when

- (a) an Enforcement Notice is served on the Issuer;
- (b) the Issuer ceases to carry on all or a substantial part of its business or ceases to be a going concern or thereafter to do any of the foregoing,
- (c) the Issuer stops making payments to its creditors or gives notice to creditors that it intends to stop payment,
- (d) the holder of any Security Interest (other than Security Interests created by or pursuant to this Deed) in relation to the Issuer, whether ranking in priority to or *pari passu* with or after the charges contained in this Deed, appoints a receiver, or
- (e) any floating charge granted by the Issuer to any other person (whether permitted by the Transaction Documents or not) crystallises for any reason whatsoever

The floating charge created by Clause 3.9 (Floating Charge) above may not be converted into a fixed charge solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with leave of the court

14.3 Failure of Petition for Administration or Winding-up

If any petition for the administration or winding-up of the Issuer or filing of documents with the court for the administration or service of a notice of intention to appoint an administrator in relation to the Issuer is dismissed or withdrawn or a resolution for winding-up the Issuer is not passed by the necessary majority, then without prejudice to any rights exercisable otherwise than in consequence of the presentation of such petition or the filing of documents or the service of a notice or resolution and subject to anything done in the meantime in pursuance of the powers given by this Deed and subject to the provisions contained in this Deed as to costs, charges and expenses incurred and payments made, possession of the Charged Assets will be restored to the Issuer, and the Issuer and all persons concerned will be remitted to their original rights **provided that** the Security Trustee is satisfied that its security position at that time is not materially different to that as at the date of this Deed

15. POWER OF ATTORNEY

Immediately upon execution of this Deed, the Issuer shall execute and deliver to the Security Trustee the power of attorney in or substantially in the form set out in Schedule 1 (Power of Attorney)

16. OTHER SECURITY

16.1 No Merger

The charges or other Security Interests contained in or created pursuant to this Deed are in addition to, and shall neither be merged in, nor in any way exclude or prejudice any other Security Interest, right of recourse, set-off or other right whatsoever which the Security Trustee or any Secured Creditor may now or at any time hereafter hold or have (or would apart from this Deed or any charge contained or created pursuant to this Deed hold or have) as regards the Issuer or any other person in respect of the Secured Obligations, and neither the Security Trustee nor any Secured Creditor shall be under any obligation to take any steps to call in or to enforce any Security for the Secured Obligations, and shall not be liable to the Issuer for any loss arising from any omission on the part of

the Security Trustee or any Secured Creditor to take any such steps or for the manner in which the Security Trustee or any Secured Creditor shall enforce or refrain from enforcing any such Security

16.2 Consolidation

Section 93 of the 1925 Act shall not apply in relation to any of the charges contained in this Deed

16.3 Ruling Off

If the Security Trustee receives notice of any Security Interest affecting the whole or any part of the Charged Assets or any Security Interests created under or pursuant to this Deed in contravention of the provisions hereof.

- (a) the Security Trustee may open a new account in respect of the Issuer and, if it does not, it shall nevertheless be deemed to have done so at the time it received such notice, and
- (b) all payments made by the Issuer to the Security Trustee after the Security Trustee receives such notice shall be credited or deemed to have been credited to the new account, and in no circumstances whatsoever shall operate to reduce the Secured Obligations as at the time the Security Trustee received such notice

16.4 Change of Name, etc.

This Deed shall remain valid and enforceable notwithstanding any change in the name, composition or constitution of the Security Trustee or the Issuer or any amalgamation or consolidation by the Security Trustee or the Issuer with any other corporation (whether, in the case of the Issuer, permitted by the Transaction Documents or not)

17. MERGER

Any corporation into which any party to this Deed may be merged or converted, or any corporation with which any party to this Deed may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which any party to this Deed shall be a party, or any corporation, including affiliated corporations, to which any party to this Deed shall sell or otherwise transfer (i) all or substantially all of its assets, or (ii) all or substantially all of its corporate trust business shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws and subject to any credit rating requirements set out in this Deed become the relevant successor party under this Deed without the execution or filing of any paper or any further act on the part of the parties to this Deed, unless otherwise required by the Issuer, and after the said effective date all references in this Deed to the relevant party shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall immediately be given to the Issuer (following delivery of an Enforcement Notice) and the Security Trustee by the relevant party

18. AVOIDANCE OF PAYMENTS

18.1 No Release

No assurance, security or payment which may be avoided or adjusted under the law, including under any enactment relating to bankruptcy or insolvency and no release, settlement or discharge given or made by the Security Trustee or any Secured Creditor on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Security Trustee or any Secured Creditor to recover the Secured Obligations from the Issuer (including any monies which it may be compelled to pay or refund under the provisions of the Insolvency Act and any costs payable by it pursuant to or

otherwise incurred in connection therewith) or to enforce the charges or other Security contained in this Deed to the full extent of the Secured Obligations

18.2 Retention of Charges

If the Security Trustee shall have reasonable grounds for believing that the Issuer may be insolvent or deemed to be insolvent pursuant to the provisions of the Insolvency Act (and production of a solvency certificate signed by two directors of the Issuer shall be *prima facie* evidence of the solvency of the Issuer) at the date of any payment made by the Issuer to the Security Trustee and that as a result, such payment may be capable of being avoided or clawed back, the Security Trustee shall be at liberty to retain the charges or other Security contained in or created pursuant to this Deed until the expiry of a period of one month plus such statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after the payment and discharge in full of all Secured Obligations notwithstanding any release, settlement, discharge or arrangement which may be given or made by the Security Trustee on, or as a consequence of, such payment or discharge of liability **provided that**, if at any time within such period, a petition shall be presented to a competent court for an order for the winding up or the making of an administration order or documents shall be filed with the court for the appointment of an administrator or formal notice shall be given of an intention to appoint an administrator in respect of the Issuer or the Issuer shall commence to be wound up or to go into administration or any analogous proceedings shall be commenced by or against the Issuer, the Security Trustee shall be at liberty to continue to retain such security for such further period as the Security Trustee may determine and such security shall be deemed to continue to have been held as security for the payment and discharge to the Security Trustee of all Secured Obligations

19. SET OFF

The Security Trustee may at any time after an Enforcement Notice has been served on the Issuer (without notice and notwithstanding any settlement of account or other matter whatsoever) combine or consolidate all or any existing accounts of the Issuer (other than any Swap Collateral Account) whether in its own name or jointly with others and held by it or any Secured Creditor and may set off or transfer all or any part of any credit balance or any sum standing to the credit of any such account (whether or not the same is due to the Issuer from the Security Trustee or relevant Secured Creditor and whether or not the credit balance and the account in debit or the Secured Obligations are expressed in the same currency in which case the Security Trustee is hereby authorised to effect any necessary conversions at its prevailing rates of exchange) in or towards satisfaction of any of the Secured Obligations and may in its absolute discretion estimate the amount of any liability of the Issuer which is contingent or unascertained and thereafter set off such estimated amount and no amount shall be payable by the Security Trustee to the Issuer unless and until all Secured Obligations have been ascertained and fully repaid or discharged

20. EXECUTION OF DOCUMENTS

Any document required to be executed as a deed by the Security Trustee under or in connection with this Deed shall be validly executed if executed as a deed by a duly authorised attorney of the Security Trustee

21. CONFIDENTIALITY

21.1 Confidentiality of information

Each party to this Deed agrees that during the term of this Deed and thereafter it shall keep confidential and it shall not disclose to any person whatsoever, any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may

have obtained as a result of the execution of this Deed or of which it may otherwise have come into the possession of as a result of the performance of its obligations in respect of the Transaction

21.2 Disapplication of confidentiality provisions

The parties to this Deed shall use all reasonable endeavours to prevent any such disclosure referred to in Clause 21.1 (Confidentiality of information), provided that Clause 21.1 (Confidentiality of information) shall not apply

- (a) to the disclosure of any information to any person insofar as such disclosure is expressly permitted by this Deed,
- (b) to the disclosure of any information already known to the recipient otherwise than as a result of entering into any of the Transaction Documents or as a result of a breach of this Clause 21 (Confidentiality),
- (c) to the disclosure of any information with the consent of all the parties hereto,
- (d) to the disclosure of any information which is or becomes public knowledge otherwise than disclosure being made in breach of this Clause 21 (Confidentiality) or as a result of the unauthorised or improper conduct of the recipient,
- (e) to the disclosure of any information.
 - (i) to any of the Rating Agencies,
 - (ii) in order to obtain the admission of the Notes to the Official List,
 - (iii) in connection with the admission of the Notes to trading on the Irish Stock Exchange, or
 - (iv) which is necessary or desirable to provide to prospective investors in the Notes,
- (f) to any extent that disclosure is required pursuant to any law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other regulatory or taxation authority (including any official bank examiners or regulators or the Irish Stock Exchange or the Central Bank),
- (g) to the extent that the recipient needs to disclose any information to any of its employees, provided that before any such disclosure, the relevant party shall make the relevant employees aware of its obligations of confidentiality under this Deed and shall at all times procure compliance with such obligations by such employees,
- (h) to the extent that the recipient needs or wishes to disclose the same for the exercise, protection or enforcement of any of its rights under any of the Transaction Documents or, in the case of the Security Trustee and the Note Trustee, for the purpose of discharging, in such manner as it thinks fit, its duties or obligations under or in connection with the Transaction Documents in each case to such persons as require to be informed of such information for such purposes (including, without prejudice, to any Noteholder or Certificateholder or Secured Creditor) or, in the case of the Security Trustee and the Note Trustee, in connection with transferring or purporting to transfer its rights and obligations to a successor trustee,

- (i) to the disclosure of any information to a prospective successor party and additional or successor parties on the basis that the recipient will hold such information confidential upon substantially the same terms as this Clause 21 (Confidentiality), or
- (j) to the disclosure of any information to professional advisers to, or agents of, any party to this Deed who receive the same under a duty of confidentiality

22. EXERCISE OF CERTAIN RIGHTS

22.1 Non-Petition in relation to the Issuer

- (a) Subject to and without prejudice to the provisions of Clause 22.4 (Mandatory Enforcement), each of the Secured Creditors (other than, in the case of paragraph (iii) below, the Note Trustee and the Security Trustee) agrees with the Issuer and the Security Trustee that
 - (i) only the Security Trustee may enforce the Security in accordance with the terms of the Deed of Charge,
 - (ii) it will not take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer, and
 - (iii) it will not take any other steps or action against the Issuer or the Charged Assets for the purpose of recovering any of the Secured Obligations (including by exercising any rights of set-off) or enforcing any rights arising out of the Transaction Documents against the Issuer or take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or the Charged Assets
- (b) If the Note Trustee, having become bound under the terms of the Conditions, the Trust Deed or the Deed of Charge, as the case may be, so to do, has failed to serve an Enforcement Notice or to give directions to the Security Trustee to enforce the Security or the Security Trustee has failed to enforce the Security, in each case, within a reasonable period and that failure is continuing or, if there are no Notes outstanding, then each of the Secured Creditors (other than the Noteholders, to whom the provisions of Condition 12 (Enforcement) shall apply) will be entitled to take any steps or proceedings against the Issuer for the purpose of recovering any of the Secured Obligations or enforcing any rights arising out of the Transaction Documents as it considers necessary other than any steps or proceedings
 - (i) in respect of procuring the winding up, administration or liquidation of the Issuer, and/or
 - (ii) which would result in the breach of Clause 6 (Payments out of the Issuer Accounts, Authorised Investments and Application of Cash Prior to Enforcement) and/or Clause 7 (Payments out of the Issuer Accounts upon Enforcement) and/or any term of the other Transaction Documents

22.2 Limited Recourse

- (a) Each of the Secured Creditors agree that, notwithstanding any other provision of any Transaction Document, all obligations of the Issuer to each such Secured Creditor are limited in recourse to the Charged Assets. If
 - (i) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash,

- (ii) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of this Deed, and
- (iii) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of this Deed, amounts outstanding in respect of the Secured Obligations,

then the Secured Creditors shall have no further claim against the Issuer in respect of any amounts due or to be paid to them which remain unpaid and the Issuer shall be deemed to be discharged from making any further payments to the Secured Creditors and any further payment rights shall be extinguished

- (b) The provisions of this Clause 22.2 shall survive the termination of this Deed

22.3 Discretionary Enforcement

Subject to the provisions of this Deed, the Security Trustee may at any time, at its discretion and without notice, institute such proceedings and/or take such action as it may think fit against, or in relation to, the Issuer or any other person to enforce its rights under any of the Transaction Documents. Subject to the provisions of this Deed, at any time after the Security has become enforceable, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce such Security

22.4 Mandatory Enforcement

- (a) Neither the Note Trustee nor the Security Trustee shall be bound to take any steps or to institute any proceedings or to take any other action under or in connection with any of the Transaction Documents (including enforcing the Security constituted by or pursuant to this Deed if it has become enforceable) unless
 - (i) directed to do so by
 - (A) an Extraordinary Resolution of the holders of the Most Senior Class of Notes or in writing by the holders of at least 25% in Principal Amount Outstanding of the Most Senior Class of Notes then outstanding, or
 - (B) if there are no Notes then outstanding, an Extraordinary Resolution of the Certificateholders or in writing by the holders of at least 25% of the Residual Certificates in number, and
 - (C) in the case of the Security Trustee, if there are no Notes then outstanding and the Residual Certificates have been cancelled, the Secured Creditors (other than the Noteholders and the Certificateholders), and
 - (ii) in all cases, it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing and the terms of such indemnity may include the provision of a fighting fund, non-recourse loan or other similar arrangement
- (b) Neither the Note Trustee nor the Security Trustee shall be held liable for the consequences of taking any action under (in case of the Security Trustee) Clause 22.3 (Discretionary Enforcement) or this Clause 22.4 and may do so without having regard to the effect of such action on individual Noteholders or Certificateholder or (in the case of the Security Trustee) any other Secured Creditor

22.5 Disposal of Charged Assets

Notwithstanding Clause 9 (The Security Trustee's Powers), if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the Noteholders (and all persons ranking in priority to the Noteholders as set out in the Post-Enforcement Priority of Payments), or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Issuer 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 the Issuer, to discharge in full in due course all amounts owing (i) to the Noteholders (and all persons ranking in priority to the Noteholders as set out in the Post-Enforcement Priority of Payments), and (ii) once all the Noteholders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors (other than the Certificateholders) in the order of priority set out in the Post-Enforcement Priority of Payments, and (iii) once all the Noteholders and the Secured Creditors (other than the Certificateholders) have been repaid, to the Certificateholders. The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer in accordance with the applicable Priority of Payments. The Security Trustee shall be entitled to rely on the advice of any financial adviser (or other professional adviser) given pursuant to this Clause 22.5 without further enquiry and shall incur no liability to any person for so doing.

22.6 Enforcing Security

The Noteholders and the Certificateholders (by their purchase of the Notes and the Residual Certificates, respectively) and each of the other Secured Creditors (by their execution hereof) acknowledges that the Security Trustee shall not be bound to take any steps or institute any proceedings after the service of an Enforcement Notice or to take any other action to enforce the Security constituted by this Deed unless the Security Trustee shall have been secured and/or indemnified and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

22.7 Sole Obligations

The respective obligations of each of the parties under this Deed will not be the obligations or responsibilities of, nor guaranteed by, any other person or entity.

23. COVENANTS AND WARRANTIES

23.1 Warranty

- (a) The Issuer warrants to the Security Trustee that (i) it has taken all necessary steps to enable it to charge or assign as Security the Charged Assets in accordance with Clause 3 (Security and Declaration of Trust), and that it has taken no action or steps to prejudice its right, title and interest in and to the Charged Assets and (ii) this Deed creates the security it purports to create and such security is not liable to be avoided or otherwise set aside upon an occurrence of and in relation to an Insolvency Event in relation to the Issuer.
- (b) The Issuer warrants to the Security Trustee (on behalf of the Secured Creditors) as at the date of this Deed that

- (i) it is duly incorporated in England and Wales with limited liability and with full power and authority to own its property and assets and conduct its business and is resident for tax purposes solely in, and has its usual place of abode in, the United Kingdom,
- (ii) it has obtained and maintained in effect all authorisations, approvals, licences and consents required in connection with its business and the consummation of the transactions contemplated by the Transaction Documents to which it is a party pursuant to any requirement of law or any regulatory direction applicable to the Issuer in each other jurisdiction in which the Issuer carries on business,
- (iii) it has the requisite power and authority to enter into this Deed and each relevant Transaction Document and to undertake and perform the obligations expressed to be assumed by it therein,
- (iv) all acts, conditions and things required to be done, fulfilled and performed in order to enable it lawfully to enter into this Deed and each relevant Transaction Document, to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Deed and each Scottish Supplemental Charge or Scottish Sub-Security, are legal, valid, binding and enforceable against it and to make this Deed and each Scottish Supplemental Charge or Scottish Sub-Security admissible in evidence in England and Wales and (where applicable) Scotland have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected, and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected,
- (v) the entry by it into and the execution (and, where appropriate, delivery) of this Deed and each relevant Transaction Document and the performance by the Issuer of its obligations under this Deed and each Scottish Supplemental Charge or Scottish Sub-Security does not and will not conflict with or constitute a breach or infringement by the Issuer of its Memorandum and Articles of Association or any requirement of law or any regulatory direction or any other agreement to which the Issuer is a party or which is binding on it or any of its assets,
- (vi) each Charged Document is its legally binding, valid and enforceable obligation,
- (vii) it is not in default of any of its obligations under any Charged Document and no Insolvency Event will occur in respect of it as a result of it entering into any Charged Document, and
- (viii) there is no prohibition on assignment in any Charged Document,
- (c) The Issuer warrants to the Security Trustee that it does not hold, and has not at any time held any capital assets and will not at any time hold any assets other than the Portfolio save to the extent reasonably incidental to the activities envisaged by the Transaction Documents,
- (d) The Issuer warrants to the Security Trustee that the obligations expressed to be assumed by the Issuer under this Deed and each Scottish Supplemental Charge or Scottish Sub-Security are legal and valid obligations, binding on it and enforceable against it in accordance with their terms except
 - (i) as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally;
 - (ii) as such enforceability may be limited by the effect of general principles of equity, and

- (iii) obligations relating to stamp duties may be void by virtue of Section 117 of the Stamp Act 1891,
- (e) The Issuer represents and warrants to the Security Trustee that it does not have, and has not had since the date of its incorporation, a source of income prior to the Closing Date,
- (f) The Issuer hereby covenants to the Security Trustee that no director of the Issuer will be connected to the Originator,
- (g) The Issuer represents and warrants to the Security Trustee that it is the beneficial owner of the Charged Assets and the Charged Assets are 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,
- (h) The Issuer represents and warrants to the Security Trustee that, as at the Closing Date, none of its property, assets and/or undertakings are subject to any restriction (whether contractual or otherwise) that may render the Security Interests granted by the Issuer under this Deed ineffective or which otherwise prohibit the grant of such Security Interests,
- (i) The Issuer represents to the Security Trustee that no Security Interest exists over or in respect of any asset of the Issuer, other than as created by or pursuant to this Deed, and
- (j) Each party to this Deed represents to each other party that it has entered into the Transaction Documents to which it is party in good faith and for the purposes of carrying on its business

23.2 Negative Covenants

So long as any of the Secured Obligations remain outstanding, the Issuer shall not, save to the extent permitted by or provided for in the Transaction Documents or with the prior written consent of the Security Trustee

- (a) create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertakings,
- (b)
 - (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage, or
 - (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 2006) or any employees (but shall procure that, at all times, it shall retain at least one Independent Director) or premises,
- (c) assign, transfer, sell, lend, lease, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing,
- (d) pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's Memorandum and Articles of Association, the Transaction Documents and with applicable laws or issue any further shares,
- (e) consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person,

- (f) incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person,
- (g) permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the Security Interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed, waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party,
- (h) have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee,
- (i) become or be a party to any transaction for the purposes of securing a tax advantage within the meaning of Section 1139 of the Corporation Tax Act 2010 for itself or any other person,
- (j) do any act or thing the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the United Kingdom,
- (k) engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles,
- (l) permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein, or
- (m) purchase or otherwise acquire any Notes (other than pursuant to the Conditions) or Residual Certificates (other than pursuant to the Residual Certificates Conditions)

23.3 Positive Covenants

The Issuer covenants and undertakes with the Security Trustee for the benefit of the Secured Creditors as follows

- (a) at all times to carry on and conduct its affairs in a proper and efficient manner and in accordance with its constitutive documents and all laws and regulation applicable to it and comply and perform all its obligations under each Transaction Document,
- (b) to give to the Security Trustee within a reasonable time after request such information and evidence as it shall require and in such form as it shall reasonably require, including without prejudice to the generality of the foregoing the procurement by the Issuer of all such certificates called for by the Security Trustee pursuant to this Deed or any other Transaction Document for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or any other Transaction Document to which the Security Trustee is a party or by operation of law and the Security Trustee may rely on the contents of such certificates, information and evidence as conclusive evidence of the matters stated therein or the matters to which they relate and shall incur no liability to any person for so doing,

- (c) 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,
- (d) at all times to keep or procure the keeping of proper books of account and records and allow the Security Trustee and any person or persons appointed by the Security Trustee to whom the Issuer 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 Security Trustee carrying out its duties under this Deed,
- (e) to send to the Security Trustee a copy of every balance sheet, profit and loss account, source and application of funds statement (if any), report, or other notice, statement, circular or document issued or given to any holder of securities issued by the Issuer (including Noteholders, Certificateholders and shareholders in their capacity as such) or creditors of the Issuer as soon as reasonably practicable after issue of the same,
- (f) to give notice in writing to the Security Trustee of the occurrence of any Event of Default and/or service of an Enforcement Notice (such notice to be effective by the delivery of a copy of the Enforcement Notice to the Security Trustee) immediately upon becoming aware thereof and without waiting for the Security Trustee to take any further action,
- (g) give to the Security Trustee (i) within seven days after demand by the Security Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each Financial Year commencing with the financial period ending 31 December 2014 and in any event not later than 180 days after the end of each such Financial Year a certificate signed by two directors of the Issuer to the effect that, as at a date not more than seven days before delivering such certificate (the **Certification Date**), to the best of the knowledge, information and belief of the Issuer, 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) any Event of Default (or if such 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 the Issuer has complied, to the best of their knowledge, information and belief, with all its obligations contained in this Deed and each of the other Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not complied and the Security Trustee shall be entitled to rely on the contents of such certificate as conclusive evidence of the matters stated therein,
- (h) 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 Security Trustee be necessary at any time or times to give effect to the terms and conditions of this Deed and the other Transaction Documents,
- (i) at all times to comply with the obligations and provisions binding upon it under and pursuant to this Deed and the other Transaction Documents,
- (j) duly and promptly to pay and discharge all Taxes imposed upon it or its assets unless such Taxes are, in the opinion of the Security Trustee, being contested in good faith by the Issuer,
- (k) conduct its business and affairs such that, at all times, its "centre of main interests" for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000 shall not be in any

Member State other than England and Wales and it will not have any "establishment" (as defined in the Insolvency Regulation) in any Member State other than England and Wales,

- (l) that, in order to enable the Security Trustee to ascertain the principal amount of the Notes of each Class for the time being outstanding or the total number of Residual Certificates being in issue for the time being for any of the purposes referred to in the proviso to the definition of outstanding in the Master Definitions and Construction Schedule, the Issuer will deliver to the Security Trustee forthwith upon being so requested in writing by the Security Trustee (upon being provided with the relevant information from the Registrar) a certificate in writing signed by two directors of the Issuer setting out the total number and Principal Amount Outstanding of the Notes of each Class or the total number of Residual Certificates and which are at the date of such certificate held by, for the benefit of, or on behalf of, any Relevant Person,
- (m) that it will not hold save to the extent permitted by or provided in the Transaction Documents, any capital assets,
- (n) that it will at no time be a director of any company,
- (o) it will keep any relevant notification pursuant to the Data Protection Act current and up to date,
- (p) that
 - (i) in respect of each accounting period of the Issuer, the amounts retained by the Issuer will be its profit as provided for in the Cash Management Agreement (the **Issuer's Profit**) and amounts retained in the Issuer Accounts and recorded on (A) the Rated Note Reserve Fund Ledger, (B) the Class A Liquidity Reserve Fund Ledger and (C) the Swap Collateral Ledger, being amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness and no other amounts are or will be reserved or retained by it, and
 - (ii) in respect of all amounts received by the Issuer pursuant to any Transaction Document, the Issuer has a corresponding obligation to pay out an equal amount by way of cost or expense owing to a third party less an amount equal to the Issuer's Profit, and
- (q) the Issuer's Profit has been determined by the directors of the Issuer on the basis of due consideration of all relevant corporate and regulatory matters as being an adequate commercial return for the risks undertaken by the Issuer in entering into the transactions pursuant to and in accordance with the Transaction Documents.

23.4 Form MR01

The Issuer shall make a filing or shall procure that a filing is made with the Registrar of Companies of a duly completed Form MR01 in respect of itself together with a certified redacted copy of the executed original of this Deed and each Scottish Supplemental Charge and each Scottish Sub-Security, in each case within the applicable time limit

24. PROVISIONS SUPPLEMENTAL TO THE TRUSTEE ACT 1925 AND THE TRUSTEE ACT 2000

24.1 Powers of Security Trustee

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts constituted by this Deed. Where there are any inconsistencies between the Trustee Act 1925, 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.

By way of supplement to the Trustee Act 1925 and the Trustee Act 2000 it is expressly declared as follows

- (a) the Security Trustee may in relation to this Deed or any of the other Transaction Documents rely or act on the opinion or advice of, or a certificate or any information obtained from, any lawyer, banker, valuer, surveyor, securities company, broker, auctioneer, accountant or other expert in the United Kingdom or elsewhere, whether obtained by the Security Trustee, any Receiver or any other party and shall not be responsible for any loss occasioned by so acting or relying (notwithstanding that such opinion, advice, certificate or information may contain a cap or other limitation (monetary or otherwise) on the liability of any person or limits the scope and/or basis of such advice, report, opinion or information),
- (b) any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, facsimile reproduction, electronic mail or in any other form and the Security Trustee shall not be liable for acting in good faith on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic,
- (c) the Security Trustee (i) shall (save as expressly otherwise provided in this Deed or any of the other Transaction Documents) as regards all rights, powers, authorities and discretions vested in it by this Deed or any of the other Transaction Documents, or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and (ii) may at its discretion and without notice, take such proceedings and/or other steps as it may think fit against the Issuer or any other person or party to any of the Transaction Documents to enforce the provisions of the Notes or the Residual Certificates and any of its rights under this Deed or any other Transaction Document in such manner as it thinks fit,
- (d) the Security Trustee shall be at liberty to place this Deed and all deeds and other documents relating to this Deed with any bank or banking company, or lawyer or firm of lawyers believed by it to be of good repute, in any part of the world, and the Security Trustee shall not be responsible for or be required to insure against any loss incurred in connection with any such deposit and the Issuer shall pay all sums required to be paid on account of or in respect of any such deposit,
- (e) the Security Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent 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 by the Security Trustee (including the receipt and payment of money). Subject to Clause 25.2 (Delegation), the Security Trustee (except where such agent is an affiliate or associated company of, the Security Trustee) shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons,

- (f) 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 (unless otherwise provided by this Deed or required by law) be converted 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 specified by the Security Trustee in its absolute discretion but having regard to current rates of exchange if available and the Security Trustee shall not be liable for any loss occasioned by the said conversion under this paragraph (f),
- (g) subject to Clause 25 5 (Consent of Security Trustee), any consent or approval given by the Security Trustee for the purposes of this Deed or any of the other Transaction Documents may be given on such terms and subject to such conditions (if any) as the Security Trustee thinks fit and, notwithstanding anything to the contrary contained in this Deed or any of the other Transaction Documents, may be given retrospectively,
- (h) the Security Trustee shall be entitled to rely upon a certificate, believed by it to be genuine, of the Issuer, the Cash Manager, the Servicer or the Seller, the Originator or any other person in respect of every matter and circumstance for which a certificate is expressly provided for under this Deed or the other Transaction Documents and to call for and rely upon a certificate of the Issuer, the Cash Manager, the Servicer or the Seller, the Originator or any other person reasonably believed by it to be genuine as to any other fact or matter *prima facie* within the knowledge of the Issuer or such person as sufficient evidence thereof and the 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,
- (i) the Security Trustee shall not be responsible for acting upon any resolution in writing or resolution purporting to have been passed at any meeting of the Noteholders or Certificateholders in respect whereof minutes have been made and purporting to have been signed by the chairman thereof, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Noteholders or Certificateholders,
- (j) the Security Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of Notes or the number of Residual Certificates standing to the account of any person Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system or any successor system) in accordance with its usual procedures and in which the holder of a particular Principal Amount Outstanding of Notes or number of Residual Certificates is clearly identified together with the amount of such holding The Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic,
- (k) subject to Clause 22 4 (Mandatory Enforcement), the Security Trustee shall, in connection with the exercise by it of any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents
 - (i) where it is required to have regard to Noteholders of any Class, it shall
 - (A) have regard to the interests of the Noteholders as a Class and shall not have regard to any interest arising from circumstances particular to individual

Noteholders (whatever their number) and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise or performance thereof for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, and

- (B) subject to the Trust Deed, have regard to the interests of holders of each Class of Notes (except where expressly provided otherwise) but where there is a conflict of interests between one or more Classes of Notes and/or the Residual Certificates it shall have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes ranking in priority to the other relevant Classes of Notes and/or Residual Certificates,
- (ii) where it is required to have regard to the Certificateholders, it shall have regard to the interests of the Certificateholders as a Class and shall not have regard to any interest arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise or performance thereof for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub division thereof and the Security Trustee shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders, and
- (iii) notwithstanding that none of the Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by it and relied upon by the Security Trustee pursuant to this Clause 24 1(k)(iii), the Security Trustee may, among other things, for the purposes of exercising any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents and determining if such exercise will not be materially prejudicial to the interests of the Noteholders (or any Class thereof), have regard to any Rating Agency Confirmation. It is agreed and acknowledged by the Security Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders. In being entitled to take into account any Rating Agency Confirmation, it is agreed and acknowledged by the Security Trustee that such reliance does not impose or extend any actual or contingent liability of the Rating Agencies to the Security Trustee, the Noteholders or any other person or create any legal relations between the Rating Agencies and the Security Trustee, the Noteholders or any other person whether by way of contract or otherwise,
- (l) the Security Trustee shall have no responsibility for the maintenance of any rating of the Rated Notes by the Rating Agencies or any other person,

- (m) the Security Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Security Trustee assigned by the Security Trustee to administer its corporate trust matters,
- (n) no provision of this Deed or any other Transaction Document shall require the Security Trustee to 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 or any other Transaction Document (including 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,
- (o) notwithstanding anything else contained in these presents or the other Transaction Documents, the Security Trustee may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive or regulation of any agency of any state or which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation,
- (p) the Security Trustee shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be required to disclose to any Secured Creditor any information made available to the Security Trustee by the Issuer in connection with the trusts of this Deed or the other Transaction Documents and no Secured Creditor shall be entitled to take any action to obtain from the Security Trustee any such information,
- (q) the Security Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Security Trustee may determine, including for the purpose of depositing with a custodian this Deed or any documents relating to the trusts created hereunder. The Security Trustee shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons,
- (r) unless notified to the contrary, the Security Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to Clause 23 3(l) that no Notes are held by, for the benefit of, or on behalf of, the Issuer, the Seller or the Originator or any Affiliate of any of them),
- (s) the Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note or Residual Certificate purporting to be such and subsequently found to be forged or not authentic;
- (t) the Security Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience occasioned to the Security however caused, whether by an act or omission of the Issuer or any other party to the Transaction Documents or any other person (including any bank, broker, depositary, or other intermediary or any clearing system or operator thereof) acting in accordance with or contrary to the provisions of any Transaction Documents or otherwise and irrespective of whether the Security is held by or to the order of any such persons,
- (u) the Security Trustee shall not be under any obligation to insure any of the Security or any deeds or documents of title or other evidence in respect of the Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience which may be suffered by any person as a result of the lack of or inadequacy of any such insurance,

- (v) the Security Trustee will not be liable for any decline in value nor any loss realised upon any sale or other disposition pursuant to this Deed of, any of the Charged Assets. In particular and without limitation, the Security Trustee shall not be liable for any such decline, loss or Liability directly or indirectly arising from its acting or failing to act as a consequence of an opinion reached by it in good faith based on advice received by it in accordance with this Deed and the Conditions or the Residual Certificates Conditions,
- (w) the Security Trustee shall have no responsibility whatsoever to the Issuer or Secured Creditors as regards any deficiency which might arise because the Security Trustee is subject to any Tax in respect of all or any of the Charged Assets, the income therefrom or the proceeds thereof,
- (x) it is a term of the trust created in these presents, that, except where expressly provided otherwise in the Transaction Documents, any information provided to the Security Trustee under the terms of the Transaction Documents is for information purposes only and the Security Trustee will not and is not expected to routinely review or monitor such information,
- (y) the Security Trustee shall not be responsible for
 - (i) identifying the occurrence of a Insolvency Event in relation to the Originator or a Servicer Termination Event and shall assume that no such event has occurred unless notified thereof by the Originator in accordance with the provisions of Clause 8 (Undertakings) of the Mortgage Sale Agreement regarding a Insolvency Event in relation to the Originator, or by the Servicer pursuant to Clause 20 (Termination) of the Servicing Agreement, regarding a Servicer Termination Event,
 - (ii) serving a Servicer Termination Notice, unless notified by the Servicer or the Issuer of the circumstances entitling it to serve such notice, or
 - (iii) analysing the circumstances which have informed the Servicer or the Issuer when notifying the Security Trustee of a Servicer Termination Event,
- (z) in connection with the Security Trustee's entitlement to take action to terminate the appointment of the Servicer, the Security Trustee
 - (i) will not be responsible for carrying out the role of Servicer itself during the time the Issuer is attempting to identify such replacement Servicer or thereafter if the Issuer is unable to find such replacement, and
 - (ii) will not be required to take any action to find a replacement Servicer,
- (aa) the Security Trustee shall be entitled to assume that (i) no event has occurred which is a breach of the Servicer's obligations under the Servicing Agreement and (ii) no event has occurred which would, under the terms of the Servicing Agreement or other Transaction Documents, lead to the replacement of the Servicer, unless it is told otherwise as specified in the Transaction Documents,
- (bb) notwithstanding anything in these presents or any other Transaction Document to the contrary, the Security Trustee shall not do, or be authorised or required to do, anything which might constitute a regulated activity for the purpose of FSMA, unless it is authorised under FSMA to do so,
- (cc) the Security Trustee shall have the discretion at any time

- (i) to delegate any of the functions which fall to be performed by an authorised person under FSMA to any other agent or person which also has the necessary authorisations and licences, and
 - (ii) to apply for authorisation under FSMA and perform any or all such functions itself if, in its absolute discretion, it considers necessary, desirable or appropriate to do so,
- (dd) nothing in these presents shall require the Security Trustee to assume an obligation of the Issuer arising under any provisions of the listing, prospectus, disclosure or transparency rules (or equivalent rules of any other competent authority besides the Relevant Regulator),
- (ee) any liability of the Security Trustee arising under the Transaction Documents shall be limited to the amount of actual loss suffered (such loss shall be determined as at the date of default of the Security Trustee or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Trustee at the time of entering into the Transaction Documents, or at the time of accepting any relevant instructions, which increase the amount of the loss. In no event shall the Security Trustee be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive or consequential damages, whether or not the Security Trustee has been advised of the possibility of such loss or damages and regardless of whether the claim for damages is made in negligence, for breach of contract or otherwise. This paragraph shall not apply in the event that a court with jurisdiction determines that the Security Trustee has acted fraudulently or to the extent the limitation of such liability would be precluded by virtue of sections 750 and 751 of the Companies Act 2006,
- (ff) the Security Trustee shall be entitled to take into account, 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 25.7 (Modification to the Transaction Documents) and Clause 25.8 (Authorisation or Waiver of Breach)), among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any confirmation provided by the Rating Agencies (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Security Trustee and irrespective of the method by which such confirmation is conveyed) that the then current rating by it of the Rated Notes would not be downgraded, withdrawn or qualified by such exercise or performance; and
- (gg) where a provision of these presents or the Transaction Documents expressly provides for a confirmation by Rating Agencies to be delivered to the Security Trustee but the Rating Agencies are not willing to issue such a confirmation due to their then prevailing policy regarding the issue of rating confirmations, the Security Trustee shall be entitled to rely on a certificate in writing from (or on behalf of) the Issuer that, in its opinion (and where the Rating Agencies were prepared to consult with the Issuer (or a party on behalf of the Issuer) that this opinion is based on consultation with the Rating Agencies), such exercise or performance would not cause a downgrade to the then current credit ratings of the Rated Notes by the Rating Agencies, and the Security Trustee shall have no responsibility or liability whatsoever for relying on such certificate, notwithstanding that the Rating Agencies may subsequently downgrade, qualify or withdraw the then current rating of the Rated Notes.

24.2 Representations and Warranties

The Security Trustee shall not be responsible for any recitals or statements or warranties or representations of any party (other than the Security Trustee) contained herein or in any other Transaction Document or any other document entered into in connection therewith and may assume the accuracy and correctness thereof and shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any such agreement or other document or any trust or security thereby constituted or evidenced. The Security Trustee may accept without enquiry, requisition or objection such title as they may have to the Charged Assets or any part thereof from time to time and shall not be required to investigate or make any enquiry into the title of the Issuer to the Charged Assets or any part thereof from time to time whether or not any default or failure is or was known to the 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 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 the Issuer, and the Security Trustee shall not at any time have any responsibility for the same and each Secured Creditor shall not rely on the Security Trustee in respect thereof.

24.3 Perfection

The Security Trustee shall not be bound to give notice to any person of the execution of this Deed nor shall it be liable for any failure, omission or defect in perfecting the Security intended to be constituted hereby including, without prejudice to the generality of the foregoing

- (a) failure to obtain any licence, consent or other authority for the execution of the same (other than by the Security Trustee),
- (b) failure to register the same in accordance with the provisions of any of the documents of title of the Issuer to any of the Charged Assets, and
- (c) failure to effect or procure registration of or otherwise protect any of the Transaction Documents by registering the same under any registration laws in any territory, or by registering any notice, caution or other entry prescribed by or pursuant to the provisions of the said laws

24.4 Enforceability

The Security Trustee shall not be responsible for the genuineness, validity or effectiveness of any of the Transaction Documents or any other documents entered into in connection therewith or any other document or any obligations 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 by or pursuant to this Deed or any of the Transaction Documents, 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 decision of any court and (without prejudice to the generality of the foregoing) the 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

- (a) the nature, status, creditworthiness or solvency of the Issuer,
- (b) the title, ownership, value, sufficiency, enforceability, unsuitability, inadequacy, unfitness or existence of any Charged Assets or any security (howsoever described) relating thereto as security for the Secured Obligations,

- (c) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of this Deed or any other Transaction Document comprised within the Charged Assets or any other document entered into in connection therewith,
- (d) the registration, recording, filing, protection or perfection of any security relating to this Deed or the other Transaction Documents relating to the Charged Assets or the priority of the security thereby created whether in respect of any initial advance or any subsequent advance or any other sums or liabilities,
- (e) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or any other person or entity who has at any time provided any Transaction Document comprised within the Charged Assets or in any document entered into in connection therewith,
- (f) the performance or observance by the Issuer or any other person with any provisions of this Deed or any other Transaction Document comprised within the Charged Assets or in 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 contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing,
- (g) 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 the Charged Assets,
- (h) the title of the Issuer to any of the Charged Assets,
- (i) the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security created or purported to be created by or pursuant to this Deed or other documents entered into in connection therewith,
- (j) the failure to call for delivery of documents of title to or require any transfers, assignments, assignments, legal mortgages, standard securities, charges or other further assurances in relation to any of the assets the subject matter of any of this Deed or any other document, or
- (k) any other matter or thing relating to or in any way connected with this Deed or the Charged Assets or any document entered into in connection therewith whether or not similar to the foregoing

24.5 No Supervision

Subject to the provisions allowing the Security Trustee to appoint agents and delegates, the Security Trustee shall be under no obligation to monitor or supervise the respective functions of the Issuer Account Bank under the Bank Account Agreement, the Cash Manager under the Cash Management Agreement or the Servicer under the Servicing Agreement or of any other person under or pursuant to any of the other Transaction Documents. In the absence of actual knowledge of a breach of obligation, the Security Trustee shall be entitled to assume that each such person is properly performing and complying with its obligations.

24.6 No Liability

Subject to the provisions of Clause 24.10 (No Indemnity), the Security Trustee shall not be liable or responsible for any Liability or inconvenience which may result from anything done or omitted to be done by it under this Deed or any of the other Transaction Documents.

24.7 Conclusive and Binding Determinations

The Security Trustee as between itself and the Secured Creditors shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Deed and the other Transaction Documents and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Security Trustee, shall be conclusive and shall bind the Security Trustee and the Secured Creditors

24.8 Use of Proceeds

The Security Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes

24.9 Material Prejudice

- (a) The Security Trustee may determine whether or not any event, matter or thing is, in its opinion, materially prejudicial to the interests of the Secured Creditors and if the Security Trustee shall certify that any such event, matter or thing is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Secured Creditors and the Security Trustee shall not be responsible for any Liability incurred by the Issuer or any Secured Creditor as a result of such determination
- (b) In determining whether a proposed action will not be materially prejudicial to the interests of the Secured Creditors, the Security Trustee shall be entitled (but not obliged) to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to this Deed or any other Transaction Document that such exercise will not be materially prejudicial to the interests of the Secured Creditors if
 - (i) (while any of the Rated Notes remain outstanding) the Rating Agencies have confirmed either
 - (A) orally to the Issuer (in which case the Issuer shall confirm the same in writing to the Security Trustee), or
 - (B) in writing, the Issuer having requested in writing such confirmation from each of the Rating Agencies,that such exercise would not have an adverse effect on the then current rating of the Rated Notes, or
 - (ii) if no such confirmation from the Rating Agencies is forthcoming and the Issuer has certified the same in writing to the Security Trustee (an **Issuer Certificate**), the Security Trustee shall be entitled (but not obliged) to assume from a written certificate of the Cash Manager to the Note Trustee and the Security Trustee (a **Cash Manager Certificate**) that such proposed action
 - (A) (while any of the Rated Notes remain outstanding) has been notified to the Rating Agencies,
 - (B) would not adversely impact on the Issuer's ability to make payment when due in respect of the Notes,
 - (C) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security, and

- (D) (while any of the Rated Notes remain outstanding) would not have an adverse effect on the then current ratings of the Rated Notes,

upon which confirmation from the Rating Agencies, Issuer Certificate and/or Cash Manager Certificate, the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person for so doing. In being entitled to take into account any such confirmation from the Rating Agencies, it is agreed and acknowledged by the Note Trustee and the Security Trustee that this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders or any other person or create any legal relations between each of the Rating Agencies and the Security Trustee, the Note Trustee, the Noteholders or any other person whether by way of contract or otherwise.

24.10 No Indemnity

None of the provisions of this Deed shall, in any case in which the Security Trustee has failed to show the degree of care and diligence required of it as security trustee of this Deed, having regard to the provisions of this Deed and any of the other Transaction Documents conferring on the Security Trustee any powers, authorities or discretions, relieve or indemnify the Security Trustee against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to it in respect of any fraud, gross negligence or wilful default of which it may be guilty in relation to its duties under this Deed.

25. SUPPLEMENTAL PROVISIONS REGARDING THE SECURITY TRUSTEE

25.1 Assumption of No Default

Except as herein otherwise expressly provided, the Security Trustee shall be and is hereby authorised to assume without enquiry, and it is hereby declared to be the intention of the Security Trustee that it shall assume without enquiry, that the Issuer and each of the other parties thereto is duly performing and observing all the covenants, undertakings and provisions contained in this Deed and the other Transaction Documents to be performed and observed on their parts and that no event has occurred which constitutes an Event of Default or which would cause a right or remedy to become exercisable, whether by the Issuer or the Security Trustee, under or in respect of any of the Transaction Documents

25.2 Delegation

The Security Trustee may, in the execution of all or any of the trusts, powers, authorities and discretions vested in it by this Deed or any of the other Transaction Documents, act by responsible officers or a responsible officer for the time being of the Security Trustee. The Security Trustee may also, whenever it thinks expedient in the interests of the Secured Creditors, whether by power of attorney or otherwise, delegate to any person or persons all or any of the trusts, rights, powers, duties, authorities and discretions vested in it by this Deed or any of the other Transaction Documents. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Security Trustee may think fit in the interests of the Secured Creditors or any of them and, **provided that** the Security Trustee shall have exercised reasonable care in the selection of such delegate and, where a power to sub-delegate has been given, to request that the delegate exercise reasonable care in the selection of any sub-delegate, the Security Trustee shall not be bound to supervise the proceedings of, or be responsible for any loss incurred by any misconduct, omission or default on the part of, such delegate or sub-delegate

25.3 Commercial Transactions

The Security Trustee shall not, and no director, officer or employee of any corporation being a trustee hereof shall, by reason of the fiduciary position of the Security Trustee, be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or Holdings or any other Subsidiary of Holdings or any other party to the Transaction Documents or from accepting the trusteeship of any stock, shares, debenture stock, debentures or securities of any such person. Without prejudice to the generality of the foregoing, it is expressly declared that such contracts and transactions include any contract or transaction in relation to the placing, underwriting, purchasing, subscribing for or dealing with or lending money upon or making payments in respect of any stock, shares, debenture stock, debentures or other securities of the Issuer or Holdings or any other Subsidiary of Holdings or any other party to the Transaction Documents or any contract of banking or insurance with the Issuer or Holdings or any other Subsidiary of Holdings or any other party to the Transaction Documents. Neither the Security Trustee nor any such director or officer of the Security Trustee shall be accountable to any of the Secured Creditors or the Issuer or Holdings for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions. The Security Trustee and any such director, officer or employee shall be at liberty to retain the same for its or his own benefit.

25.4 Additional Powers

The powers conferred by this Deed upon the Security Trustee shall be in addition to any powers which may from time to time be vested in it by general law.

25.5 Consent of Security Trustee

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

- (a) if the Transaction Document specifies that the 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 Security Trustee shall 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 Security Trustee may give its consent or approval if to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders and the Certificateholders.

25.6 Interests of Secured Creditors

Where the Security Trustee is required to have regard to the interests of any Secured Creditor (other than the Noteholders or the Certificateholders), the Security Trustee may consult with such Secured Creditor and may rely on the written confirmation of such Secured Creditor as to whether any act, matter or thing is or is not in the interests of, or materially prejudicial to the interests of, such Secured Creditor.

25.7 Modification to the Transaction Documents

- (a) The Note Trustee or, as the case may be, the Security Trustee may (or in the case of (iii) below, shall) from time to time and at any time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document

purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other person in making or sanctioning any modification.

- (i) to the Conditions, the Residual Certificates Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee) will not be materially prejudicial to the interests of the Noteholders (or if there are no Notes outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee and, for the avoidance of doubt, any modification of the Non-DD Collection Account Declaration of Trust which does not affect the manner in which the Issuer's Issuer Beneficiary Trust Share (as defined in the Non-DD Collection Account Declaration of Trust) is calculated will not be materially prejudicial to the interests of the Noteholders (or if there are no Notes outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee,
- (ii) to the Conditions, the Residual Certificates Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Note Trustee (acting in accordance with the Trust Deed), or as the case may be, the Security Trustee (acting on the directions of the Note Trustee), such modification is of a formal, minor or technical nature or to correct a manifest error, or
- (iii) to the Conditions, the Residual Certificates Conditions and/or the Transaction Documents that are requested in writing by the Issuer (acting in its own discretion or at the direction of any Relevant Company) in order to enable the Issuer to comply with any requirements which apply to it under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation (**EMIR**), irrespective of whether such modifications are (i) materially prejudicial to the interests of the Noteholders of any Class, the Certificateholders or any other Secured Creditor, or (ii) in respect of a Basic Terms Modification (any such modification, an **EMIR Amendment**) and subject to receipt by the Note Trustee and the Security Trustee of a certificate of the Issuer signed by two directors certifying to the Note Trustee and the Security Trustee that the amendments requested by the Issuer are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR. The Note Trustee and/or the Security Trustee shall not be obliged to agree to any modification pursuant to this sub-clause which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of
 - (A) exposing the Note Trustee (and/or the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction,
 - (B) increasing the obligations or duties, or decreasing the protections of the Note Trustee (and/or the Security Trustee) in the Transaction Documents, the Conditions and/or the Residual Certificates Conditions,

provided that in respect of any modifications to any of the Transaction Documents which would have the effect of altering the amount, timing or priority of any payments due from the Issuer to the Swap Provider, (i) the prior written consent of the Swap Provider or (ii) written notification from the Issuer to the Note Trustee and the Security Trustee that Swap Provider consent is not needed, is required;

- (iv) notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any EMIR Amendment pursuant to this Clause 25 7(a)(iv), neither the Security Trustee nor the Note Trustee shall consider the interests of the Noteholders, the Certificateholders, any other Secured Creditor or any other person, and shall act and rely solely and without further investigation on any certificate provided to it by the Issuer pursuant to this Clause 25 7(a)(iv) and shall not be liable to any Noteholder, any Certificateholder or other Secured Creditor for so acting or relying,
- (b) Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with this Clause 25, the Conditions, the Residual Certificates Conditions or the other Transaction Documents shall be binding on the Noteholders and the Certificateholders and, unless the Note Trustee or, as the case may be, the Security Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders and the Certificateholders as soon as practicable thereafter in accordance with the Conditions and the Residual Certificates Conditions, the Rating Agencies (while any Rated Notes remain outstanding) and the Secured Creditors as soon as practicable thereafter

25.8 Authorisation or Waiver of Breach

The Security Trustee may, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors, without prejudice to its right in respect of any further or other breach, from time to time and at any time authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Residual Certificates Conditions or any of the Transaction Documents by any party thereto, but only if and in so far as it receives written confirmation from the Note Trustee that in its sole opinion the interests of the holders of the Most Senior Class of Notes, or if no Notes are then outstanding, the interests of the Certificateholders, or if there are no Notes then outstanding and no Residual Certificates then in issue, all the Secured Creditors will not be materially prejudiced thereby. Any such authorisation or waiver shall be binding on the Secured Creditors and, unless the Security Trustee otherwise agrees, notice thereof shall be given by the Issuer to the Secured Creditors and to the Rating Agencies in accordance with the Conditions, Residual Certificates Conditions and/or the terms of the Transaction Documents, as applicable, as soon as practicable thereafter.

25.9 Incorporation by Reference

The provisions of Clause 30 (Substitution), Schedule 2 (Terms and Conditions of the Notes), and Schedule 3 (Terms and Conditions of the Residual Certificates) to the Trust Deed shall be deemed to be incorporated *mutatis mutandis* in this Deed but (except as the context otherwise requires) as if references therein to the Note Trustee were to the Security Trustee other than the references therein to an Extraordinary Resolution of the Noteholders directing the Note Trustee to give an Enforcement Notice under Condition 11 (*Events of Default*) and to an Extraordinary Resolution of the Certificateholders directing the Note Trustee to give an Enforcement Notice under Residual Certificates Condition 10 (*Events of Default*).

26. REMUNERATION AND INDEMNIFICATION OF THE SECURITY TRUSTEE

26.1 Remuneration

The Issuer shall (subject as hereinafter provided) pay to the Security Trustee annually a fee of such amount and payable on such dates as shall from time to time be agreed in a separate fee letter by the Issuer and the Security Trustee. All such remuneration shall be payable in accordance with the Pre-

Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments. Such remuneration shall accrue from day to day from the date of this Deed and be payable up to and including the date when all of the Secured Obligations have been paid or discharged and the Security Trustee has released, reassigned, retrocessed and/or discharged the Charged Assets as provided in Clause 4.2 (On Payment or Discharge of Secured Obligations)

26.2 Additional Remuneration

In the event of the occurrence of an Event of Default occurring or the Security Trustee considering it expedient or necessary or being requested by the Issuer to undertake any duties which the Security Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed or the other Transaction Documents, the Issuer shall pay to the Security Trustee at the Security Trustee's then applicable hourly rate such additional remuneration as shall be agreed between the Security Trustee and the Issuer at the relevant time. Any duties in connection with the granting of waivers or modifications, the substitution of the Issuer or the taking of enforcement action and at any time during the period after the taking of such enforcement action shall be deemed to be of an exceptional nature.

26.3 VAT

Without prejudice to Clause 6.7 (VAT), all sums of whatsoever nature which are payable by the Issuer under this Deed and which are now or at any time hereafter become subject to VAT or any similar turnover tax shall be deemed to be inclusive of VAT or any such similar turnover tax.

26.4 Disputes

In the event of the Security Trustee and the Issuer failing to agree

- (a) (in a case to which Clause 26.1 (Remuneration) applies) upon the amount of any remuneration, or
- (b) (in a case to which Clause 26.2 (Additional Remuneration) applies) upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed or the other Transaction Documents or upon the amount of such additional remuneration,

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

26.5 Expenses

The Issuer shall also pay or discharge all liabilities, including legal fees, which the Security Trustee or the Receiver of the Issuer may properly incur in relation to the negotiation, preparation and execution of, the exercise or attempted exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Deed, the Security and any of the other Transaction Documents to which the Security Trustee is a party including but not limited to travelling and legal expenses and any stamp, issue, registration, documentary and other similar taxes or duties paid or payable by the Security Trustee or the Receiver of the Issuer in connection with any action taken or contemplated by or on behalf of the Security Trustee for enforcing, or resolving any

doubt concerning, or for any other purpose in relation to, this Deed, the Security or any of the other Transaction Documents (including, in each case, any Irrecoverable VAT in respect thereof)

26.6 Indemnity

Subject to Clause 24 10 (No Indemnity) and without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify on demand the Security Trustee and the Receiver of the Issuer, on an after Tax basis, in respect of all Liabilities whether in contract, tort, delict or otherwise now or hereafter to which it (or any Appointee) may be or become liable or which may be properly incurred by it (or any such person as aforesaid) in the execution or purported execution of any of its trusts, duties, rights, powers, authorities and discretions hereunder or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Deed and any of the other Transaction Documents, or any such appointment (including, in each case, any Irrecoverable VAT in respect thereof) and the Security Trustee (and any Appointee) and the Receiver of the Issuer shall be entitled to be indemnified out of the Charged Assets in respect thereof save where the same arises as the result of the fraud, gross negligence, or wilful default of the Security Trustee or its officers or employees. Following the giving of an Enforcement Notice, the Security Trustee may retain any part of any moneys in its hands arising from the trusts of these presents necessary to effect any indemnity and also to meet the remuneration of the Security Trustee hereinbefore provided and the Security Trustee shall have a lien on the Charged Assets for all moneys payable to it under these presents or howsoever otherwise. The Security Trustee shall not be entitled to be paid twice in respect of the same matter pursuant to this Clause 26 6.

The indemnity contained within this Clause shall survive the discharge and release of the whole or any part of the Charged Assets from the Security

26.7 Interest

All sums payable by the Issuer under Clauses 26 4 (Disputes), 26 5 (Expenses) and 26 6 (Indemnity) shall be payable on the Interest Payment Date following a demand by the Security Trustee and

- (a) in the case of payments actually made by the Security Trustee prior to the demand, shall (if not paid within seven days of such demand) carry interest at the rate per annum equal to 1% per annum higher than the Bank of England Base Rate for the time being or, if the Security Trustee has incurred a borrowing to make such payment, at the rate of interest payable by the Security Trustee in respect of such borrowing, in each case from the first Business Day following the date of the same being demanded, or incurred, as the case may be, to the date of actual payment (provided that such demand shall be made on a Business Day, otherwise interest shall be payable from the second Business Day following the date of the demand to the date of actual payment), and
- (b) in all other cases, shall carry interest at such rate from the date 30 days after the date of the same being demanded, (or where the demand specifies from the date of such demand) to the date of actual payment

Any amounts payable pursuant to Clauses 26 1 (Remuneration) to 26 2 (Additional Remuneration) (inclusive) shall carry interest at the aforesaid rate from the due date thereof to the date of actual payment

26.8 Stamp Duties

The Issuer shall, to the extent permitted by applicable United Kingdom law, pay all stamp duties and other similar duties or taxes, including any tax levied under the Stamp Act 1891 as amended and supplemented, (if any) payable on or arising out of or in consequence of

- (a) the creation of the Security constituted by or pursuant to this Deed, and
- (b) the execution and delivery of this Deed and enforcement of its provisions or the Security and documents executed pursuant hereto and the other Transaction Documents

26.9 Survival

Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause 26 (Remuneration and Indemnification of the Security Trustee) shall continue in full force and effect notwithstanding such discharge and whether or not the Security Trustee is then the Security Trustee or notwithstanding the termination or expiry of this Deed

26.10 Payments

Notwithstanding anything else in this Clause 26 (Remuneration and Indemnification of the Security Trustee), prior to the enforcement of the Security any payments made by the Issuer to the Security Trustee pursuant to this Clause 26 will only be made on an Interest Payment Date or Optional Redemption Date and at all times in accordance with, and subject to, the Priorities of Payments

27. APPOINTMENT OF NEW SECURITY TRUSTEE AND REMOVAL OF SECURITY TRUSTEE

27.1 Power of Issuer

The power of appointing a new security trustee shall be vested in the Issuer, provided that such appointment must be approved by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or, if there are no Notes then outstanding, the Certificateholders, and in writing by each Secured Creditor (such approval not to be unreasonably withheld or delayed) A Trust Corporation may be appointed sole security trustee hereof but subject hereto there shall be at least two security trustees hereof Any appointment of a new security trustee and any retirement or removal of an existing Security Trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Secured Creditors

27.2 Power of Security Trustee

Notwithstanding the provisions of Clause 27.1 (Power of Issuer), the Security Trustee may (as attorney for the Issuer) upon giving prior notice to the Issuer but without the consent of the Issuer or the Secured Creditors appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate security trustee or as a co-trustee jointly with the Security Trustee

- (a) if the Security Trustee considers such appointment to be in the interests of the Secured Creditors (or any of them),
- (b) for the purposes of conforming to any legal requirement, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed or any Charged Assets is or is to be located, 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 Transaction Documents to which the Security Trustee is a party or obligations arising pursuant thereto or any of the security constituted by or pursuant to this Deed

The Issuer hereby irrevocably appoints the 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 or any of the other Transaction Documents to which the Security Trustee is a party) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Security Trustee by this Deed or any of the other Transaction Documents to which the Security Trustee is a party) and such duties and obligations as shall be conferred or imposed on it by the instrument of appointment. The Security Trustee shall have power in like manner to remove any such person. Such proper remuneration as the 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 Security Trustee.

27.3 Multiple Trustees

Whenever there shall be more than two security trustees hereof, the majority of such security trustees shall (provided such majority includes a Trust Corporation) be competent to execute and exercise all the trusts, powers, authorities and discretions vested by this Deed and any of the other Transaction Documents in the Security Trustee generally.

28. RETIREMENT OF SECURITY TRUSTEE

Any security trustee for the time being of this Deed may retire at any time upon giving not less than 60 days' prior notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs resulting from such retirement. The holders of the Most Senior Class of Notes or, if there are no Notes then outstanding, the Certificateholders, may, by Extraordinary Resolution, remove all trustee or trustees (but not some only) for the time being of this Deed and the Trust Deed. The retirement or removal of any security trustee shall not become effective unless there remains at least one security trustee hereof being a Trust Corporation in office upon such retirement or removal. The Issuer covenants that, in the event of a security trustee (being a sole security trustee or the only Trust Corporation) giving notice under this Clause 28 or being removed as referred to in Clause 27.1 (Power of Issuer), it shall use its best endeavours to procure a new security trustee of this Deed (being a Trust Corporation) to be appointed as soon as reasonably practicable thereafter. If the Issuer has not appointed a new security trustee prior to the expiry of the notice period given by the Security Trustee, the Security Trustee shall be entitled to nominate a replacement, being a Trust Corporation provided such replacement is acceptable to the Issuer (acting reasonably).

29. NOTICES

29.1 In writing

All notices and other communications to be made under or in respect of this Deed must be in writing and, unless otherwise stated, may be given in person, by post or by fax and shall be sent to each relevant party using the details set out in Schedule 1 (Notices) of the Master Definitions and Construction Schedule. Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing.

29.2 Changes

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

29.3 Effectiveness

Any notice or communication given under this Clause 29 (Notices) but received on a day which is not a Business Day or after 5 p.m. in the place of receipt will only be deemed to be given on the next Business Day in that place. Any notices to be given pursuant to this Deed to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, by hand or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched, (where delivered by hand) on the day of delivery if delivered before 5 p.m. on a Business Day or on the next Business Day if delivered thereafter or on a day which is not a Business Day or (in the case of first class post) when it would be received in the ordinary course of the post.

29.4 Disclosure to the Rating Agencies

The Security Trustee shall, as soon as practicable following receipt of a request in writing from any of the Rating Agencies, provide such Rating Agency with a copy of any notice, written information or report sent or made available by the Security Trustee to the Secured Creditors except to the extent that such notice, information or report contains information which is confidential to third parties or which the Security Trustee is otherwise prohibited from disclosing to such Rating Agency.

30. LANGUAGE

30.1 Any notice given in connection with this Deed must be in English.

30.2 Any other document provided in connection with this Deed must be

(a) in English, or

(b) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

31. FURTHER PROVISIONS

31.1 Evidence of Indebtedness

In any action, proceedings or claim relating to this Deed or the charges or security contained in this Deed or any Scottish Supplemental Charge or Scottish Sub-Security, a statement as to any amount due to any Secured Creditor or of the Secured Obligations or any part thereof or a statement of any amounts which have been notified to the Security Trustee as being amounts due to any Secured Creditor which is certified as being correct by an officer of the Security Trustee or an officer of the relevant Secured Creditor shall, save in the case of manifest error, be conclusive evidence that such amount is in fact due and payable.

31.2 Rights Cumulative, Waivers

The respective rights of the Security Trustee, the Secured Creditors and any Receiver are cumulative, and may be exercised as often as they consider appropriate and are in addition to their respective rights under the general law. No waiver of this Deed or any provision(s) of this Deed shall be effective unless it is in writing and executed by (or by some person duly authorised by) each of the parties hereto. No single or partial exercise of, or failure or delay in exercising, any right under this Deed shall constitute a waiver or preclude any other or further exercise of that or any other right.

31.3 Partial Invalidity

The invalidity, illegality or unenforceability of a provision of this Deed does not affect or impair the continuation in force of the remainder of this Deed

31.4 Severability

Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Issuer hereby waives any provision of law but only to the extent permitted by law which renders any provision of this Deed prohibited or unenforceable in any respect

31.5 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). For the purposes of Clauses 3.4 (Scottish Sub-Securities), 3.5 (Scottish Trust Security) and 3.9 (Floating Charge) in so far as each relates to Charged Assets located in Scotland or otherwise governed by Scots law, this Deed shall be fully effective and binding on the Issuer upon at least one copy of this Deed having been executed and delivered by the Issuer notwithstanding that any other person expressed to be a party to this Deed has not then executed and delivered this Deed and notwithstanding whether any such other party has executed or executes and has delivered or delivers a counterpart of this Deed

31.6 Further Assurance

The Issuer shall (at its own cost) do and execute, or arrange for the doing and executing of, each act, document and thing requested of it by the Security Trustee or any Receiver (including the giving of notices of assignment or assignation and the effecting of filings of registration in any jurisdiction) for perfecting or protecting the Security from time to time and, at any time after the Security or any part thereof has become enforceable, shall do and execute, or arrange for the doing and executing of, each necessary act, document and thing within its power and as may be requested of it by the Security Trustee or any Receiver for facilitating the realisation of, or enforcement of rights in respect of, all of any of the Charged Assets and the exercise of all rights vested in the Security Trustee or in any Receiver in respect of all or any of such Security

31.7 Amendments

Subject to Clause 25.7 (Modification to the Transaction Documents), any amendment, modification or variation to this Deed may only be made with the prior written consent of each party to this Deed

31.8 Secured Creditors

Each Secured Creditor (other than the Security Trustee) shall be bound by the provisions of this Deed, the Conditions, the Residual Certificates Conditions and the Trust Deed as if it contained covenants by each Secured Creditor in favour of the Security Trustee and every other Secured Creditor to observe and be bound by all the provisions of this Deed expressed to apply to Secured Creditors

31.9 Assignment

Neither the Issuer nor any of the other Secured Creditors may assign, encumber or transfer all or any part of its rights or benefits and/or transfer its obligations under or pursuant to this Deed without the prior written consent of the Security Trustee

31.10 Rights of Third Parties

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

32. CHOICE OF LAW

32.1 Governing Law

This Deed (and any non-contractual obligations arising out of or in connection with it) is governed by, and shall be construed in accordance with, English law (provided that Clauses 3 4 (Scottish Sub-Securities), 3 5 (Scottish Trust Security) and 9 10 (Scottish Trust Property) and any terms hereof which are particular to the law of Scotland shall be governed by and construed in accordance with Scots law)

32.2 Submission to Jurisdiction

Each party to this Deed hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Deed (including a dispute relating to any non-contractual obligations in connection with this Deed), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by the English courts. Each party to this Deed hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding

IN WITNESS WHEREOF the parties hereto have caused this Deed to be duly executed and delivered as a deed the day and year first before written

SIGNATORIES

EXECUTED and DELIVERED as a DEED by)
BUTTERMERE PLC)
as Seller)
acting by two Directors)
)
SFM Directors Limited) Michael Drew
)
)
SFM Directors (No 2) Limited) Debra Parsall

in the presence of this witness

Witness Signature

Aline Sternberg

Full Name

Aline Sternberg

Address

35 Great St Helens London EC3A 6AP

EXECUTED and DELIVERED as a DEED by
ELAVON FINANCIAL SERVICES LIMITED
ACTING THROUGH ITS UK BRANCH
as Cash Manager, Issuer Account Bank, Principal
Paying Agent and Agent Bank
acting by two duly authorised Attorneys

)
)
)
) Laurence Griffiths
)
) Michael Whelan

EXECUTED and DELIVERED as a DEED by
ELAVON FINANCIAL SERVICES LIMITED
as Registrar
acting by two duly authorised Attorneys

)
)
) Chris Yates
) Laurence Griffiths

EXECUTED and DELIVERED as a DEED by
CHARTER COURT FINANCIAL SERVICES
LIMITED
as Servicer and Originator
acting by two Directors or
a Director and the Secretary

)
)
)
)
)
)
) Ian Lonergan
)
)
) John Nixon

Director

Director/Secretary

EXECUTED and DELIVERED as a DEED by
PRECISE MORTGAGE FUNDING NO. 1 PLC
as Issuer
acting by two Directors

)
)
)
)
)
) Michael Drew
)
)
) Debra Parsall
)

SFM Directors Limited

SFM Directors (No 2) Limited

in the presence of this witness

Witness Signature

Aline Sternberg

Full Name

Aline Sternberg

Address

35 Great St Helens London EC3A 6AP

EXECUTED and DELIVERED as a DEED by)
U.S. BANK TRUSTEES LIMITED) Chris Yates
as Security Trustee and Note Trustee)
acting by two duly authorised Attorneys) Laurence Griffiths

EXECUTED and DELIVERED as a DEED by)
STRUCTURED FINANCE MANAGEMENT)
LIMITED)
as Corporate Services Provider)
acting by two Directors)
or a Director and the Secretary)
Director) Michael Drew
Director/Secretary) Debra Parsall

EXECUTED and DELIVERED as a DEED by)
CREDIT SUISSE INTERNATIONAL)
as Swap Provider)
acting by two duly authorised Attorneys)
Matthew Gahr)
Masashi Washida)
in the presence of)

Witness Signature Adam Croskery
Full Name Adam Croskery
Address. 1 Cabot Square London E14 4QJ

EXECUTED and DELIVERED as a DEED by
BARCLAYS BANK PLC
as Collection Account Bank
acting by its duly authorised Attorney

)
)
)
)
)
) Joanne Preston
)
)
)

in the presence of this witness

Witness Signature

George Osborne

Full Name

George Osborne

Address

Global Financial Institutions, Barclays Corporate,
Level 11, 1 Churchill Place London E14 5HP

SCHEDULE 1

POWER OF ATTORNEY

THIS POWER OF ATTORNEY is made on 5 December 2013 by **PRECISE MORTGAGE FUNDING NO. 1 PLC** (registered number 8658031), whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Principal**).

WHEREAS

- (1) By virtue of a deed of charge (the **Deed of Charge**) dated on or about 5 December 2013 and made between, among others, the Issuer, the Seller, the Cash Manager, the Security Trustee, the Note Trustee, the Agent Bank, the Issuer Account Bank, the Principal Paying Agent, the Corporate Services Provider and the Swap Provider (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 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 Deed of Charge appoints U S Bank Trustees Limited in its capacity as Security Trustee, and any other person or persons for the time being the security trustee or security trustees of and under the Deed of Charge (the **Attorney**) and any Receiver (including any administrative 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 Charged Assets or which ought to be done under the covenants, undertakings and provisions contained in the Deed of Charge (and any document entered into or to be entered into by the Principal pursuant thereto) in any circumstances where the Attorney has become entitled to take the steps referred to in Clauses 9 4 (Power of Sale) to 9 9 (Deficiency or Additional Payment) (inclusive) of the Deed of Charge including 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 Security and/or the Charged Assets or any part thereof (including the execution, delivery, intimation and registration of any Scottish Supplemental Charge or Scottish Sub-Security) 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 or by an officer of any Receiver or Administrator appointed by the Attorney 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 therefore
- 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 to any non-contractual matters arising out of or in connection with it 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 Security Trustee's Security and/or the Charged Assets

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 and DELIVERED as a DEED by)
PRECISE MORTGAGE FUNDING NO. 1 PLC)
acting by two Directors)
)
SFM Directors Limited)
)
)
SFM Directors (No 2) Limited)

in the presence of this witness

Witness Signature

Full Name

Address

SCHEDULE 2

FORM OF DEED OF CHARGE ACCESSION UNDERTAKING

THIS DEED is made on [●]

BETWEEN

- (1) **BUTTERMERE PLC** (registered number 06737937), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Seller**),
- (2) **ELAVON FINANCIAL SERVICES LIMITED**, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland, acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Cash Manager, Issuer Account Bank, Principal Paying Agent and Agent Bank**),
- (3) **ELAVON FINANCIAL SERVICES LIMITED**, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland (the **Registrar**),
- (4) **CHARTER COURT FINANCIAL SERVICES LIMITED** (registered number 06749498), a private limited company incorporated under the laws of England and Wales, whose registered office is at 2 Charter Court, Broadlands, Wolverhampton, WV10 6TD (the **Originator and Servicer**),
- (5) **PRECISE MORTGAGE FUNDING NO. 1 PLC** (registered number 08658031), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Issuer**),
- (6) **U.S. BANK TRUSTEES LIMITED** (registered number 2379632), a private limited company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee and Note Trustee**),
- (7) **STRUCTURED FINANCE MANAGEMENT LIMITED** (registered number 03853947), a private limited company incorporated under the laws of England and Wales whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the **Corporate Services Provider**),
- (8) **CREDIT SUISSE INTERNATIONAL** (registered number 02500199), a private unlimited company incorporated under the laws of England and Wales, whose registered office is at One Cabot Square, London E14 4QJ (the **Swap Provider**),
- (9) **BARCLAYS BANK PLC**, (registered number 01026167), a public limited company incorporated under the laws of England and Wales whose registered office is at 1 Churchill Place, London E14 5HP (the **Collection Account Bank**); and
- (10) [●] (in its capacity as [●], the **New Secured Creditor**)

WHEREAS

- (A) Pursuant to the terms of a [*describe agreement*] (the **Agreement**) dated [●] 2013 made between, *inter alios*, the Issuer and the New Secured Creditor, the Issuer has agreed [*describe nature of the obligations of the Issuer under the Agreement*]

- (B) The Issuer has agreed to provide the Security Trustee with the benefit of any security described in the Deed of Charge to secure the Issuer's obligations to the Secured Creditors
- (C) The terms of the Deed of Charge permit the Issuer to secure its obligations to a New Secured Creditor thereunder
- (D) The New Secured Creditor has agreed to enter into this Deed to accede to the provisions of this Deed
- (E) The Secured Creditors have agreed to enter into this Deed to, among other things, acknowledge and agree to such accession and to permit any consequential changes to the Priorities of Payments set out in the Cash Management Agreement and/or the Deed of Charge as are required and any other amendment as may be required to give effect to this Accession Undertaking

IT IS HEREBY AGREED as follows

1. INTERPRETATION

The master definitions and construction schedule signed between, *inter alios*, the Issuer and the Security Trustee dated on or about the Closing Date (as the same may be amended, varied or supplemented from time to time with the consent of the parties hereto) (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 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 2 of the Master Definitions and Construction Schedule

2. REPRESENTATIONS AND WARRANTIES

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

- (a) pursuant to the terms of the Agreement, the Issuer has agreed to [*describe in relation to the Agreement*], and
- (b) the Agreement expressly provides that all amounts due from the Issuer thereunder are to be secured by the Deed of Charge

3. ACCESSION

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

- (a) confirms that as from [*date*], it intends to be a party to the Deed of Charge as a Secured Creditor,
- (b) undertakes to comply with and be bound by all of the provisions of the Master Definitions and Construction Schedule and the Deed of Charge in its capacity as a Secured Creditor, as if it had been an original party thereto,
- (c) undertakes to perform and comply with and be bound by all of the provisions of the Deed of Charge in its capacity as a Secured Creditor, as if it had been an original party thereto as provided in [*relevant Clauses relating to Priorities of Payments*],

- (d) agrees that the Security Trustee shall be the Security Trustee for all Secured Creditors upon and subject to the terms set out in the Deed of Charge

4. SCOPE OF THE DEED OF CHARGE

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

- (a) the Agreement shall be treated as a Transaction Document,
(b) the New Secured Creditor shall be treated as a Secured Creditor

5. [AMENDMENT TO THE PRIORITIES OF PAYMENTS]

To the extent necessary, the Secured Creditors agree to amend and restate the Priorities of Payments set out in the Cash Management Agreement and/or the Deed of Charge such that the amended and restated Priorities of Payments shall have effect from the date of such amendment and restatement but shall not apply retrospectively]

6. APPLICATION

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

7. NOTICES AND DEMANDS

Any notice or communication under or in connection with this Deed, the Deed of Charge or the Master Definitions and Construction Schedule shall be given in the manner and at the times set out in Clause 29 (Notices) of the Deed of Charge 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 (Notices and Demands) for the New Secured Creditor is

[]

For the attention of []

Telephone []

Facsimile []

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

8. CHOICE OF LAW

This Deed (and any non-contractual obligations arising out of or in connection with it) shall be governed by, and construed in accordance with, the laws of England and the parties hereto irrevocably submit to the jurisdiction of the courts of England

IN WITNESS WHEREOF the parties hereto have caused this Deed to be duly executed and delivered as a deed the day and year first before written.

EXECUTED and DELIVERED as a DEED by)
[●])
as New Secured Creditor)
acting by two duly authorised Attorneys)
)
)
)
)
in the presence of this witness)

Witness Signature

Full Name

Address

EXECUTED and DELIVERED as a DEED by)
BUTTERMERE PLC)
as Seller)
acting by two Directors)
)
SFM Directors Limited)
)
)
SFM Directors (No 2) Limited)

EXECUTED and DELIVERED as a DEED by)
ELAVON FINANCIAL SERVICES LIMITED)
ACTING THROUGH ITS UK BRANCH)
as Cash Manager, Issuer Account Bank, Principal)
Paying Agent and Agent Bank)
acting by two duly authorised Attorneys)

EXECUTED and DELIVERED as a DEED by)
ELAVON FINANCIAL SERVICES LIMITED)
as Registrar)
acting by two duly authorised Attorneys)
)

EXECUTED and DELIVERED as a DEED by)
CHARTER COURT FINANCIAL SERVICES)
LIMITED)
as Servicer and Originator)
acting by two Directors or)
a Director and the Secretary)
)
Director)
)
)
Director/Secretary)
)

EXECUTED and DELIVERED as a DEED by)
PRECISE MORTGAGE FUNDING NO. 1 PLC)
as Issuer)
acting by two Directors)
)
SFM Directors Limited)
)
)
SFM Directors (No 2) Limited)
)

in the presence of this witness

Witness Signature

Full Name

Address

EXECUTED and DELIVERED as a DEED by)
U.S. BANK TRUSTEES LIMITED)
as Security Trustee and Note Trustee)
acting by two duly authorised Attorneys)

EXECUTED and DELIVERED as a DEED by)
STRUCTURED FINANCE MANAGEMENT)
LIMITED)
as Corporate Services Provider)
acting by two Directors)
or a Director and the Secretary)
Director)
Director/Secretary)

EXECUTED and DELIVERED as a DEED by)
CREDIT SUISSE INTERNATIONAL)
as Swap Provider)
acting by two duly authorised Attorneys)
in the presence of this witness)

Witness Signature

Full Name

Address

EXECUTED and DELIVERED as a DEED by)
BARCLAYS BANK PLC)
as Collection Account Bank)
acting by its duly authorised Attorney)
in the presence of this witness)

Witness Signature

Full Name

SCHEDULE 3

FORM OF SCOTTISH SUB-SECURITY (LAND REGISTER)

WE, **PRECISE MORTGAGE FUNDING NO. 1 PLC** (registered number 08658031), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (hereinafter referred to as the **Issuer**) **CONSIDERING** that

- (a) We have entered into a trust deed (hereinafter referred to as the **Trust Deed**) dated 5 December 2013 between us and U S Bank Trustees Limited whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (hereinafter referred to as the **Note Trustee**, which expression shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Trust Deed or this Deed) constituting certain mortgage-backed floating rate notes and fixed rate notes,
- (b) In security of the performance of the obligations specified therein to the Note Trustee and others we have entered into a deed of charge (the **Deed of Charge**) between us, U S Bank Trustees Limited as Security Trustee thereunder whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee**, which expression shall include such company and all other persons for the time being acting as trustee or trustees under the Deed of Charge or this deed) and others dated 5 December 2013, and
- (c) In terms of the Deed of Charge we have agreed to grant this deed

NOW THEREFORE we the Issuer, in security of the payment and discharge of all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) constituting or comprised within the Secured Obligations and any variation or alteration thereof and in implementation *pro tanto* of Clause 3 4 (Scottish Sub-Securities) of the Deed of Charge **HEREBY GRANT** a Standard Security in favour of the Security Trustee over **ALL** and **WHOLE** those Standard Securities granted by the respective parties whose names are specified in Column 2 of the Schedule annexed and executed as relative hereto in favour of the party whose name is specified in the relative entry in Column 3 of the said Schedule for all sums due and to become due over the subjects therein described, said respective Standard Securities being registered in the Land Register of Scotland under the title number(s) specified in the relative entry in Column 5 of the said Schedule on the date specified in the relative entry in Column 6 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the **Principal Securities**) Together with our whole right, title and interest, present and future therein and thereto The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland Act) 1970 (the **said Act**) and any lawful variation thereof operative for the time being shall apply And we agree that

- (First) capitalised terms in this deed (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in Clause 2 (Interpretation and Construction) of the Master Definitions and Construction Schedule and this deed shall be construed in accordance with the principles of interpretation and constructions set out therein,
- (Second) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security,
- (Third) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Deed of Charge (the terms of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said Standard Conditions, the

Deed of Charge shall, subject to the provisions of the said Act, prevail and take effect,

(Fourth)

upon the Deed of Charge becoming immediately enforceable, in accordance with the provisions of Clause 9.2 (Enforceable) thereof, we shall (in addition to the circumstances specified in the said Act) be deemed to be in default within the meaning of Condition 9(1)(b) of the Standard Conditions whereupon, and without prejudice to its whole other rights and powers under the said Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the said Act,

(Fifth)

without prejudice to the rights and remedies of the Security Trustee under the said Act or otherwise, in the event of our being in default hereunder (a) we shall on demand grant, execute and deliver a valid assignment of the Principal Securities or any of them in favour of the Security Trustee or any nominee of the Security Trustee and (b) the Security Trustee shall have power to uplift, receive, sue for and discharge all sums and liabilities due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if this deed had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Security Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Security Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise; and

(Sixth)

the security rights and interests created, made or given under or pursuant to this deed shall be held by the Security Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Deed of Charge:

And we grant warrantice [*insert any exceptions therefrom*] And we further ASSIGN to the Security Trustee in security of all monies, obligations and liabilities foresaid our whole right, title and interest in and to all and any personal bonds, credit agreements or agreements for loan (howsoever constituted) granted by or entered into with the said respective parties whose names are specified in Column 2 of the said Schedule and secured by the Principal Securities

IN WITNESS WHEREOF these presents typewritten on this and the two preceding pages are executed at [] on the day of [] as follows

SUBSCRIBED for and on behalf of the said
PRECISE MORTGAGE FUNDING NO. 1 PLC

At

On

By

per pro SFM Directors Limited, as Director

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

in the presence of this witness

Witness signature

Full Name

Address

Schedule referred to in the foregoing Standard Security by Precise Mortgage Funding No. 1 plc in favour of U.S. Bank Trustees Limited (as Security Trustee)

1	2	3	4	5	6
Account Number	Borrowers' Full Names	Originator	Secured Property	Title Number	Date

per pro SFM Directors Limited, as Director

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

SCHEDULE 4

FORM OF SCOTTISH SUB-SECURITY (SASINE REGISTER)

WE, **PRECISE MORTGAGE FUNDING NO. 1 PLC** (registered number 08658031), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (hereinafter referred to as the **Issuer**) **CONSIDERING** that

- (a) We have entered into a trust deed (hereinafter referred to as the **Trust Deed**) 5 December 2013 between us and U S Bank Trustees Limited whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (hereinafter referred to as the **Note Trustee**, which expression shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Trust Deed or this Deed) constituting certain mortgage-backed floating rate notes,
- (b) In security of the performance of the obligations specified therein to the Note Trustee and others we have entered into a deed of charge (the **Deed of Charge**) between us, U S Bank Trustees Limited as Security Trustee thereunder whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee**, which expression shall include such company and all other persons for the time being acting as trustee or trustees under the Deed of Charge or this deed) and others dated 5 December 2013, and
- (c) In terms of the Deed of Charge we have agreed to grant this deed

NOW THEREFORE we the Issuer, in security of the payment and discharge of all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) constituting or comprised within the Secured Obligations and any variation or alteration thereof and in implement pro tanto of Clause 3 4 (Scottish Sub-Securities) of the Deed of Charge **HEREBY GRANT** a Standard Security in favour of the Security Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 2 of the said Schedule annexed and executed as relative hereto in favour of the party whose name is specified in the relative entry in Column 3 of the said Schedule for all sums due and to become due over the subjects therein described lying in the county specified in the relative entry in Column 5 of the said Schedule, said respective Standard Securities being recorded in the General Register of Sasines for the county specified as aforesaid in the relative entry in Column 5 of the said Schedule on the date specified in the relative entry in Column 6 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the **Principal Securities**) Together with our whole right, title and interest, present and future therein and thereto The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (the **said Act**) and any lawful variation thereof operative for the time being shall apply And we agree that

- (First) capitalised terms in this deed (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in Clause 2 of the Master Definitions and Construction Schedule and this deed shall be construed in accordance with the principles of interpretation and constructions set out therein
- (Second) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security,
- (Third) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Deed of Charge (the terms of which shall be deemed to be incorporated

herein) extend, add to, depart from or conflict with the said Standard Conditions, the Deed of Charge shall, subject to the provisions of the said Act, prevail and take effect,

- (Fourth)* upon the Deed of Charge becoming immediately enforceable, in accordance with the provisions of Clause 9.2 (Enforceable) thereof, we shall (in addition to the circumstances specified in the said Act) be deemed to be in default within the meaning of Condition 9(1)(b) of the Standard Conditions, whereupon and without prejudice to its whole other rights and powers under the said Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the said Act,
- (Fifth)* without prejudice to the rights and remedies of the Security Trustee under the said Act or otherwise, in the event of our being in default hereunder (a) we shall on demand grant, execute and deliver a valid assignment of the Principal Securities or any of them in favour of the Security Trustee or any nominee of the Security Trustee and (b) the Security Trustee shall have power to uplift, receive, sue for and discharge all sums and liabilities due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if this deed had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Security Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Security Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise, and
- (Sixth)* the security rights and interests created, made or given under or pursuant to this deed shall be held by the Security Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Deed of Charge

And we grant warrantice [*insert any exceptions therefrom*]: And we further ASSIGN to the Security Trustee in security of all monies, obligations and liabilities foresaid our whole right, title and interest in and to all and any personal bonds, credit agreements or agreements for loan (howsoever constituted) granted by or entered into with the said respective parties whose names are specified in Column 2 of the said Schedule and secured by the Principal Securities

IN WITNESS WHEREOF these presents typewritten on this and the two preceding pages are executed at [] on the [] day of [] as follows

SUBSCRIBED for and on behalf of the said
PRECISE MORTGAGE FUNDING NO. 1 PLC

At

On

By

per pro SFM Directors Limited, as Director

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

in the presence of this witness

Witness signature

Full Name

Address

Schedule referred to in the foregoing Standard Security by Precise Mortgage Funding No. 1 PLC in favour of U.S. Bank Trustees Limited (as Security Trustee)

1	2	3	4	5	6
Account Number	Borrowers' Full Names	Originator	Secured Property	County	Recording Date

per pro SFM Directors Limited, as Director

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

SCHEDULE 5

FORM OF SCOTTISH SUPPLEMENTAL CHARGE

ASSIGNATION IN SECURITY

BY

- (1) **PRECISE MORTGAGE FUNDING NO. 1 PLC** (registered number 08658031), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (referred to herein as the **Issuer**),

IN FAVOUR OF

- (2) **U.S. BANK TRUSTEES LIMITED** (registered number 2379632), a private limited company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (in its capacity as **Security Trustee**, which expression shall include its successor or successors as Security Trustee under and in terms of the Deed of Charge),

WHEREAS:

- (A) This deed (the **Scottish Supplemental Charge**) is supplemental to a Deed of Charge dated 5 December 2013 (the **Deed of Charge**) made between, *inter alios*, the Issuer, Security Trustee and Charter Court Financial Services Limited (registered number 06749498), a private limited company incorporated under the laws of England and Wales whose registered office is at 2 Charter Court, Broadlands, Wolverhampton WV10 6TD (referred to hereinafter as the **Originator**),
- (B) In terms of the Deed of Charge the Security Trustee *inter alia* holds the security constituted or to be constituted by or pursuant to the Deed of Charge for the Secured Creditors,
- (C) A Scottish Declaration of Trust dated 5 December 2013 (the **Scottish Declaration of Trust**) has been entered into between the Originator and the Issuer and delivered, in terms of which certain Scottish Loans together with their related Scottish Mortgages and other Related Security relative thereto as more fully specified and defined therein (the **Scottish Trust Property**) are held in trust by the Originator for the Issuer, and
- (D) This Scottish Supplemental Charge is made by the Issuer in favour of the Security Trustee in accordance with and pursuant to Clause 3 5 (Scottish Trust Security) of the Deed of Charge

NOW THEREFORE IT IS AGREED as follows

- 1 Expressions and words defined in Clause 2 (Interpretation and Construction) of the Master Definitions and Construction Schedule dated 5 December 2013 made among the Originator, the Issuer, the Security Trustee and others (as the same may be amended, restated, novated, varied or supplemented from time to time with the consent of the parties thereto) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Scottish Supplemental Charge, including the recitals hereto and this Scottish Supplemental Charge shall be construed in accordance with the interpretation provisions set out therein
- 2 The Issuer covenants with and undertakes to the Security Trustee as trustee for the Secured Creditors that it will duly and punctually pay and discharge the Secured Obligations in accordance with the terms of the Deed of Charge and each Transaction Document

- 3 The Issuer as holder of the beneficial interest therein and with absolute warrandice and subject to the proviso for release contained in Clause 4 (Release of Charged Assets) of the Deed of Charge HEREBY ASSIGNS to and in favour of the Security Trustee in security for the discharge and payment of the Secured Obligations the Issuer's whole right, title, interest and benefit, present and future, in and to the Scottish Trust Property and in and to the Scottish Declaration of Trust, surrogating and substituting the Security Trustee in its full right and place therein and thereto
- 4 The Issuer undertakes to intimate (for itself and on behalf of the Security Trustee) to the Originator immediately following its execution of this Scottish Supplemental Charge, this assignation, such intimation to be substantially in the form appearing at Part 1 of the schedule hereto and to obtain, on the same date, an acknowledgement of such intimation from the Originator, such acknowledgement to be substantially in the form appearing at Part 2 of the Schedule hereto
- 5 The Issuer hereby agrees that all the obligations, undertakings, covenants, rights and powers specified and contained in the Deed of Charge which relate to the property referred to in and the security and other rights and powers created under and pursuant to Clause 3 (Security and Declaration of Trust) of the Deed of Charge shall be deemed to be repeated herein and shall apply mutatis mutandis to the property referred to in Clause 3 (Security and Declaration of Trust) hereof and the security and other rights and powers created under and pursuant hereto and that the whole remaining terms of the Deed of Charge shall, except in so far as inconsistent herewith apply mutatis mutandis hereto provided always that this Scottish Supplemental Charge shall be without prejudice to the Deed of Charge and all of the rights, powers obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this Scottish Supplemental Charge.
- 6 This Scottish Supplemental Charge shall be governed by and construed in accordance with Scots law

IN WITNESS WHEREOF these presents typewritten on this and the preceding page are executed for and on behalf of the Issuer as follows

SUBSCRIBED for and on behalf of the said
PRECISE MORTGAGE FUNDING NO. 1 PLC

At

On

By

per pro SFM Directors Limited, as Director

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

in the presence of this witness

Witness Signature

Full Name

Address

This is the schedule referred to in the foregoing Assignment in Security by Precise Mortgage Funding No 1 plc in favour of U S Bank Trustees Limited as security trustee

PART 1

FORM OF INTIMATION

To Charter Court Financial Services Limited
2 Charter Court
Broadlands, Wolverhampton WV10 6TD

WE, **PRECISE MORTGAGE FUNDING NO. 1 PLC** (registered number 08658031), a public limited company incorporated under the laws of England and Wales and having its registered office at 35 Great St Helen's, London EC3A 6AP (the **Issuer**) refer to the assignment in security dated the date hereof (a certified copy of which is annexed hereto) granted by us, the Issuer, in favour of U S Bank Trustees Limited (registration number 2379632), a limited liability company incorporated under the laws of England and Wales having its principal office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR as security trustee (the **Security Trustee**) (the **Scottish Supplemental Charge**) Unless the context otherwise requires or unless otherwise defined herein, terms defined in this intimation shall have the same meaning as in the Scottish Supplemental Charge

We, hereby (on behalf of ourselves and the Security Trustee) intimate and give notice to you in your capacity as trustee under the Scottish Declaration of Trust granted in our favour dated 5 December 2013 that pursuant to the Scottish Supplemental Charge we have assigned to the Security Trustee our whole right, title and interest, present and future, in and to the Scottish Trust Property as defined in the aforementioned Scottish Declaration of Trust

Please acknowledge receipt of this intimation and your acceptance of its contents by signing the attached duplicate acknowledgement and returning a copy to us at 35 Great St Helen's, London EC3A 6AP

This intimation shall be deemed to be delivered and the assignment of the Scottish Trust Property referred to above intimated to the addressee noted above on receipt by the addressee of this intimation or a copy hereof (whether by e mail, fax or otherwise), whether or not acknowledged hereon or thereon and whether or not the principal intimation is also itself physically delivered

Date 5 December 2013

for and on behalf of
PRECISE MORTGAGE FUNDING NO. 1 PLC
per pro SFM Directors Limited, as Director

PART 2
FORM OF ACKNOWLEDGEMENT

[to be attached to intimation]

To Precise Mortgage Funding No 1 plc
 35 Great St. Helen's
 London EC3A 6AP
 (the **Issuer**)

We acknowledge receipt of a form of intimation dated the date hereof (the **Intimation**) and addressed to us by the Issuer in relation to the assignation by the Issuer of the Scottish Trust Property pursuant to the Scottish Supplemental Charge as referred to in the Intimation

By our execution hereof, we consent to and acknowledge such notice and intimation and confirm that save under or pursuant to the Transaction Documents as at the date hereof we have not received notification of any other dealing with the Scottish Trust Property or any part thereof or the Scottish Declaration of Trust

Unless the context otherwise requires or unless otherwise defined herein, terms defined in this acknowledgment shall have the same meaning as in the Intimation

This acknowledgement shall be deemed to be delivered to the addressees noted above on receipt by the addressee of this acknowledgement or a copy hereof (whether by e mail, fax or otherwise), whether or not acknowledged hereon or thereon and whether or not the principal acknowledgement is also itself physically delivered

Date: 5 December 2013

for and on behalf of
**CHARTER COURT FINANCIAL SERVICES
LIMITED**

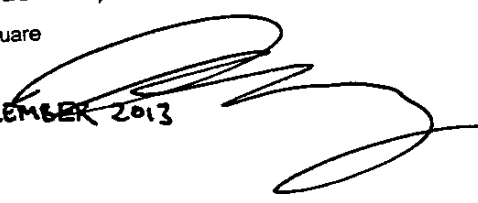
EXECUTION VERSION

MASTER DEFINITIONS AND CONSTRUCTION SCHEDULE

5 DECEMBER 2013

Except for material redacted pursuant
to s 859G of the Companies Act 2006
I certify that this is a copy of
the original document

Name Matthew Leung
Qualified as SOLICITOR, NEW SOUTH WALES
Allen Overy LLP
One Bishops Square
London E1 6AD
United Kingdom
Date 12 DECEMBER 2013



ALLEN & OVERY

Allen & Overy LLP

0065809-0000018 ICM 18605525 1

CONTENTS

Clause	Page
1 Definitions	2
2 Interpretation and Construction	42
3 Amendments	45
4 Counterparts	45
5 Governing Law	45
Schedule	
1 Notices	46
Signatories	47

THIS AGREEMENT is made on 5 December 2013

BETWEEN

- (1) **BUTTERMERE PLC**, (registered number 06737937), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Seller**),
- (2) **PRECISE MORTGAGE FUNDING NO. 1 PLC**, (registered number 08658031), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Issuer**),
- (3) **PRECISE MORTGAGE HOLDINGS NO. 1 LIMITED**, (registered number 08658019), a private limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (**Holdings**),
- (4) **STRUCTURED FINANCE MANAGEMENT LIMITED** (registered number 03853947), a private limited company incorporated under the laws of England and Wales, whose principal office is at 35 Great St Helen's, London EC3A 6AP (the **Corporate Services Provider**),
- (5) **SFM CORPORATE SERVICES LIMITED**, (registered number 03920255), a private limited company incorporated under the laws of England and Wales, whose principal office is at 35 Great St Helen's, London EC3A 6AP (the **Share Trustee**),
- (6) **U.S. BANK TRUSTEES LIMITED** (registered number 2379632), a private limited company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee and Note Trustee**),
- (7) **ELAVON FINANCIAL SERVICES LIMITED**, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland, acting through its UK Branch (registered number BR009373) from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR (the **Cash Manager, Issuer Account Bank, Principal Paying Agent and Agent Bank**),
- (8) **ELAVON FINANCIAL SERVICES LIMITED**, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland (the **Registrar**),
- (9) **CHARTER COURT FINANCIAL SERVICES LIMITED**, (registered number 06749498), a private limited company incorporated under the laws of England and Wales, whose registered office is at 2 Charter Court, Broadlands, Wolverhampton, WV10 6TD (the **Originator, Servicer, Trustee and Retention Holder**),
- (10) **CREDIT SUISSE INTERNATIONAL**, (registered number 02500199), an private unlimited company incorporated under the laws of England and Wales, whose registered office is at One Cabot Square, London E14 4QJ (the **Swap Provider**), and
- (11) **BARCLAYS BANK PLC**, (registered number 01026167), a public limited company incorporated under the laws of England and Wales whose registered office is at 1 Churchill Place, London E14 5HP (the **Collection Account Bank**)

1. DEFINITIONS

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

1925 Act means the Law of Property Act 1925,

1999 Regulations means the Unfair Terms in Consumer Contracts Regulations 1999 as amended,

£, GBP, Sterling or Pounds Sterling means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland,

Account Bank Rating means a short-term unsecured, unsubordinated and unguaranteed debt rating of at least A-1 by S&P (if a short-term rating is assigned by S&P) and a long-term unsecured, unsubordinated and unguaranteed debt rating of at least A by S&P, or should the Issuer Account Bank not benefit from a short-term unsecured, unsubordinated and unguaranteed rating of at least A-1 from S&P, a long-term unsecured, unsubordinated and unguaranteed debt rating of at least A+ by S&P, and a short-term issuer default rating of at least F1 by Fitch and a long-term issuer default rating of at least A by Fitch, or such other lower rating which is consistent with the then current rating methodology of the Rating Agencies in respect of the then current ratings of the Rated Notes;

Account Mandate means the Deposit Account Mandate, the Swap Collateral Account Mandate and any other bank mandate provided by the Issuer to the Issuer Account Bank from time to time,

Accrued Interest means in respect of a Loan as at any date the aggregate of all interest accrued but not yet due and payable on the Loan from (and including) the monthly payment date immediately preceding the relevant date to (but excluding) the relevant date,

Affiliate means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company,

Agency Agreement means the agency agreement dated the Closing Date between the Issuer, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee and the Note Trustee, which sets out the appointment of the Paying Agents, the Registrar and the Agent Bank for the Notes and the Residual Certificates,

Agent Bank means Elavon Financial Services Limited, acting through its UK Branch, acting as Agent Bank under the terms of the Agency Agreement, or such other person as may from time to time be appointed as Agent Bank pursuant to the Agency Agreement,

Agents means the Paying Agents, the Registrar and the Agent Bank,

Appointee means any attorney, manager, agent, delegate, nominee, custodian, financial adviser or other professional adviser or other person properly appointed by the Note Trustee under the Trust Deed or the Security Trustee under the Deed of Charge (as applicable) to discharge any of its functions,

Arranger means Credit Suisse Securities (Europe) Limited, a limited liability company incorporated under the laws of England and Wales, with registered number 00891554, whose registered office is at One Cabot Square, Canary Wharf, London E14 4QJ,

Arrears means as at any date in respect of any Loan, all amounts currently due and payable on that Loan which remain unpaid on that date, **provided that** such overdue amounts equal, in the aggregate, one or more full Monthly Instalments,

Arrears of Interest means as at any date in respect of any Loan, the aggregate of all interest (other than Capitalised Amounts) on that Loan which is currently due and payable and unpaid on that date,

Article 122a means Article 122a of the Capital Requirements Directive (or, from 1 January 2014, Articles 404 to 410 of Regulation (EU) No 575/2013),

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

Associated Person of a person means a director, officer, company secretary, employee, or provider of corporate administration services or agent thereof to such person,

Auditors means Deloitte LLP or such other internationally independent firm of auditors selected from time to time by the Cash Manager on behalf of the Issuer with the prior written approval of the Security Trustee,

Authorised Denominations means, in respect of the Notes, denominations (in either global or definitive form) of £100,000 and higher integral multiples of £1,000,

Authorised Investments means

- (a) Sterling gilt-edged securities, and
- (b) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper),

provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments (i) mature on or before the next Interest Payment Date, (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) on or before the next following Interest Payment Date, and (iii) have a maturity date of 60 days or less and are rated at least F1+ or AA- by Fitch and A-1 by S&P or have a maturity date of 365 days or less and are rated at least F1+ or AA- by Fitch and AA- or A-1+ by S&P,

Authorised Signatory means.

- (a) in relation to the Bank Account Agreement, any authorised signatory referred to in, as applicable, the Deposit Account Mandate, the Swap Account Mandate or any mandate in respect of any account in the name of the Issuer at the Issuer Account Bank or any other bank account created after the Closing Date established pursuant to and in accordance with the Bank Account Agreement, and
- (b) in all other cases, (i) an officer of the Issuer, or such other person appointed by the Issuer to act as authorised signatory or (ii) in respect of any party to the Transaction Documents, an officer of such party, or such other person appointed by such party to act as authorised signatory,

Available Redemption Receipts means for any Interest Payment Date an amount equal to the aggregate of, (without double counting)

- (a) all Redemption Receipts or, if in a Determination Period, any Calculated Redemption Receipts, in each case, excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date
 - (i) received by the Issuer during the immediately preceding Collection Period; and
 - (ii) if representing amounts received in respect of any repurchases of Loans and their Related Security that were repurchased by the Seller and/or the Originator pursuant to the Mortgage Sale Agreement, received by the Issuer from but excluding the Monthly Pool Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including (A) the immediately preceding Monthly Pool Date or (B) in respect of a repurchase by the Seller or the Originator to effect a redemption in full of the Notes on an Interest Payment Date falling on or after the Optional Redemption Date, the immediately preceding Calculation Date,
- (b) on the first Interest Payment Date only, the amounts standing to the credit of the Prefunding Reserve Ledger to the extent such funds have not been and will not be utilised to acquire the Further Portfolio,
- (c) the amounts (if any) calculated on that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class Z Principal Deficiency Sub-Ledger is reduced,
- (d) any Enhanced Amortisation Amount,
- (e) any Available Revenue Receipts applied under item (x)(i) of the Pre-Enforcement Revenue Priority of Payments,
- (f) on the Final Redemption Date only, all amounts standing to the credit of the Rated Note Reserve Fund Ledger, after first having applied Available Revenue Receipts, including the Rated Note Reserve Fund Available Amount, pursuant to the Pre-Enforcement Revenue Priority of Payments and any Rated Note Reserve Fund Liquidity Release Amount to meet any Revenue Deficit on such Interest Payment Date, and after amounts have been credited to the Rated Note Reserve Fund in accordance with the Pre-Enforcement Priority of Payments, and
- (g) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Redemption Receipts in accordance with Condition 6 9(c),

Available Revenue Receipts means, for each Interest Payment Date, an amount equal to the aggregate of (without double counting)

- (a) Revenue Receipts or, if in a Determination Period, Calculated Revenue Receipts, in each case, excluding any Reconciliation Amounts to be applied as Available Redemption Receipts on that Interest Payment Date received
 - (i) during the immediately preceding Collection Period, or

- (ii) if representing amounts received in respect of any repurchases of Loans and their Related Security by the Seller and/or the Originator pursuant to the Mortgage Sale Agreement, from but excluding the Monthly Pool Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including (A) the immediately preceding Monthly Pool Date, or (B) in respect of a repurchase by the Seller or the Originator to effect a redemption in full of the Notes on an Interest Payment Date falling on or after the Optional Redemption Date, the immediately preceding Calculation Date,
 - (b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Collection Period (other than any amount of interest or income received in respect of any Swap Collateral) and income from any Authorised Investments to be received on or prior to the Interest Payment Date (other than any amount of income received in respect of the Swap Collateral),
 - (c) any Principal Addition Amounts,
 - (d) amounts received or to be received by the Issuer under or in connection with the Swap Agreement (other than (i) any early termination amount received by the Issuer under the Swap Agreement, (ii) Swap Collateral, (iii) any Replacement Swap Premium paid to the Issuer, and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date other than, in each case, any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Priority of Payments),
 - (e) on the first Interest Payment Date, an amount credited to the Deposit Account on the Closing Date from part of the proceeds of the Subordinated Notes in an amount equal to the Prefunding Yield Maintenance Required Amount;
 - (f) the Rated Note Reserve Fund Available Amount,
 - (g) amounts deemed to be Available Revenue Receipts in accordance with item (h) of the Pre-Enforcement Redemption Priority of Payments,
 - (h) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6 9(c),
 - (i) any amount standing to the credit of the Class A Liquidity Reserve Fund Ledger,
 - (j) any amounts credited to the Deposit Account on the previous Interest Payment Date in accordance with item (y) of the Pre-Enforcement Revenue Priority of Payments, and
 - (k) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Redemption Receipts,
- less*
- (l) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to)
 - (i) certain costs and expenses charged by the Servicer in respect of its servicing of the Loans, other than any Special Servicing Fee or Mortgage Administration Fee and not otherwise covered by items below,

- (ii) payments of certain insurance premiums in respect of the Block Insurance Policies (to the extent referable to the Loans),
 - (iii) amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited, and
 - (iv) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower,
- (items within (i) being collectively referred to herein as **Third Party Amounts**),
- (m) any tax payments paid or payable by the Issuer during the immediately preceding Collection Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger, and
 - (n) (taking into account any amount paid by way of Third Party Amounts) amounts to remedy any overdraft in relation to the DD Collection Account or to pay any amounts due to the Collection Account Bank,

Bank Account Agreement means the agreement dated on or about the Closing Date between the Issuer Account Bank, the Issuer, the Cash Manager and the Security Trustee, which governs the operation of the Deposit Account and the Swap Collateral Account,

Basic Terms Modification has the meaning given to it in Paragraph 13 of Schedule 5 (Provisions for Meetings of Noteholders and Certificateholders) to the Trust Deed,

BBA Sterling LIBOR means, the arithmetic mean of offered quotations for three-month Sterling deposits (or, with respect to the first Interest Period, the rate which represents the linear interpolation of LIBOR for three and six month deposits in Sterling) in the London interbank market displayed on the Reuters Screen page LIBOR01,

Block Insurance Policies means the Failure to Insure Cover, the Lender Interest Only Cover and the Properties in Possession Cover,

Block Voting Instruction has the meaning given to it in Paragraph 1 (Definitions) of Schedule 5 to the Trust Deed (Provisions for Meetings of Noteholders and Certificateholders),

Book-Entry Interest means a beneficial interest in a global note representing the relevant Class of Notes shown on records maintained in book-entry form by Euroclear or Clearstream, Luxembourg, as the case may be,

Borrower means, in relation to a Loan, the individual or individuals specified as borrowers in the Mortgage Conditions in respect of such Loan or the individual or individuals (if any) from time to time assuming an obligation to repay (under a guarantee or otherwise) such Loan or any part of it,

Business Day means a day (other than a Saturday or Sunday or a public holiday) on which banks are open for business in London;

Buy-To-Let Loan means a residential loan but not where it is a loan taken out by a borrower in relation to the purchase or re-mortgage of a property for letting purposes;

Calculated Redemption Receipts means the Redemption Receipts for any Determination Period calculated as the product of (i) 1 minus the Interest Determination Ratio and (ii) all collections received by the Issuer during such Determination Period,

Calculated Revenue Receipts means the Revenue Receipts for any Determination Period calculated as the product of (i) the Interest Determination Ratio and (ii) all collections received by the Issuer during such Determination Period,

Calculation Date means, in relation to a Collection Period, the day falling six Business Days after the end of the relevant Collection Period,

Capital Requirements Directive means Directive 2006/48/EC (as amended by Directive 2009/111/EC),

Capitalisation Policy means the section of the capitalisation policy of the Servicer relating to the capitalisation of Arrears, applying to all loans serviced by the Servicer from time to time (including the Loans);

Capitalised Amounts means, in relation to a Loan, at any date, amounts which are due or overdue in respect of that Loan (other than any principal amounts) and which as at that date have been capitalised in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower and any other amounts (including fees and expenses) capitalised in accordance with the Capitalisation Policy,

Cash Management Agreement means the cash management agreement dated on or about the Closing Date between the Cash Manager, the Servicer, the Originator, the Issuer and the Security Trustee,

Cash Management Services means the cash management services set out in the Cash Management Agreement, including Schedule 1 (Cash Management Services) thereto;

Cash Manager means Elavon Financial Services Limited, acting through its UK Branch, in its capacity as cash manager or any successor cash manager appointed from time to time as Cash Manager pursuant to the Cash Management Agreement,

Cash Manager Termination Event has the meaning given to it in Clause 12.1 (Cash Manager Termination Events) of the Cash Management Agreement;

CCA and Consumer Credit Act means the Consumer Credit Act 1974 as amended,

CCFS Group means Precise and any Affiliate of Precise,

Central Bank means the Central Bank of Ireland,

Certificate of Title means, in respect of a Property, a solicitor's, licensed or (in Scotland) qualified conveyancer's report or certificate of title obtained by or on behalf of the Originator in respect of such Property substantially in the form of the pro forma set out in the Standard Documentation,

Certificateholders means the persons who for the time being are registered in the Register as the holders of the Residual Certificates,

Charged Assets means the property, assets and undertakings of the Issuer the subject of any security created under and pursuant to the Deed of Charge,

Charged Documents means each of the Transaction Documents (other than the Trust Deed, the Deed of Charge, each Scottish Supplemental Charge and each Scottish Declaration of Trust) to which the Issuer is a party,

Class in relation to the Notes means each or any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class Z Notes and the Subordinated Notes, as the case may be, or to the respective holders thereof,

Class A Liquidity Reserve Fund means the amount standing to the credit of the Deposit Account from time to time corresponding to the credit entry made by the Cash Manager on the Class A Liquidity Reserve Fund Ledger,

Class A Liquidity Reserve Fund Ledger means the ledger maintained by the Cash Manager on behalf of the Issuer to record amounts credited to the Class A Liquidity Reserve Fund from part of the proceeds of the Subordinated Notes in an amount equal to the Class A Liquidity Reserve Fund Required Amount on the Closing Date and, on each Interest Payment Date, amounts (i) credited to the Class A Liquidity Reserve Fund from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, and (ii) amounts debited from the Class A Liquidity Reserve Fund and applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments,

Class A Liquidity Reserve Fund Required Amount means, on any Interest Payment Date falling prior to the Class A Redemption Date, an amount equal to 2 per cent of the Principal Amount Outstanding of the Class A Notes on that Interest Payment Date (without taking into account any redemptions of the Notes on such Interest Payment Date) and on any Interest Payment Date falling on or after the Class A Redemption Date, zero,

Class A Margin means in respect of the Class A Notes, 1 15 per cent per annum,

Class A Noteholders means the persons who for the time being are registered in the Register as the holders of Class A Notes,

Class A Notes means the £134,500,000 Class A mortgage backed floating rate notes due on the Final Maturity Date,

Class A Principal Deficiency Sub-Ledger means the principal deficiency ledger relating to the Class A Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement,

Class A Redemption Date means the Interest Payment Date on which, following the application of Available Redemption Receipts on such Interest Payment Date, the Class A Notes would be redeemed in full,

Class B Margin means in respect of the Class B Notes, 1 75 per cent per annum,

Class B Noteholders means the persons who for the time being are registered in the Register as the holders of Class B Notes,

Class B Notes means the £6,500,000 Class B mortgage backed floating rate notes due on the Final Maturity Date,

Class B Principal Deficiency Sub-Ledger means the principal deficiency ledger relating to the Class B Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement,

Class C Margin means in respect of the Class C Notes, 2 15 per cent per annum,

Class C Noteholders means the persons who for the time being are registered in the Register as the holders of Class C Notes,

Class C Notes means the £6,500,000 Class C mortgage backed floating rate notes due on the Final Maturity Date,

Class C Principal Deficiency Sub-Ledger means the principal deficiency ledger relating to the Class C Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement,

Class D Margin means in respect of the Class D Notes, 3 25 per cent per annum,

Class D Noteholders means the persons who for the time being are registered in the Register as the holders of Class D Notes,

Class D Notes means the £10,400,000 Class D mortgage backed floating rate notes due on the Final Maturity Date,

Class D Principal Deficiency Sub-Ledger means the principal deficiency ledger relating to the Class D Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement,

Class E Margin means in respect of the Class E Notes, 5 25 per cent per annum,

Class E Noteholders means the persons who for the time being are registered in the Register as the holders of Class E Notes,

Class E Notes means the £2,975,000 Class E mortgage backed floating rate notes due on the Final Maturity Date,

Class E Principal Deficiency Sub-Ledger means the principal deficiency ledger relating to the Class E Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement,

Class Z Margin means in respect of the Class Z Notes, 0 90 per cent per annum,

Class Z Noteholders means the persons who for the time being are registered in the Register as the holders of Class Z Notes,

Class Z Notes means the £2,875,000 Class Z mortgage backed fixed rate notes due on the Final Maturity Date,

Class Z Principal Deficiency Sub-Ledger means the principal deficiency ledger relating to the Class Z Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement,

Clear Days has the meaning given to it in Paragraph 1 (Definitions) of Schedule 5 to the Trust Deed (Provisions for Meetings of Noteholders and Certificateholders),

Clearing System has the meaning given to it in Paragraph 1 (Definitions) of Schedule 5 (Provisions for Meetings of Noteholders and Certificateholders) to the Trust Deed,

Clearstream, Luxembourg means Clearstream Banking, *société anonyme*,

Closing Date means 5 December 2013,

Code means the US Internal Revenue Code of 1986;

Collection Account Bank means Barclays Bank PLC, acting as Collection Account Bank, or such other person as may from time to time be appointed as Collection Account Bank at which the Collection Accounts are maintained from time to time,

Collection Account Bank Rating means a short-term, unsecured, unsubordinated and unguaranteed debt rating of A-2 by S&P (if a short-term rating is assigned by S&P) and a long-term, unsecured, unsubordinated and unguaranteed debt rating of BBB or (if no short-term, unsecured, unsubordinated and unguaranteed debt rating is assigned by S&P) BBB+ by S&P and a short-term issuer default rating of F2 by Fitch and a long-term issuer default rating of BBB+ by Fitch,

Collection Accounts means the DD Collection Account and the Non-DD Collection Account and any other replacement or additional collection account of the Originator in respect of which amounts are received in respect of the Loans and their Related Security in the Portfolio, over which the Originator will declare a trust pursuant to the DD Collection Account Declaration of Trust and Account Bank Deed and the Non-DD Collection Account Declaration of Trust, respectively,

Collection Accounts Mandate means the form of bank mandate relating to the Collection Accounts,

Collection Period means the quarterly period commencing on (and including) a Cut-Off Date and ending on (but excluding) the immediately following Cut-Off Date, except that the first Collection Period will commence on (and include) 1 December 2013 and end on (and exclude) the Cut-Off Date falling in March 2014,

Collections means Revenue Receipts and Redemption Receipts,

Collections and Recovery Service Specification means the specification set out at Part 2 of Schedule 2 to the Servicing Agreement

Common Depositary means Elavon Financial Services Limited, in its capacity as nominee for Euroclear and Clearstream, Luxembourg,

Companies Act has the meaning given to the term "Companies Acts" in section 2 of the Companies Act 2006, with the addition of the words "to the extent that they are in force" at the end of section 2(1)(a) (as it applies to limited liability partnerships) and any regulations made pursuant to those Acts to the extent that they are in force,

Competent Authority means the Central Bank in its capacity as competent authority under the Prospectus Directive and references to the **relevant Competent Authority** shall, in relation to any Note, be references to the competent authority relating to the stock exchange on which the Notes are from time to time, or will be, listed or admitted to trading,

Computer System means any computer hardware or software or any equipment operated by electronic means,

Conditions or Terms and Conditions of the Notes means the terms and conditions of the Notes set out in Schedule 2 (Terms and Conditions of the Notes) to the Trust Deed, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Trust Deed and any reference to a numbered Condition shall be construed accordingly,

Corporate Services Agreement means the agreement dated on or about the Closing Date and made between the Corporate Services Provider, the Share Trustee, Holdings, the Issuer, the Originator and the Security Trustee for the provision by the Corporate Services Provider of certain corporate services to the Issuer and Holdings,

Corporate Services Provider means Structured Finance Management Limited (registered number 03853947), a company incorporated under the laws of England and Wales, whose principal office is at 35 Great St Helen's, London EC3A 6AP or such other person or persons for the time being acting as Corporate Services Provider to the Issuer and Holdings under the Corporate Services Agreement,

Corporate Services Provider Fee Letter has the meaning given to it in Clause 1.2 of the Corporate Services Agreement,

CRD means the Capital Requirements Directive,

Current Balance of a Loan means, on any date, the aggregate balance of the Loan at such date (but without double counting) including

- (a) the original principal amount advanced to the relevant Borrower secured or intended to be secured by the related Mortgage and which has not been paid, repaid or prepaid by the relevant Borrower, and
- (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has not been paid by which has been properly capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by the related Mortgage, and
- (c) any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by the related Mortgage,

on the basis of the start of day position on such date (which for the avoidance of doubt is inclusive of any interest rate accrual amount relating to the previous month or otherwise that has been applied on such day but is exclusive of any other payments or postings on such date),

Cut-Off Date means the first calendar day of March, June, September and December and the first Cut-Off Date will be 1 March 2014,

Data Controller means the Issuer or, where relevant, the Originator,

Data Processor means the Servicer,

Data Protection Act means the Data Protection Act 1998,

Data Subject shall have the same meaning as is assigned to it in the Data Protection Act,

DD Collection Account means the account held in the name of the Originator with the Collection Account Bank into which amounts received in respect of the Loans arising by way of Direct Debit payments from the Borrowers shall be paid,

DD Collection Account Declaration of Trust and Account Bank Deed means the DD collection account declaration of trust and account bank deed dated on or about the Closing Date and made between, *inter alios*, the Issuer, the Security Trustee and the Originator,

DD Collection Account Trust means the trust over the DD Collection Account created pursuant to the DD Collection Account Declaration of Trust,

Deed of Charge means the deed of charge to be dated on or about the Closing Date between, *inter alios*, the Issuer and the Security Trustee pursuant which the Issuer grants the Security in favour of the Security Trustee for the benefit of the Secured Creditors,

Deed of Charge Accession Undertaking means an accession undertaking in a form set out in Schedule 2 (Form of Deed of Charge Accession Undertaking) to the Deed of Charge, to be entered into between *inter alia*, the Issuer, the Security Trustee and the Secured Creditors, by which a new secured creditor shall accede to the terms of the Deed of Charge,

Deferred Interest shall have the meaning given to this term in Condition 18 1 (*Interest*),

Definitive Residual Certificates means any of the Residual Certificates in definitive registered form,

Deposit Account means the deposit account (account number 73208001, sort code 230176) in the name of the Issuer held with the Issuer Account Bank and maintained subject to the terms of the Bank Account Agreement and the Deed of Charge or such additional or replacement account as may for the time being be in place pursuant to the Cash Management Agreement with the prior consent of the Security Trustee and designated as such,

Deposit Account Balance means amounts standing to the credit of the Deposit Account from time to time

Deposit Account Mandate means the form of bank mandate relating to the Deposit Account as set out in Schedule 1 (Form of Deposit Account Mandate) to the Bank Account Agreement,

Deposit Account Rate means the rate of interest accruing on the Deposit Account Balance equal to the rate of SONIA less 0.75 per cent. where the Deposit Account Balance is less than £20,000,000 and SONIA less 0.50 per cent where the Deposit Account Balance is greater than or equal to £20,000,000, or such other amount as the Issuer and the Issuer Account Bank may agree from time to time, provided that the rate shall not be below zero per cent ,

Determination Period has the meaning given to it in Paragraph 13 1 (Estimation) of Schedule 2 (Cash Management and Maintenance of Ledgers) to the Cash Management Agreement,

Direct Debit means a written instruction of a Borrower authorising its bank to honour a request of the Originator to debit a sum of money on specified dates from the account of the Borrower for deposit into an account of the Originator,

Direct Debit Mandate means a mandate from a Borrower to the Servicer authorising payments to be made by the relevant Borrower to the Servicer by way of the Direct Debiting Scheme,

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

Disruption Event means either or both of

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for the payments to be made in connection with a Transaction Document (or otherwise in order for the Transactions to be carried out) which disruption is not caused by, and is beyond the control of, the relevant party seeking to rely on such disruption, or
- (b) the occurrence of any other event which results in the disruption (of a technical or systems related nature) to the treasury or payments operations of the party seeking to rely on such disruption which prevents that party, or any other party to the Transaction Documents, from
 - (i) performing its payment obligations under the Transaction Documents, or
 - (ii) communicating with any other party to a Transaction Document in accordance with the terms of the relevant Transaction Documents,

Early Repayment Charges means any charge (other than a Redemption Fee) which a Borrower is required to pay in the event that he or she repays all or any part of the relevant Loan before a specified date in the Mortgage Conditions,

Electronic Notification of Discharge means an electronic notification of the discharge of a mortgage or charge, sent to the Land Registry in lieu of a paper discharge,

Eligible Person has the meaning given to it in Paragraph 1 (Definitions) of Schedule 5 (Provisions for Meetings of Noteholders and Certificateholders) to the Trust Deed,

EMIR means the European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation,

Enforcement Notice means a notice served by the Note Trustee on the Issuer (with a copy to the Swap Provider, the Cash Manager, the Security Trustee, the Servicer, the Account Bank and the Originator) that (i) all Classes of Notes are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued (but unpaid) interest and (ii) that any due and unpaid Residual Payments pursuant to the Residual Certificates are immediately payable, as provided in the Trust Deed, pursuant to Condition 11 (*Events of Default*) and Residual Certificates Condition 10 (*Events of Default*) respectively,

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

English Loan means an English or Welsh residential mortgage loan secured by an English Mortgage and, where applicable, other Related Security sold, assigned or transferred by the Seller to the Issuer pursuant to the Mortgage Sale Agreement,

English Mortgage means a first ranking legal charge secured over a Property located in England or Wales,

Enhanced Amortisation Amounts means Available Revenue Receipts applied as Available Redemption Receipts in accordance with item (u) of the Pre-Enforcement Revenue Priority of Payments,

Euroclear means Euroclear Bank S.A /N V ,

Event of Default has the meaning given to it in Condition 11 (*Events of Default*) and/or Residual Certificates Condition 10 (*Events of Default*), as the context requires,

Existing Scottish Trust means all trusts created under Scots Law under and in terms of which the Originator holds, immediately prior to the Closing Date or, as applicable, the Further Portfolio Sale Date, the relevant Scottish Loans, the related Scottish Mortgages and other Related Security as trustee for and on behalf of the Seller as beneficiary,

Extraordinary Resolution has the meaning given to it in Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and/or Residual Certificates Condition 12 (*Meetings of Certificateholders and Noteholders, Waiver and Substitution*), as the context requires,

Failure to Insure Cover means a policy of the Originator, written by Royal Sun Alliance, covering all loans originated by the Originator, the premium being paid by the Servicer,

FATCA Withholding means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement),

FCA means the United Kingdom Financial Conduct Authority which, together with the PRA, pursuant to the provisions of the Financial Services Act 2012, among other things, replaced the FSA on 1 April 2013,

Final Maturity Date means the Interest Payment Date falling in March 2047,

Final Redemption Date means the Interest Payment Date in respect of which the Cash Manager determines on the immediately preceding Calculation Date that, following the application on such Interest Payment Date of (i) Available Revenue Receipts and Available Redemption Receipts (other than item (f) of the definition of Available Redemption Receipts) in accordance with the applicable Priorities of Payments and (ii) any Rated Note Reserve Fund Liquidity Release Amount in meeting any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments, the Rated Notes on such Interest Payment Date would be redeemed in full (taking into account any amount standing to the credit of the Rated Note Reserve Fund to be applied as Available Redemption Receipts on such Interest Payment Date);

Financial Year means the 12-month period ending on 31 December of each year, provided that the first Financial Year ends on 31 December 2014,

Fitch means Fitch Ratings Ltd ,

Fixed Interest Reference Date means in respect of any Swap Calculation Period (other than the first Swap Calculation Period), the first calendar day of March, June, September and December in each year, provided that the first Fixed Interest Reference Date means 1 December 2013,

Fixed Notional Amount means

- (a) in respect of each Swap Calculation Period (other than the first Swap Calculation Period), an amount notified by the Servicer in Sterling equal to the aggregate Current Balance of the Fixed Rate Loans in the Portfolio on the basis of the start of day position on the Fixed Interest Reference Date immediately preceding the relevant Swap Calculation Period, (which for the avoidance of doubt is inclusive of any interest rate accrual amount relating to the previous month that has been applied on such day but is exclusive of any other payments or postings on the such day), as adjusted to reflect any repurchases by the Seller or the Originator in accordance with the Mortgage Sale Agreement that take effect on the Monthly

Pool Date falling at the start of the relevant Collection Period (if applicable), , provided that in respect of the second Swap Calculation Period, if the Further Portfolio Sale Date occurs after the Fixed Interest Reference Date immediately preceding that Calculation Period, the aggregate Current Balance of the Fixed Rate Loans shall be deemed to include any Fixed Rate Loans comprised in the Further Portfolio on the Further Portfolio Sale Date as if such Fixed Rate Loans were comprised in the Portfolio at the start of day on the Fixed Interest Reference Date immediately preceding that Calculation Period, and

- (b) in respect of the first Swap Calculation Period, an amount notified by the Servicer in Sterling equal to the aggregate Current Balance of the Fixed Rate Loans in the Initial Portfolio on the basis of the start of day position on the first Fixed Interest Reference Date, (which for the avoidance of doubt is inclusive of any interest rate accrual amount relating to the previous month that has been applied on such day but is exclusive of any other payments or postings on such day),,

Fixed Rate has the meaning given to it in the Swap Agreement,

Fixed Rate Accrual Date means the 12th day of each of March, June, September and December in each year,

Fixed Rate Day Count Fraction means Act/365, as such term defined in the ISDA Definitions,

Fixed Rate Loan means a Loan to the extent that and for such time as the interest rate payable by the relevant Borrower on all or part of the principal balance does not vary and is fixed for a certain period of time by the Originator,

Floating Rate Day Count Fraction means Act/365, as such term defined in the ISDA Definitions,

Flexible Loan means a loan in respect of which the Borrower has exercisable redraw rights,

Floating Mortgage Rate means a variable interest rate that is based on BBA Sterling LIBOR or the Bank of England Base Rate,

Floating Rate Loan means a Loan where the applicable rate of interest is the Floating Mortgage Rate,

Force Majeure Event means any event beyond the reasonable control of a party including strikes, lock-outs, labour disputes, acts of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood or storm,

FSA means the Financial Services Authority, which, pursuant to the provisions of the Financial Services Act 2012, among other things, was replaced by the FCA and the PRA on 1 April 2013,

FSMA 2000 or **FSMA** means the Financial Services and Markets Act 2000,

Full Title Guarantee shall be construed in accordance with the LP (MP) Act,

Further Advance means, in relation to a Loan, any advance of further money to the relevant Borrower following the advance of the Initial Advance, which is secured by the same Mortgage as the Initial Advance, but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage,

Further Portfolio means the portfolio of Loans and their Related Security which will be sold to the Issuer by the Seller on the Further Portfolio Sale Date (if any),

Further Portfolio Notice means the notice given by the Seller to the Issuer under which the Seller offers to sell to the Issuer the Further Portfolio on the Further Portfolio Sale Date substantially in the form set out in Schedule 11 (Further Portfolio Notice) to the Mortgage Sale Agreement,

Further Portfolio Sale Date means any Business Day from but excluding the Closing Date to and including the first Interest Payment Date which the Seller notifies the Issuer to be the further portfolio sale date,

Further Purchase Asset Conditions will be satisfied in respect of the Further Portfolio if, on the Further Portfolio Sale Date

- (a) each Loan in the Further Portfolio is either
 - (i) a Floating Rate Loan under the terms of which the interest rate payable is based on three month BBA LIBOR, and shall revert to a Floating Mortgage Rate based on three month BBA LIBOR, and
 - (A) the date of reversion (**Reversionary Date**) occurs on or prior to 28 February 2016, and
 - (B) the interest rate payable on the relevant Loan after the Reversionary Date (the **Reversionary Margin**) is no less than 4.98 per cent per annum above three month BBA LIBOR, or
 - (ii) a Fixed Rate Loan which will revert to a Floating Mortgage Rate based on three month BBA LIBOR and
 - (A) the Reversionary Date occurs on or prior to 31 October 2018, and
 - (B) the Reversionary Margin is no less than 4.98 per cent per annum above three month BBA LIBOR,
- (b) the Weighted Average Post Swap Margin of the Further Portfolio as at the date of purchase of the Further Portfolio by the Issuer is not less than 4.00 per cent ,
- (c) the minimum Post Swap Margin of any Loan comprising part of the Further Portfolio as at the date of purchase of the Further Portfolio by the Issuer is not less than 2.49 per cent , and
- (d) the weighted average remaining term of the Loans in the Further Portfolio is no less than the weighted average remaining term of the Loans in the Initial Portfolio ,

Further Purchase Conditions will be satisfied in respect of the Further Portfolio if, on the Further Portfolio Sale Date

- (a) the Initial Consideration in respect of the Further Portfolio to be purchased on the Further Portfolio Sale Date does not exceed the amount standing to the credit of the Prefunding Reserve Ledger on the Further Portfolio Sale Date;
- (b) the Issuer has received on, or prior to, the Further Portfolio Sale Date
 - (i) confirmation from S&P that, at each rating level, the product of:

(A) the weighted average foreclosure frequency, and

(B) the weighted average loss severity,

(each as calculated by S&P, such calculation being the **S&P Calculation**) of the Portfolio immediately after the purchase by the Issuer of the Further Portfolio will not exceed the S&P Calculation on the Initial Portfolio as at the Closing Date by more than

(1) in respect of the "AAA" rating scenario, 0.25 per cent ,

(2) in respect of the "AA" rating scenario, 0.22 per cent ,

(3) in respect of the "A" rating scenario, 0.13 per cent ,

(4) in respect of the "BBB" rating scenario, 0.10 per cent , and

(5) in respect of the "BB" rating scenario, 0.07 per cent ,

(ii) confirmation from Fitch that, at each rating level, the product of

(A) the weighted average foreclosure frequency, and

(B) 1 minus the weighted average recovery rate,

(each as calculated by Fitch, such calculation being the **Fitch Calculation**) of the Portfolio immediately after the purchase by the Issuer of the Further Portfolio will not exceed the Fitch Calculation on the Initial Portfolio as at the Closing Date by more than 0.25 per cent ,

(c) the Further Purchase Asset Conditions will be satisfied on the Further Portfolio Sale Date,

(d) the Issuer will be able to hedge its interest rate exposure in respect of the Fixed Rate Loans forming part of the Further Portfolio under the Swap Agreement or on substantially similar terms as the terms of the Swap Agreement,

(e) taking into account the sale of the Further Portfolio on such date, the Current Balance of Loans that are Buy-To-Let Loans in the Portfolio is not less than 33.5 per cent of the Current Balance of all Loans in the Portfolio as at such date,

(f) no Enforcement Notice has been delivered to the Issuer, and

(g) no Event of Default has occurred which has not been waived by the Security Trustee ,

General Service Specification means the specification set out at Part 1 of Schedule 2 (Services Specification) to the Servicing Agreement

Global Note means in respect of any Class of Notes, the global note certificate in registered form representing such Class of Notes in, or substantially in, the form set out in Schedule 1 (Form of the Global Note) to the Trust Deed,

Global Residual Certificate means the global residual certificate in registered form representing the Residual Certificates in, or substantially in, the form set out in Schedule 4 (Form of the Global Residual Certificate) to the Trust Deed,

Hedge Subordinated Amounts means, in relation to the Swap Agreement, the amount of any termination payment due and payable to the Swap Provider as a result of a Swap Provider Default or a Swap Provider Downgrade Event except to the extent such amount has already been paid pursuant to the Swap Collateral Account Priority of Payments

HMRC means HM Revenue & Customs,

Holding Company means a holding company as defined in section 1159 of the Companies Act 2006,

Holdings means Precise Mortgage Holdings No 1 Limited (registered number 08658019), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Identified Person has the meaning given to it in Paragraph 3 (Procedure for Issue of Voting Certificates, Block Voting Instructions) of Schedule 5 (Provisions for Meetings of Noteholders and Certificateholders) to the Trust Deed,

in issue means, in relation to the Residual Certificates, all the Residual Certificates issued from time to time other than

- (a) those Residual Certificates which have been cancelled in accordance with Residual Certificates Condition 11 3 (*Limited Recourse*),
- (b) those Residual Certificates which have become void or in respect of which claims have become prescribed, in each case under Residual Certificates Condition 9 (*Prescription*),
- (c) those mutilated or defaced Residual Certificates which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Residual Certificates Condition 14 (*Replacement of Residual Certificates*),
- (d) any Global Residual Certificate to the extent that it shall have been exchanged for another Global Residual Certificate or for the Residual Certificates in definitive form pursuant to the Residual Certificates Conditions,

provided that for each of the following purposes, namely

- (i) the right to attend and vote at any meeting of the Certificateholders, the passing of an Extraordinary Resolution in writing or an Ordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents through the relevant Clearing System(s) as envisaged by Paragraph 1 (Definitions) of Schedule 5 (Provisions for Meetings of Noteholders and Certificateholders) to the Trust Deed and any direction or request by the Certificateholders,
- (ii) the determination of how many and which Residual Certificates are for the time being outstanding for the purposes of Clause 13 1 (Action, Proceedings and Indemnification) and Schedule 4 (Form of the Global Residual Certificate) to the Trust Deed, Residual Certificates Conditions 10 (*Events of Default*) and 11 (*Enforcement*),
- (iii) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Certificateholders, and

- (iv) the determination by the Security Trustee and the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Certificateholders,

those Residual Certificates (if any) which are for the time being held by or on behalf of or for the benefit of a Relevant Person, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding except where all of the Residual Certificates are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case the Residual Certificates shall be deemed to remain in issue,

Indemnified Claim has the meaning given to it in Clause 9.6 (Indemnity) of the Corporate Services Agreement,

Indemnified Persons means, with respect to the Corporate Services Agreement, the Corporate Services Provider and all Associated Persons of the Corporate Services Provider,

Independent Director means a duly appointed member of the board of directors of the Issuer who should not have been, at the time of such appointment, or at any time in the preceding five years, (i) a direct or indirect legal or beneficial owner in the Issuer or any of its Affiliates (excluding *de minimus* ownership interests), (ii) a creditor, supplier, employee, officer, director, family member, manager, or contractor of the Issuer or its Affiliates, or (iii) a person who controls (whether directly, indirectly, or otherwise) the Issuer or its Affiliates or any creditor, supplier, employee, officer, director, manager, or contractor of the Issuer or its Affiliates,

Indirect Participant means a person that holds interests in the Book-Entry Interests or Residual Certificate Book-Entry Interests (as applicable) through a Participant or through another Indirect Participant,

Initial Advance means the initial principal amount advanced by the Originator to the relevant Borrower under a Loan,

Initial Consideration means

- (a) in relation to the Initial Portfolio, an amount equal to the Current Balance of the Loans comprising the Initial Portfolio determined on the first calendar day of December 2013, which is due and payable on the Closing Date, and
- (b) in relation to the Further Portfolio, an amount equal to the Current Balance of the Loans comprising the Further Portfolio on the first day of the calendar month in which such Further Portfolio is sold to the Issuer, which is due and payable on the Further Portfolio Sale Date,

Initial Portfolio means the portfolio of Loans and their Related Security which will be selected from the Provisional Portfolio as at the Portfolio Reference Date and sold to the Issuer by the Seller pursuant to the Mortgage Sale Agreement on the Closing Date, details of which are set out in Exhibit 2 to the Mortgage Sale Agreement,

Insolvency Act means the Insolvency Act 1986,

Insolvency Event means, in respect of a relevant entity

- (a) an order is made or an effective resolution passed for the winding up of the relevant entity (or it proposes or makes any composition or arrangement with its creditors), or

- (b) the relevant entity stops or threatens to stop payment to its creditors generally or the relevant entity ceases or threatens to cease to carry on its business or substantially the whole of its business, or
- (c) an encumbrancer takes possession or a Receiver is appointed to the whole or any material part of the undertaking, property and assets of the relevant entity or a distress, diligence or execution is levied or enforced upon or sued out against the whole or any material part of the chattels or property of the relevant entity and, in the case of any of the foregoing events, is not discharged within 30 days, or
- (d) the relevant entity is unable to pay its debts as they fall due or it is deemed under section 123 of the Insolvency Act 1986 to be unable to pay its debts or announces an intention to suspend making payments with respect to any class of undisputed debts, or
- (e) if proceedings are initiated against the relevant entity under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the relevant entity or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of relevant entity, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant entity, is not discharged within 30 days,

Insolvency Regulation means European Council Regulation (EC) No 1346 of 29 May 2000 on insolvency proceedings, as amended and supplemented from time to time,

Insurance Policies means with respect to the Mortgages, the Block Insurance Policies and any other insurance contracts in replacement, addition or substitution thereof from time to time which relate to the Loans, and **Insurance Policy** means any one of them,

Interest Amount means in respect of an Interest Period and a Class of Notes, the Sterling amount payable in respect of interest on the Principal Amount Outstanding of such Class of Notes for the relevant Interest Period, as determined by the Agent Bank as soon as practicable after 11 00 a m on the Interest Determination Date falling in such Interest Period, but in no event later than the third Business Day thereafter,

Interest Determination Date means the first day of the Interest Period for which the rate will apply,

Interest Determination Ratio means, on any Interest Payment Date, (i) the aggregate Revenue Receipts calculated in the three preceding Servicer Reports (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) divided by (ii) the aggregate of all Revenue Receipts and all Redemption Receipts calculated in such Servicer Reports,

Interest-only Loan means a Loan where the Borrower makes monthly payments of interest but not of principal so that, when the Loan matures, the entire principal amount of the Loan is still outstanding and is payable in one lump sum,

Interest Payment Date means in respect of an Interest Period, the 12th day of each of March, June, September and December in each year or, if such day is not a Business Day, the immediately following Business Day,

Interest Period means

- (a) in relation to a Class of Rated Notes, the period from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date, and
- (b) in relation to the Class Z Notes or the Subordinated Notes, the period from (and including) a Fixed Rate Accrual Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Fixed Rate Accrual Date,

Investment Company Act means the Investment Company Act 1940,

Investor Report means the monthly report provided by the Cash Manager, with the assistance of the Servicer, to the Issuer, the Security Trustee, the Servicer, Bloomberg and the Rating Agencies in respect of the Issuer and substantially in the form set out in Schedule 3 (Form of Investor Report) of the Cash Management Agreement,

Irish Stock Exchange means the Irish Stock Exchange Limited,

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**) as part of a payment in respect of which it is entitled to be reimbursed or indemnified under the relevant Transaction Documents to the extent that the Relevant Party does not or will not receive and retain a credit, deduction or repayment of such VAT (as input tax as that expression is defined in section 24(1) of the Value Added Tax Act 1994 or under Article 168 of the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) or any provision of a similar nature, under the law of a member state of the European Union or elsewhere),

ISDA means the International Swaps and Derivatives Association, Inc ,

ISDA Definitions means the 2006 ISDA Definitions, as published by ISDA,

ISDA Master Agreement means the 2002 ISDA Master Agreement, as published by ISDA,

Issuer means Precise Mortgage Funding No 1 PLC (registered number 08658031), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Issuer Account Bank means Elavon Financial Services Limited, acting through its UK Branch, acting as Issuer Account Bank under the terms of the Bank Account Agreement, or such other person as may from time to time be appointed as Issuer Account Bank at which the Issuer Accounts are maintained from time to time pursuant to the Bank Account Agreement;

Issuer Accounts means each of the Deposit Account, the Swap Collateral Account and any additional or replacement accounts (including, if applicable, any securities accounts) opened in the name of the Issuer and maintained with the Issuer Account Bank and any other bank or custodian from time to time,

Issuer Power of Attorney means the power of attorney granted by the Issuer in favour of the Security Trustee under the Deed of Charge on the Closing Date substantially in the form set out in Schedule 1 (Power of Attorney) to the Deed of Charge,

Issuer Profit Ledger means the ledger maintained by the Cash Manager to record as a credit amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments,

Issuer Swap Amount means the amount in Sterling produced by applying the Fixed Rate to the Notional Amount of the Swap Transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Fixed Rate Day Count Fraction,

Land Registry means the body responsible for recording details of land in England and Wales,

Land Registry Transfer means, in relation to Properties situated in England or Wales, title to which is registered or is in the course of being registered with the Land Registry, each transfer of the relevant English Mortgages substantially in the appropriate form set out in Part 1 (Originator Registered Transfer) or Part 2 (Issuer Registered Transfer) of Schedule 2 (Register of Transfers) to the Mortgage Sale Agreement (with such modifications as may be required from time to time) and delivered pursuant to (as appropriate) Clause 7 5(a) or Clause 9 15(a) thereof,

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,

Lead Manager means Credit Suisse Securities (Europe) Limited, a limited liability company incorporated under the laws of England and Wales, with registered number 00891554, whose registered office is at One Cabot Square, Canary Wharf, London E14 4QJ,

Ledgers means the Redemption Ledger, the Revenue Ledger, the Rated Note Reserve Fund Ledger, the Principal Deficiency Ledger, the Class A Liquidity Reserve Fund Ledger, the Issuer Profit Ledger, the Prefunding Reserve Ledger and the Swap Collateral Ledger and any additional ledger operated in accordance with the Cash Management Agreement (for the avoidance of doubt, the Ledgers will not be required to be kept in physical form and where it is expressed in the Transaction Documents that amounts are standing to the credit of the relevant Ledger this means that such amounts are standing to the credit of an Issuer Account and can be identified as being of the particular nature to be recorded on such Ledger),

Lender Interest Only Cover means a policy of the Originator written by Royal Sun Alliance, whereby the Originator (or the Servicer on its behalf) places Borrowers on such Lender Interest Only Cover when the Originator or Servicer becomes aware that the Borrower's own insurance in respect of the Property referable to its Loan has expired or lapsed,

Lending Criteria means in respect of a Loan, the lending criteria of the Originator as at the date such Loan was granted;

Liability means, in respect of any person, any loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability including legal costs and expenses properly incurred (including, in each case, Irrecoverable VAT in respect thereof),

LIBOR means the London Interbank Offered Rate,

Loan or Mortgage Loan means an English Loan, a Scottish Loan or both, as the context requires,

Loan Agreement means, in relation to a Loan, the loan agreement entered into between the relevant Borrower and the Originator,

Loan Files means the file or files relating to each Loan (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing *inter alia* correspondence between the Borrower and the

Originator and including mortgage documentation applicable to each Loan, each letter of offer for that Loan, the Valuation Report (if applicable), any MHA/CP Documentation and, to the extent available, the solicitor's or licensed conveyancer's certificate of title,

Loan Repurchase Notice means a notice substantially in the form set out in Schedule 6 (Loan Repurchase Notice) to the Mortgage Sale Agreement,

Loan Warranties means the representations and warranties set out in Schedule 1 (Loan Warranties) to the Mortgage Sale Agreement,

Losses means the aggregate of (a) all realised losses on the Loans which are not recovered from the proceeds following the sale of the Property to which such Loan relates and (b) any loss to the Issuer as a result of an exercise of any set-off by any Borrower in respect of its Loan;

LP (MP) Act means the Law of Property (Miscellaneous Provisions) Act 1994,

Main Securities Market means the regulated market of the Irish Stock Exchange,

Markets in Financial Instruments Directive means Directive 2004/39/EC,

Master Definitions and Construction Schedule means this master definitions and construction schedule,

MCOB means the Mortgages and Home Finance Conduct of Business Sourcebook, which sets out the rules under FSMA for regulated mortgage activities,

Member State means a state of the European Union,

MHA/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,

Modified Following Business Day Convention has the meaning given to it in the ISDA Definitions,

Monthly Cut-Off Date means the first day of each calendar month,

Monthly Instalment means the amount which the relevant Mortgage Conditions require a Borrower to pay on each monthly payment date in respect of that Borrower's Loan,

Monthly Period means the monthly period commencing on and including the first calendar day of each month and ending on and including the last calendar day of each month (for the avoidance of doubt, the first Monthly Period shall commence on 1 December 2013 and end on the last calendar day of December 2013),

Monthly Pool Date means the first day of a calendar month,

Mortgage means

- (a) each English Mortgage, in respect of any English Loan, and
- (b) each Scottish Mortgage, in respect of any Scottish Loan,

which is, or is to be, sold, assigned or transferred by the Seller to the Issuer pursuant to

- (i) the Mortgage Sale Agreement in respect of any English Loan, or
- (ii) a Scottish Declaration of Trust in respect of any Scottish Loan,

which secures the repayment of the relevant Loan pursuant to the Mortgage Conditions applicable to it,

Mortgage Administration Fee has the meaning given in Clause 11 1(b) (Servicing Fees) of the Servicing Agreement,

Mortgage Conditions means in respect of a Loan, all the terms and conditions applicable to such Loan, including those set out in the Precise Mortgages General Mortgage Conditions March 2010 (England and Wales) (PMGMC 09102), the Precise Mortgages General Mortgage Conditions Scotland August 2011 and the Originator's relevant general conditions, each as varied from time to time by the relevant Loan Agreement, the relevant Mortgage Deed and the Offer Conditions,

Mortgage Deed means, in respect of any Mortgage, the deed in written form creating that Mortgage (being in respect of any Scottish Loans, a standard security),

Mortgage Sale Agreement means the mortgage sale agreement dated on or about the Closing Date and made between, *inter alios*, the Seller, the Issuer, the Security Trustee, the Servicer and the Originator, in relation to the sale of the Initial Portfolio and the Further Portfolio to the Issuer,

Most Senior Class of Notes means, in respect of the Notes, the Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class A or Class B Notes then outstanding, the Class C Notes or, if there are no Class A, Class B or Class C Notes then outstanding, the Class D Notes or, if there are no Class A, Class B, Class C or Class D Notes then outstanding, the Class E Notes or, if there are no Rated Notes then outstanding, the Class Z Notes or, if there are no Rated Notes and no Class Z Notes then outstanding, the Subordinated Notes,

Non-DD Collection Account means the account held in the name of the Originator with the Collection Account Bank into which amounts received in respect of the Loans arising by way of non-Direct Debit payments from the Borrowers shall be paid,

Non-DD Collection Account Declaration of Trust means the non-DD collection account declaration of trust dated on or about the Closing Date and made between, *inter alios*, the Seller, the Issuer, the Security Trustee and the Originator,

Non-DD Collection Account Trust means the trust over the Non-DD Collection Account created pursuant to the Non-DD Collection Account Declaration of Trust,

Non-Responsive Rating Agency has the meaning given in Condition 19 (*Non-responsive Rating Agency*),

Note Certificates means the Registered Definitive Notes, the Global Notes, or both, as the context may require,

Note Principal Payment means the principal amount to be redeemed in respect of a Note on any Interest Payment Date, being the Available Redemption Receipts in respect of Rated Notes or Class Z Notes) or the Available Revenue Receipts (in respect of Subordinated Notes) available for the redemption of the relevant Class of Notes on such Interest Payment Date in accordance with the relevant Priority of Payments, as calculated on the Calculation Date immediately preceding such Interest Payment Date, divided by the number of Notes in the relevant Class then outstanding,

Note Trustee means U S Bank Trustees Limited, acting as Note Trustee under the terms of the Trust Deed, or such other person as may from time to time be appointed as Note Trustee (or co-trustee) pursuant to the Trust Deed,

Noteholders means the registered holders for the time being of the Notes, or if preceded by a particular Class designation of Notes, the registered holders for the time being of such Class of Notes,

Notes means each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class Z Notes and the Subordinated Notes,

Notices Conditions means

- (a) in relation to the Notes, Condition 16 (*Notice to Noteholders*), and
- (b) in relation to the Residual Certificates, Residual Certificates Condition 15 (*Notice to Certificateholders*),

Notional Amount means in respect of each Swap Calculation Period, an amount in Sterling equal to the product of (a) the Payment Ratio for the relevant Swap Calculation Period, and (b) the Fixed Notional Amount for the relevant Swap Calculation Period,

Offer Conditions means in respect of a Loan, the terms and conditions applicable to such Loan as set out in the offer letter to the relevant Borrower,

Official List means the official list maintained by the Irish Stock Exchange,

Optional Redemption Date means the Interest Payment Date falling in December 2018,

Optional Repurchase Price means, in respect of the repurchase by the Seller or the Originator of the Portfolio in full pursuant to the Mortgage Sale Agreement, an amount equal to the greater of

- (a) the Current Balance of the Loans comprising the Portfolio determined as at the immediately preceding Monthly Cut-Off Date, and
- (b) such amount as may be required to redeem all Notes (together with all interest accrued thereon) on the relevant Interest Payment Date falling on or after the Optional Redemption Date and pay all amounts ranking senior or *pari passu* thereto in full on such Interest Payment Date in accordance with the applicable Priority of Payments,

plus an amount equal to the Repurchase Cost (if any) in connection with such repurchase

Ordinary Resolution has the meaning given to it in Paragraph 1 (Definitions) of Schedule 5 (Provisions for Meetings of Noteholders and Certificateholders) to the Trust Deed,

Originator means CCFS under its trading name of Precise Mortgages,

Originator Power of Attorney means the power of attorney granted by the Originator in favour of the Issuer and the Security Trustee on the Closing Date substantially in the form set out in Schedule 5 (Originator Power of Attorney) to the Mortgage Sale Agreement,

Originator's Lending Policy means the lending policy of the Originator applicable to the granting of a loan to a borrower, as may be amended from time to time by the Originator,

outstanding means, in relation to the Notes, all the Notes issued from time to time other than

- (a) those Notes which have been redeemed in full and cancelled pursuant to the Conditions,
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest payable thereon) have been duly paid to the Note Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes,
- (c) those Notes which have been cancelled in accordance with Condition 8.8 (*Cancellation on redemption in full*),
- (d) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 10 (*Prescription*),
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 15 (*Replacement of Notes*);
- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Note) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 15 (*Replacement of Notes*), and
- (g) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant Class or for the Notes of the relevant Class in definitive form pursuant to the Conditions,

provided that for each of the following purposes, namely

- (i) the right to attend and vote at any meeting of the Noteholders of any Class or Classes, the passing of an Extraordinary Resolution in writing or an Ordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents through the relevant Clearing System(s) as envisaged by Paragraph 1 (Definitions) of Schedule 5 (Provisions for Meetings of Noteholders and Certificateholders) to the Trust Deed and any direction or request by the holders of Notes of any Class or Classes,
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 13 1 (Actions, Proceedings and Indemnification) and Schedule 1 (Form of the Global Note) to the Trust Deed, Conditions 11 (*Events of Default*) and 12 (*Enforcement*),
- (iii) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof, and
- (iv) the determination by the Security Trustee and the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of a Relevant Person, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding except where all of the Notes of a Class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Class of Notes (the

Relevant Class of Notes) shall be deemed to remain outstanding except that, if there is any other Class of Notes ranking pari passu with, or junior to, the Relevant Class of Notes and one or more Relevant Persons are not the beneficial owners of all the Notes of such Class, then the Relevant Class of Notes shall be deemed not to remain outstanding

Participants means persons that have accounts with Euroclear or Clearstream, Luxembourg,

Paying Agents means the Principal Paying Agent and any further or other paying agents appointed under the Agency Agreement,

Payment Holidays means any payment holiday feature of a product where a borrower who is not in arrears can apply to defer one or more Monthly Instalments,

Payment Ratio means, in respect of a Swap Calculation Period, the ratio of X/Y, where

X = the Fixed Notional Amount for such Swap Calculation Period minus the aggregate Current Balance of the Fixed Rate Loans in respect of which the Related Security has been enforced as at the Fixed Interest Reference Date immediately preceding the relevant Swap Calculation Period, and

Y = the Fixed Notional Amount for such Swap Calculation Period,

Perfection Event means each of the following events

- (a) the Originator being required to perfect legal title to the Loans
 - (i) by an order of a court of competent jurisdiction,
 - (ii) by a regulatory authority which has jurisdiction over the Originator, or
 - (iii) by any organisation of which the Originator is a member, or whose members comprise (but are not necessarily limited to) mortgage lenders and with whose instructions it is customary for the Originator to comply, to perfect legal title to the Loans and their Related Security, or
- (b) it becoming necessary by law to do any or all of the acts referred to in paragraph (a) above, or
- (c) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Security Trustee, in jeopardy, or
- (d) the Originator calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee, or
- (e) an Insolvency Event occurring in relation to the Originator, or
- (f) it becoming unlawful in any applicable jurisdiction for the Originator to hold legal title in respect of any Loan in the Portfolio,

Personal Data means any information of whatever nature satisfying the definition of "personal data" in the Data Protection Act 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,

Port means the transfer of the Mortgage in respect of a Loan from an existing Property to a new Property where the new Property provides replacement security for the repayment by the Borrower of the relevant Loan,

Portfolio means the Initial Portfolio and the Further Portfolio,

Portfolio Notice means a notice setting out certain data in respect of the Loans,

Portfolio Reference Date means 1 November 2013,

Post-Enforcement Priority of Payments means the manner and priority of payments in which amounts received or recovered by the Security Trustee or any Receiver appointed by it in connection with the enforcement of the Security (other than those excluded under Clause 7 2 (Post-Enforcement Priority of Payments) of the Deed of Charge) will be applied following the service of an Enforcement Notice on the Issuer, as set out in Clause 7 2 (Post-Enforcement Priority of Payments) of the Deed of Charge,

Post Swap Margin means, on any day

- (a) in respect of any Fixed Rate Loan, the following amount expressed as a percentage
 - (i) the fixed rate of interest payable by the relevant Borrower on that day on the Current Balance of such Loan, less
 - (ii) the Fixed Rate which is used to calculate the amounts payable by the Issuer to the Swap Provider under the Swap Transaction,
- (b) in respect of any Floating Rate Loan, the percentage margin above LIBOR of the applicable rate of interest on such Loan payable by the relevant Borrower to the Issuer,

PRA means the United Kingdom Prudential Regulation Authority, which, together with the FCA, pursuant to the provisions of the Financial Services Act 2012, among other things, replaced the FSA on 1 April 2013,

Precise means Precise Mortgages, being the trading name of CCFS, as Originator of the Loans,

Pre-Enforcement Priority of Payments means the Pre-Enforcement Redemption Priority of Payments and the Pre-Enforcement Revenue Priority of Payments,

Pre-Enforcement Redemption Priority of Payments means the manner and priority of payments in which Available Redemption Receipts will be applied prior to the service of an Enforcement Notice on the Issuer, as set out in Paragraph 11 (Application of Available Redemption Receipts prior to service of an Enforcement Notice by the Note Trustee on the Issuer) of Schedule 2 (Cash Management and Maintenance of Ledgers) to the Cash Management Agreement,

Pre-Enforcement Revenue Priority of Payments means the manner and priority of payments in which the Available Revenue Receipts will be applied prior to service of an Enforcement Notice on the Issuer, as set out in Paragraph 10 (Application of Available Revenue Receipts prior to the service of an Enforcement Notice) of Schedule 2 (Cash Management and Maintenance of Ledgers) to the Cash Management Agreement,

Prefunding Reserve Ledger means the ledger maintained by the Cash Manager on behalf of the Issuer which records amounts credited to the Prefunding Reserve Ledger on the Closing Date from part of the proceeds of the Notes (other than the Subordinated Notes) in an amount equal to the

difference between the Principal Amount Outstanding of the Notes (other than Subordinated Notes on the Closing Date) and amounts paid by the Issuer in respect of the Initial Consideration for the Initial Portfolio on the Closing Date and debited from the Prefunding Reserve Ledger on the Further Portfolio Sale Date to fund the Issuer's acquisition of the Further Portfolio (if any) from the Seller with the remainder to be applied on the first Interest Payment Date as Available Redemption Receipts,

Prefunding Yield Maintenance Required Amount means £171,907 47,

Principal Addition Amounts means, in respect of any Interest Payment Date, the amount of Available Redemption Receipts to be applied by the Issuer on that Interest Payment Date to cure any Senior Expenses Deficit, pursuant to item (a) of the Pre-Enforcement Redemption Priority of Payments,

Principal Amount Outstanding has the meaning set out in Condition 8.5 (*Principal Amount Outstanding*),

Principal Deficiency Ledger means the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger, the Class D Principal Deficiency Sub-Ledger, the Class E Principal Deficiency Sub-Ledger and the Class Z Principal Deficiency Sub-Ledger (each a **Principal Deficiency Sub-Ledger**), maintained by the Cash Manager on behalf of the Issuer,

Principal Paying Agent means Elavon Financial Services Limited, acting through its UK Branch, acting as Principal Paying Agent under the terms of the Agency Agreement, or such other person as may from time to time be appointed as Principal Paying Agent pursuant to the Agency Agreement,

Priority of Payments or Priorities of Payments means the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Redemption Priority of Payments and/or the Post-Enforcement Priority of Payments, as applicable,

Processing has the meaning given in the Data Protection Act,

Product Switch means any variation in the financial terms and conditions applicable to a Loan other than any variation

- (a) agreed with a Borrower to control or manage arrears on the Loan,
- (b) in the maturity date of the Loan (unless the maturity date would be extended to a date later than three years before the Final Maturity Date of the Notes in which case such variation will constitute a Product Switch),
- (c) imposed by statute,
- (d) in the rate of interest payable in respect of a Loan (provided that suitable hedging arrangements will be in place for such Loan for the term of such Loan, which, for Fixed Rate Loans will be compliant with S&P and Fitch criteria and the Notional Amount of the relevant swap would be adjusted to take account of a change to or from a fixed or floating rate until the maturity of such Loan or Loans),
- (e) in the rate of interest payable in respect of a Loan (i) as a result of any variation in the Floating Mortgage Rate or (ii) where the terms of the Mortgage change the rate of interest payable by a Borrower on termination of an interest discount for a fixed period of time or the terms of the Loan otherwise change the interest rate payable,

- (f) in the frequency with which the interest payable in respect of the Loan is charged, or
- (g) agreed with a Borrower to change the Loan from an Interest-only Loan to a Repayment Loan,

Properties in Possession Cover means the block properties in possession insurance policy of the Originator, written by Royal Sun Alliance, for any possessed Properties,

Property means (in England and Wales) a freehold, leasehold or commonhold property or (in Scotland) a heritable property or property held under a long lease, which is, in each case, subject to a Mortgage,

Prospectus means the prospectus dated 5 December 2013 in relation to the issue of the Notes and the Residual Certificates and approved by the Central Bank,

Prospectus Directive means Directive 2003/71/EC (as amended),

Provisional Portfolio means a provisional portfolio of loans and their related security which have been originated by the Originator and secured over properties located in England, Wales and/or Scotland from which the Initial Portfolio shall be selected,

Purchase Price means

- (a) in respect of the Initial Portfolio
 - (i) the Initial Consideration in an amount equal to the Current Balance of the Loans as at close of business on the last calendar day of November 2013, which is due and payable on the Closing Date, and
 - (ii) deferred consideration consisting of the Residual Payments in respect of the Initial Portfolio payable pursuant to the applicable Priority of Payments, the right to such Residual Payments being represented by Residual Certificates to be issued by the Issuer and delivered to, or at the direction of, the Seller on the Closing Date, and
- (b) in respect of the Further Portfolio
 - (i) the Initial Consideration, which is due and payable on the Further Portfolio Sale Date, and
 - (ii) deferred consideration consisting of the Residual Payments in respect of the Further Portfolio payable pursuant to the applicable Priority of Payments, the right to such Residual Payments being represented by Residual Certificates issued by the Issuer to the Seller on the Closing Date,

Rate of Interest has the meaning given in Condition 6 3 (*Rate of Interest*),

Rated Note Reserve Fund means the fund established on the Closing Date, which will be credited with the Rated Note Reserve Fund Required Amount from part of the proceeds of the Subordinated Noteholders' subscription for the Subordinated Notes on the Closing Date,

Rated Note Reserve Fund Available Amount will be, on any Interest Payment Date, an amount equal to the greater of

- (a) zero, and

- (b) the amount standing to the credit of the Rated Note Reserve Fund Ledger on such Interest Payment Date, less the Rated Note Reserve Fund Required Liquidity Amount on such Interest Payment Date,

Rated Note Reserve Fund Available Amounts Sub-Ledger means a sub-ledger on the Rated Note Reserve Fund Ledger maintained by the Cash Manager on behalf of the Issuer which records amounts credited to and debited from, the Rated Note Reserve Fund referable to the Rated Note Reserve Fund Available Amounts;

Rated Note Reserve Fund Ledger means the ledger maintained by the Cash Manager on behalf of the Issuer which records amounts credited to, and debited from, the Rated Note Reserve Fund,

Rated Note Reserve Fund Liquidity Release Amount means, on any Interest Payment Date, the lesser of.

- (a) the Rated Note Reserve Fund Required Liquidity Amount on such Interest Payment Date,
- (b) the amount standing to the credit of the Rated Note Reserve Fund Liquidity Sub-Ledger on such Interest Payment Date, and
- (c) the amount of any Revenue Deficit on such Interest Payment Date,

as calculated by the Cash Manager on the immediately preceding Calculation Date

Rated Note Reserve Fund Liquidity Sub-Ledger means a sub-ledger on the Rated Note Reserve Fund Ledger maintained by the Cash Manager on behalf of the Issuer which records amounts credited to, and debited from, the Rated Note Reserve Fund referable to the Rated Note Reserve Fund Required Liquidity Amount,

Rated Note Reserve Fund Required Amount means, on any Interest Payment Date up to and including the Final Redemption Date, an amount equal to 3.3 per cent of the Principal Amount Outstanding of the Rated Notes as at the Closing Date minus the amount standing to the credit of the Class A Liquidity Reserve Fund Ledger prior to the application of Available Revenue Receipts in accordance with the applicable Priority of Payments on such Interest Payment Date and on each Interest Payment Date following the Final Redemption Date, zero. On the Closing Date, the Rated Note Reserve Fund Required Amount will be equal to £2,618,875,

Rated Note Reserve Fund Required Liquidity Amount will be

- (a) on any Interest Payment Date up to and including the Final Redemption Date, an amount equal to the lesser of
- (i) 3.3 per cent of the Principal Amount Outstanding of the Rated Notes on the Closing Date, and
- (ii) 4.5 per cent of the Principal Amount Outstanding of the Rated Notes on such Interest Payment Date prior to application of the Available Revenue Receipts and the Available Redemption Receipts in accordance with the applicable Priority of Payments on such Interest Payment Date,

in each case, less the amount standing to the credit of the Class A Liquidity Reserve Fund Ledger on such Interest Payment Date prior to application of the Available Revenue Receipts in accordance with the applicable Priority of Payments, and

(b) on each Interest Payment Date following the Final Redemption Date, zero,

Rated Noteholders means the registered holders for the time being of the Rated Notes, or if preceded by a particular Class designation of the Rated Notes, the registered holders for the time being of such Class of the Rated Notes,

Rated Notes means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes,

Rating Agencies means Fitch and S&P,

Rating Agency Confirmation has the meaning given in Condition 19 (*Non-responsive Rating Agency*),

RC Certificates means the Definitive Residual Certificates, the Global Residual Certificates, or both, as the context may require;

Reasonable, Prudent Residential Mortgage Lender means a reasonably prudent residential mortgage lender lending to borrowers in England, Wales and Scotland of the type contemplated in the Lending Criteria from time to time on terms similar to those set out in the relevant Lending Criteria,

Reasonable, Prudent Residential Mortgage Servicer means a reasonably prudent residential mortgage servicer who is servicing residential mortgage loans and their collateral security in respect of residential property in England, Wales or Scotland and which have in all material respects the same or similar characteristics to the Portfolio and are originated, administered and held to maturity to lending standards, lending criteria and procedures as ought to have been applied in relation to the Portfolio or, if the relevant context in this agreement relates to a specific Loan, as ought to have been applied in relation to such Loan,

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 Charged Assets by the Security Trustee pursuant to the Deed of Charge,

Reconciliation Amount means in respect of any Collection Period, (a) the actual Redemption Receipts as determined in accordance with the available Servicer Reports, less (b) the Calculated Redemption Receipts in respect of such Collection Period, plus (c) any Reconciliation Amount not applied in previous Collection Periods,

Redemption Fee means the standard redemption fee charged to the Borrower by the Servicer where the Borrower makes a repayment of the full outstanding principal balance of a Loan on the maturity date of such Loan,

Redemption Ledger means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Redemption Receipts received by the Issuer and the distribution of the Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments or the Post-Enforcement Priority of Payments (as applicable),

Redemption Receipts means (a) principal repayments under the Loans (including payments of arrears of principal and Capitalised Amounts), (b) recoveries of principal from defaulting Borrowers under Loans being enforced, (c) recoveries of principal from defaulting Borrowers under Loans in respect of which enforcement procedures relating to the sale of the property have been completed (including the proceeds of sale of the relevant Property, to the extent such proceeds of sale are deemed to be principal but excluding all amounts received following a sale of the relevant property),

(d) any payment pursuant to any insurance policy in respect of a Property in connection with a Loan in the Portfolio, to the extent such payment is deemed to be principal, and (e) the proceeds of the repurchase of any Loan by the Seller and/or the Originator from the Issuer pursuant to the Mortgage Sale Agreement (but for the avoidance of doubt, excluding amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant repurchase date), and (f) any other payment received by the Issuer in the nature of principal,

Reference Banks means the principal London office of each of five major banks engaged in the London interbank market selected by the Agent Bank with the approval of the Issuer, provided that, once a Reference Bank has been selected by the Agent Bank, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such,

Register means the register of Noteholders and Certificateholders kept by the Registrar and which records the identity of each Noteholder, the number of Notes that each Noteholder owns and the number of Residual Certificates that each Certificateholder owns,

Registered Definitive Notes means any of the Notes in definitive registered form,

Registers of Scotland means the Land Register of Scotland and/or (as the context requires) the General Register of Sasines,

Registrar means Elavon Financial Services Limited, acting as Registrar under the terms of the Agency Agreement to record the holders of the Notes and Residual Certificates, or such other person as may from time to time be appointed as Registrar pursuant to the Agency Agreement,

Regulated Mortgage Contract means a credit agreement which constitutes a "regulated mortgage contract" as defined in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), as amended from time to time,

Regulation S or Reg S means Regulation S under the Securities Act,

Related Security means, in relation to a Loan, the security granted for the repayment of that Loan by the relevant Borrower including the relevant Mortgage and all rights, remedies or benefits related thereto including

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including any deed of consent and MHA/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 Originator against any person (including any solicitor, licensed conveyancer, qualified conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including 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 Originator to make or offer to make all or part of the relevant Loan, and
- (c) the benefit of (including the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (taken out by or on behalf of the relevant Borrower) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and relevant Loan Files,

Relevant Company means any party to any Transaction Document,

Relevant Date has the meaning given to it in Condition 10 (*Prescription*) and Residual Certificates Condition 9 (*Prescription*) (as applicable);

Relevant Person means the Seller and the Originator and any Affiliate of the Originator;

Relevant Party has the meaning given to that term in the definition of Irrecoverable VAT,

Relevant Regulator means

- (a) in respect of the period before 1 April 2013, the FSA, and
- (b) in respect of the period on or after 1 April 2013,
- (c) the FCA, or
- (d) the PRA and the FCA,

as applicable,

Repayment Loan means a Loan where the Borrower makes monthly payments of both interest and principal so that, when the Loan matures, the full amount of the principal of the Loan will have been repaid;

Replacement Noteholders means the holders of the Replacement Notes,

Replacement Notes means the Notes that the Issuer may issue in accordance with Condition 17 (*Replacement Notes*),

Replacement Swap Agreement means an agreement between the Issuer and a replacement swap provider to replace the Swap Transaction,

Replacement Swap Premium means an amount received by the Issuer from a replacement swap provider or an amount paid by the Issuer to a replacement swap provider upon entry by the Issuer into a Replacement Swap Agreement;

Repurchase or Repurchased means, in connection a Loan and its Related Security

- (a) the repurchase by the Seller of the equitable interest of the Issuer in respect of such Loan and its Related Security (to the extent that it is an English Loan) and the repurchase of the beneficial interest in respect of such Loan and its Related Security (to the extent that it is a Scottish Loan) under the relevant Scottish Declaration of Trust and the release of such Loan and its Related Security from the relevant Scottish Declaration of Trust, and
- (b) the purchase by the Originator of such Loan and its Related Security from the Issuer pursuant to the terms of the Mortgage Sale Agreement,

Repurchase Cost means the Issuer's costs and expenses associated with transferring its interests in any Loan and its Related Security to the Originator or the Seller,

Residual Certificate Book-Entry Interest means a beneficial interest in a Global Residual Certificate representing the Residual Certificates shown on records maintained in book-entry form by Euroclear or Clearstream, Luxembourg, as the case may be,

Residual Certificates means the 100 residual certificates issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof,

Residual Certificates Conditions means the terms and conditions of the Residual Certificates set out in Schedule 3 (Terms and Conditions of the Residual Certificates) to the Trust Deed, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Trust Deed and any reference to a numbered Residual Certificates Condition shall be construed accordingly,

Residual Payment means

- (a) prior to the delivery of an Enforcement Notice, in respect of each Interest Payment Date, the amount by which Available Revenue Receipts exceed the amounts required to satisfy items (a) to (y) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date, and
- (b) following the delivery of an Enforcement Notice, in respect for each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (a) to (l) of the Post-Enforcement Priority of Payments on that date,

Residual Payment Amount means, for a Residual Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the Residual Payment for that date, divided by the number of Residual Certificates then in issue,

Return Amount has the meaning given to it in the Swap Agreement,

Revenue Deficit means on any Interest Payment Date, an aggregate amount equal to

- (a) any shortfall in Available Revenue Receipts (and for this purpose, without regard to any Principal Addition Amounts) to pay items (a) to (g) and (i) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date,
- (b) either (i) if there is no debit balance on the Class C Principal Deficiency Sub-Ledger on such Interest Payment Date, any shortfall in Available Revenue Receipts (and for this purpose, without regard to any Principal Addition Amounts) to pay item (k) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date or (ii) if there is a debit balance on the Class C Principal Deficiency Sub-Ledger on such Interest Payment Date, zero,
- (c) either (i) if there is no debit balance on the Class D Principal Deficiency Sub-Ledger on such Interest Payment Date, any shortfall in Available Revenue Receipts (and for this purpose, without regard to any Principal Addition Amounts) to pay item (m) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date or (ii) if there is a debit balance on the Class D Principal Deficiency Sub-Ledger on such Interest Payment Date, zero, and
- (d) either (i) if there is no a debit balance on the Class E Principal Deficiency Sub-Ledger on such Interest Payment Date, any shortfall in Available Revenue Receipts (and for this purpose, without regard to any Principal Addition Amounts) to pay item (o) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date or (ii) if there is a debit balance on the Class E Principal Deficiency Sub-Ledger on such Interest Payment Date, zero,

as determined by the Cash Manager on the immediately preceding Calculation Date,

Revenue Ledger means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Revenue Receipts received by the Issuer and distribution of the Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or by way of Third Party Amounts,

Revenue Receipts means (a) payments of interest and other fees due from time to time under the Loans (including any Early Repayment Charges) and other amounts received by the Issuer in respect of the Loans and their Related Security other than Redemption Receipts, (b) recoveries of interest from defaulting Borrowers under Loans being enforced, (c) recoveries of all amounts from defaulting Borrowers under Loans following enforcement and sale of the relevant property, and (d) the proceeds of repurchase attributable to Accrued Interest and Arrears of Interest only of any Loan repurchased by the Seller or the Originator from the Issuer pursuant to the Mortgage Sale Agreement as at the relevant repurchase date,

S&P means Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited,

Sasine Transfer means in relation to Properties situated in Scotland title to which is, or is required to be, recorded in the General Register of Sasines, each assignment of the relevant Scottish Loans and their related Scottish Mortgages substantially in the appropriate form set out in Part 3 (Seller Sasine Transfer) or Part 4 (Issuer Sasine Transfer) of Schedule 3 (Scottish Transfers) to the Mortgage Sale Agreement (with such modification as may be required from time to time) and delivered pursuant to (as appropriate) Clause 7 5(b) or Clause 9 15(e) thereof;

Scottish Declaration of Trust means each declaration of trust in relation to the Scottish Loans and their Related Security made pursuant to the Mortgage Sale Agreement by means of which the sale of such Scottish Loans and their Related Security by the Originator to the Issuer and the transfer of the beneficial interest therein to the Issuer are given effect substantially in the form set out in Schedule 4 (Scottish Declaration of Trust) to the Mortgage Sale Agreement,

Scottish Loan or Scottish Mortgage Loan means a Scottish residential mortgage loan secured by a Scottish Mortgage and, where applicable, other Related Security sold, assigned or transferred by the Seller to the Issuer pursuant to the terms of the Mortgage Sale Agreement and the relevant Scottish Declaration of Trust,

Scottish Mortgage means a first ranking standard security over a Property located in Scotland,

Scottish Sub-Security means each standard security to be executed pursuant to Clause 3 4 (Scottish Sub-Securities) of the Deed of Charge,

Scottish Supplemental Charge means each assignment in security governed by Scots law granted by the Issuer in favour of the Security Trustee pursuant to Clause 3 5 (Scottish Trust Security) of the Deed of Charge,

Scottish Transfer means in relation to Scottish Mortgages title to which is recorded or registered in the General Register of Sasines or the Land Register of Scotland, an assignment thereof granted by the Originator in favour of the Issuer pursuant to the Mortgage Sale Agreement in substantially the relevant form scheduled thereto,

Scottish Trust means the trust declared and created pursuant to a Scottish Declaration of Trust,

Scottish Trust Property has the meaning given to it in a Scottish Declaration of Trust,

Secured Creditors means the Security Trustee, any Receiver appointed by the Security Trustee pursuant to the Deed of Charge, the Note Trustee, the Noteholders, the Certificateholders, the Seller, the Originator, the Servicer, the Cash Manager, the Swap Provider, the Issuer Account Bank, the Corporate Services Provider, the Paying Agents, the Registrar, the Agent Bank, the Collection Account Bank and any other person who is expressed in any deed supplemental to the Deed of Charge to be a secured creditor,

Secured Obligations means any and all of the monies and liabilities which the Issuer covenants and undertakes to pay or discharge under Clause 2 (Issuer's Covenant to Pay) of the Deed of Charge,

Securities Act means the United States Securities Act of 1933,

Security means the security granted by the Issuer to the Security Trustee under or pursuant to the Deed of Charge in favour of the Secured Creditors,

Security Interest means any mortgage, sub-mortgage, standard security, charge, sub-charge, sub-security, pledge, lien (other than a lien arising in the ordinary course of business or by operation of law), assignation in security or other encumbrance or security interest howsoever created or arising,

Security Protection Expenses means any service charge, ground rent, insurance premium or additional amounts paid by the Servicer to maintain and protect the value of any Property contained within the Portfolio,

Security Trustee means U S Bank Trustees Limited acting in its capacity as the Security Trustee under the terms of the Deed of Charge, which expression shall include such company and all other persons or companies for the time being acting as security trustee (or co-trustee) pursuant to the terms of the Deed of Charge,

Seller means Buttermere PLC acting in its capacity as seller of the Loans and their Related Security to the Issuer pursuant to the Mortgage Sale Agreement,

Senior Expenses Deficit means, on any Interest Payment Date, any shortfall (after application of any Rated Note Reserve Fund Liquidity Release Amount to meet any Revenue Deficit on such Interest Payment Date) in Available Revenue Receipts (and for this purpose, without regard to any Principal Addition Amounts) available to meet items (a) to (f) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date as determined by the Cash Manager on the immediately preceding Calculation Date,

Servicer means Charter Court Financial Services Limited, a private limited company incorporated under the laws of England and Wales, with registered number 06749498, whose registered office is at 2 Charter Court, Broadlands, Wolverhampton, WV10 6TD, or such other person as may from time to time be appointed as servicer of the Loans pursuant to the Servicing Agreement,

Servicer Power of Attorney means the power of attorney from the Issuer to the Servicer in substantially the form set out in Schedule 1 to the Servicing Agreement,

Servicer Report means a report to be provided by the Servicer no later than (in the case of any month in which an Interest Payment Date falls) on the 4th Business Day of each month or (in the case of any month in which no Interest Payment Date falls) on the 10th Business Day of each month in accordance with the terms of the Servicing Agreement and detailing, *inter alia*, the information relating to the Portfolio necessary to produce the Investor Report,

Servicer Termination Event means any of the events listed in Clause 20 1 (Servicer Termination Event) of the Servicing Agreement,

Servicer Termination Notice means a notice given by the Security Trustee to terminate the Servicer's appointment following a Servicer Termination Event,

Services means the services to be provided by the Servicer as set out in the Servicing Agreement and any services incidental thereto or as may be agreed to in writing by the Issuer, the Security Trustee and the Servicer,

Services Specification means the specification of service contained within the General Service Specification and the Collections and Recovery Service Specification,

Servicing Agreement means the agreement dated on or about the Closing Date between the Servicer, the Originator, the Issuer and the Security Trustee pursuant to which the Servicer agrees to service the Loans and their Related Security,

Servicing Policy means the Servicer's servicing, arrears and enforcement policy applied by the Servicer from time to time to the Seller's loans and the security for their repayment which are beneficially owned solely by the Seller;

Share Trust Deed means the declaration of trust dated 4 September 2013 pursuant to which the Share Trustee holds the beneficial interest in the share of Holdings on trust for discretionary purposes,

Share Trustee means SFM Corporate Services Limited (registered number 03920255), a company incorporated under the laws of England and Wales, whose principal office is at 35 Great St Helen's, London EC3A 6AP,

Significant Deposit Borrower means a Borrower with a Significant Deposit Loan,

Significant Deposit Loan means a Loan where (a) the Originator holds the legal title, and (b) the relevant Borrower has a deposit holding with the Originator and the balance of such deposit holding exceeds the maximum amount covered under the Financial Services Compensation Scheme,

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 substantially in the appropriate form set out in Part 1 (Seller SLR Transfer) or Part 2 (Issuer SLR Transfer) of Schedule 3 (Scottish Transfers) to the Mortgage Sale Agreement (with such modifications as may be required from time to time) and delivered pursuant to (as appropriate) Clause 7 5(b) or Clause 9 15(d) thereof,

Special Services has the meaning given in Clause 11 1(a) (Servicing Fees) of the Servicing Agreement,

Special Servicing Fee has the meaning given in Clause 11 1(a) (Servicing Fees) of the Servicing Agreement,

Specified Office means as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Agency Agreement or such other specified office as may be notified to the Issuer and the Security Trustee pursuant to the Agency Agreement,

Standard Documentation means the standard documentation of the Originator, a list or CD of which is set out in or appended to Exhibit 1 to the Mortgage Sale Agreement, or any update or replacement therefor as permitted by the terms of the Mortgage Sale Agreement,

Standard Security means a standard security as defined in Part II of the Conveyancing and Feudal Reform (Scotland) Act 1970,

Sterling LIBOR means the London Interbank Offered Rate for Sterling deposits,

Sterling Overnight Index Average or **SONIA** means the Sterling Over Night Index Average as calculated by the Bank of England and appearing on the Telerate Service on the page designated 3937 or the Reuters page designated SONIA 1,

Subordinated Noteholders means the persons who for the time being are registered in the Register as the holders of the Subordinated Notes,

Subordinated Notes means the £5,309,000 subordinated fixed rate notes due on the Final Maturity Date,

Subscription Agreement means the subscription agreement dated 5 December 2013 between the Seller, the Originator, the Arranger, the Lead Manager and the Issuer,

Subsidiary means a subsidiary as defined in section 1159 of the Companies Act 2006,

Swap Agreement means the ISDA Master Agreement, schedule, credit support annex and confirmations (as amended or supplemented from time to time) relating to the Swap Transaction to be dated on or about the Closing Date between the Issuer and the Swap Provider;

Swap Calculation Period means (other than the first Swap Calculation Period), each period that commences on (and includes) a Swap Payment Date and ends on (but excludes) the immediately following Swap Payment Date and in respect of the first Calculation Period, means the period commencing on (and including) the Closing Date and ending on (but excluding) the Swap Payment Date falling in March 2014,

Swap Collateral means the collateral provided by the Swap Provider to the Issuer under the Swap Agreement and includes any interest and distributions in respect thereof,

Swap Collateral Account means

- (a) the cash and securities account (account number 73208002, sort code 230176) in the name of the Issuer held with the Issuer Account Bank and maintained subject to the terms of the Bank Account Agreement and the Deed of Charge,
- (b) such other account (including any securities account) as may for the time being be in place pursuant to the Bank Account Agreement with the prior consent of the Security Trustee and designated as such; or
- (c) such additional or replacement account as may for the time being be in place pursuant to the Cash Management Agreement with the prior consent of the Security Trustee and designated as such,

Swap Collateral Account Surplus means the amounts applied as Available Revenue Receipts pursuant to the Swap Collateral Account Priority of Payments,

Swap Collateral Account Mandate means the form of bank mandate relating to the Swap Collateral Account as set out in Schedule 2 to the Bank Account Agreement

Swap Collateral Account Priority of Payments means the manner and priority of payments in which amounts standing to the credit of the Swap Collateral Account will be applied, as set out in Paragraph 12 (*Swap Collateral*) of Schedule 2 (*Cash Management and Maintenance of Ledgers*) of the Cash Management Agreement,

Swap Collateral Ledger means the ledger maintained by the Cash Manager on behalf of the Issuer which records as a credit (A) any Swap Collateral received from the Swap Provider, (B) any Replacement Swap Premium received by the Issuer from a replacement swap provider, (C) any termination payment received by the Issuer from an outgoing Swap Provider, and (D) Swap Tax Credits and any debiting of the same in accordance with the Swap Collateral Account Priority of Payments;

Swap Payment Date means 12 March, 12 June, 12 September and 12 December in each year commencing on 12 March 2014 and ending on the termination date of the Swap Transaction, in each case subject to adjustment in accordance with the Modified Following Business Day Convention,

Swap Provider means Credit Suisse International in its capacity as the swap provider pursuant to the Swap Agreement,

Swap Provider Default means the occurrence of an Event of Default (as defined in the Swap Agreement) where the Swap Provider is the defaulting party (as defined in the Swap Agreement);

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

Swap Provider Swap Amount means the amount in Sterling produced by applying three month (or, in respect of the first Swap Calculation Period, the linear interpolation of three and six month) BBA Sterling LIBOR for the relevant Swap Calculation Period to the Notional Amount of the Swap Transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Floating Rate Day Count Fraction,

Swap Tax Credits means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Swap Provider to the Issuer under the terms of the Swap Agreement,

Swap Transaction means the swap documented under the Swap Agreement pursuant to which the Issuer will hedge against the possible variance between the fixed rates of interest payable on the Fixed Rate Loans in the Initial Portfolio and the Further Portfolio and a rate of interest under the Rated Notes being calculated by reference to BBA Sterling LIBOR,

Taxes means all present and future taxes, levies, imposts, duties, fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including 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 Party Amounts has the meaning given to that term in the definition of Available Revenue Receipts,

Third Party Buildings Policies means in relation to a Loan, the buildings insurance policies (if any) in relation to the relevant Property which have been taken out either in the joint names of the

Borrower and the Originator or with the interest of the Originator (as mortgagee) endorsed or otherwise noted thereon or, in the case of leasehold property the buildings insurance policy of the relevant landlord, with the interests of the Originator (as mortgagee) endorsed or otherwise noted thereon,

Title Deeds means, in relation to each Loan and its Related Security and the Property relating thereto, all conveyancing deeds, certificates and all other documents which relate to the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the relevant Borrower of the related Mortgage,

Transaction means the transactions contemplated by the Transaction Documents,

Transaction Documents means the Servicing Agreement, the Agency Agreement, the Bank Account Agreement, the Non-DD Collection Account Declaration of Trust, the DD Collection Account Declaration of Trust and Account Bank Deed, the Cash Management Agreement, the Corporate Services Agreement, the Deed of Charge, each Scottish Supplemental Charge, the Swap Agreement, the Share Trust Deed, the Issuer Power of Attorney, this Master Definitions and Construction Schedule, the Mortgage Sale Agreement, each Scottish Declaration of Trust, the Originator Power of Attorney, the Trust Deed and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and/or the Residual Certificates,

Transfer Costs means the Issuer's costs and expenses associated with the transfer of servicing to a substitute servicer,

Trust Corporation means a corporation entitled by rules made under the Public Trustee Act 1906 to carry out the functions of a custodian trustee;

Trust Deed means the trust deed dated on or about the Closing Date between the Issuer, the Security Trustee and the Note Trustee constituting the Notes,

Trustee means Charter Court Financial Services Limited, as trustee of the DD Collection Account Trust and the Non-DD Collection Account Trust, as applicable,

Trustee Acts means the Trustee Act 1925 and the Trustee Act 2000,

United Kingdom or **UK** means the United Kingdom of Great Britain and Northern Ireland,

United States means the United States of America,

U.S. Persons means U S Persons as defined in Regulation S under the Securities Act,

UTCCR means the 1999 Regulations and, insofar as applicable, the Unfair Terms in Consumer Contracts Regulations 1994 (SI 1994/3159),

Valuation Report means the valuation report or reports for mortgage purposes, in the form of one of the pro forma contained in the Standard Documentation, obtained by the Originator 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 Residential Mortgage Lender and which has been approved by the relevant officers of the Originator,

VAT or value added tax means any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) and any similar turnover tax replacing or introduced in addition to any of the same; and

Voting Certificate has the meaning given to it in Paragraph 1 (Definitions) of Schedule 5 (Provisions for Meetings of Noteholders and Certificateholders) to the Trust Deed

Weighted Average Post Swap Margin means, on any day, the following amount expressed as a percentage:

- (a) the sum of the following amount in respect of each Loan:
 - (i) the Post Swap Margin in respect of the relevant Loan, multiplied by
 - (ii) the Current Balance of the relevant Loan on that day,divided by,
- (b) the Current Balance of all Loans on that day,

2. INTERPRETATION AND CONSTRUCTION

2.1 Any reference in any Transaction Document, or in any document to which this Master Definitions and Construction Schedule is expressed to be incorporated or apply, to

- (a) the **assets** of any person shall be construed as a reference to the whole or any part of its business, undertakings, property, intellectual property, shares, securities, debts, accounts, revenues (including any right to receive revenues), goodwill, shareholdings and uncalled capital including premium whether now or hereafter acquired and any other assets whatsoever,
- (b) an **assignment**, a **transfer** and/or a **sale** in relation to the Initial Portfolio and/or the Further Portfolio and/or any Loan and/or its Related Security transferred or to be transferred by the Seller to the Issuer pursuant to the Mortgage Sale Agreement shall, unless the context requires otherwise, in the context equivalent to the sale, transfer and equitable assignment of Scottish Loans and their Related Security, be construed to include a declaration of trust constituted by a Scottish Declaration of Trust in respect of any applicable Loans and/or their Related Security and all rights and interests relative thereto and the terms **assigned**, **assign**, **transferred**, **sell** and **sold** shall be construed accordingly in the context of the Initial Portfolio and/or the Further Portfolio and/or any Loan and/or its Related Security as aforesaid;
- (c) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing or registration,
- (d) monies, funds, sums or payments **belonging to** or **available to** the Issuer or **due to** the Issuer from a Borrower, the Seller or the Originator, shall, in respect of the Scottish Loans and the Related Security held under the relevant Scottish Trust, be deemed to include (without double counting) reference to monies, funds, sums or payments **belonging to** or **available to** the Seller or the Originator in relation to the Scottish Loans, held under the relevant Scottish Trust for the benefit of the Issuer as beneficiary thereunder,
- (e) a **calendar year** refers to a year from the beginning of 1 January to the end of 31 December,
- (f) **disposal** shall be construed as any sale, lease, transfer, conveyance, assignment, licence, sub-licence or other disposal and **dispose** shall be construed accordingly;

- (g) a **guarantee** means any guarantee, bond, indemnity, letter of credit, third party security or other legally binding assurance against financial loss granted by one person in respect of any indebtedness of another person, or any agreement to assume any indebtedness of any other person or to supply funds or to invest in any manner whatsoever in such other person by reason of, or otherwise in relation to, indebtedness of such other person,
- (h) **including** shall be construed as a reference to **including without limitation**, so that any list of items or matters appearing after the word "including" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including",
- (i) **indebtedness** shall be construed so as to include any obligation (whether incurred as principal or as surety or guarantor) for the payment or repayment of money, whether present or future, actual or contingent,
- (j) a **month** is a reference to a calendar month,
- (k) **reasonable, unreasonable**, or like references, when used herein in relation to the Note Trustee and/or Security Trustee, as applicable, and the exercise by it of any power, discretion, opinion, determination, or other similar matter shall be construed as meaning reasonable by reference to the interests of the Noteholders only,
- (l) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation,
- (m) ¹Except as otherwise specified in a Transaction Document, reference in a Transaction Document to
 - (i) **Section** shall be construed as a reference to a Section of such Transaction Document,
 - (ii) **Part** shall be construed as a reference to a Part of such Transaction Document,
 - (iii) **Schedule** shall be construed as a reference to a Schedule of such Transaction Document, and
 - (iv) **Clause** shall be construed as a reference to a Clause of a Part of such Transaction Document, and
 - (v) **Paragraph** shall be construed as a reference to a Paragraph of a Schedule of such Transaction Document,
- (n) **set-off** shall be deemed to include analogous rights in other relevant jurisdictions,
- (o) a **successor** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under the relevant Transaction Document or to which, under such laws, such rights and obligations have been transferred,
- (p) a **wholly-owned subsidiary** of a company or corporation shall be construed as a reference to any company or corporation which has no other members except that other company or

corporation and that other company's or corporation's wholly-owned subsidiaries or persons acting on behalf of that other company or corporation or its wholly-owned subsidiaries,

- (q) the **winding-up, dissolution or administration** of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, bankruptcy, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors, and
- (r) the Servicer acting as agent for the Originator shall be deemed to include, in the case of the Scottish Loans, the Servicer acting on behalf of and as agent for the Originator in its capacity as trustee for the Issuer under the relevant Scottish Declaration of Trust.
- (s) in respect of assets, rights and interests governed by Scots law, references in the Transaction Documents to (i) "beneficial title" shall be construed as references to the beneficial interest therein pursuant to a declaration of trust, (ii) "beneficially owned" shall be construed as references to holding the beneficial interest therein pursuant to a declaration of trust, (iii) "beneficial owner" shall be construed as the holder of the beneficial interest therein pursuant to a declaration of trust, (iv) "legal interest" shall be construed as references to the whole right and title of the proprietor, heritable creditor or creditor thereof, other than the beneficial interest and (v) "legal owner" shall be construed as "owner"

2.2 In this Master Definitions and Construction Schedule and in any of the Transaction Documents in which this Master Definitions and Construction Schedule is expressed to be incorporated or to which this Master Definitions and Construction Schedule is expressed to apply

- (a) words denoting the singular number only shall include the plural number also and *vice versa*,
- (b) words denoting one gender only shall include the other gender,
- (c) words denoting persons only shall include firms and corporations and *vice versa*,
- (d) references to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such re-enactment,
- (e) references to any agreement or other document (including any of the Transaction Documents) shall be deemed also to refer to such agreement or document as amended, restated, varied, replaced, supplemented and/or novated from time to time,
- (f) references to the Deed of Charge shall include all documents entered into pursuant thereto including, for the avoidance of doubt, each Scottish Supplemental Charge and any Scottish Sub-Security,
- (g) clause, paragraph and schedule headings are for ease of reference only,
- (h) reference to a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, amended,
- (i) reference to a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, re-enacted to the extent such re-enactment is substantially to the same effect as such statute on the date hereof,

- (j) reference to a time of day shall be construed as a reference to London time (unless otherwise specified),
- (k) reference to a court or Court shall be construed as a reference to a court of competent jurisdiction,
- (l) references to any person or a party shall include references to his successors, transferees and assigns and assignees and any person deriving title under or through him, and
- (m) terms particular to the law of Scotland shall be construed in accordance with Scots Law

2.3 In this Master Definitions and Construction Schedule and in any of the Transaction Documents in which this Master Definitions and Construction Schedule is expressed to be incorporated or to which this Master Definitions and Construction Schedule is expressed to apply, all references involving compliance by the Note Trustee or the Security Trustee with a test of reasonableness shall be deemed to include (a) in the case of the Note Trustee, a reference to a requirement that such reasonableness shall be determined by reference solely to the interests of the Noteholders and (b) in the case of the Security Trustee, a reference to a requirement that such reasonableness shall be determined by reference (i) while there are Notes outstanding, solely to the interests of the Noteholders, and (ii) if there are no Notes outstanding, solely to the interests of the Secured Creditors

3. AMENDMENTS

Subject to Clause 25.7 (Modification to the Transaction Documents) of the Deed of Charge, any amendments to this Master Definitions and Construction Schedule will be made only with the prior written consent of each party to this Master Definitions and Construction Schedule

4. COUNTERPARTS

This Master Definitions and Construction Schedule may be signed in any number of counterparts each of which, when signed, shall constitute one and the same instrument

5. GOVERNING LAW

This Master Definitions and Construction Schedule (and any non-contractual obligations arising out of or in connection with it) is governed by and shall be construed in accordance with English law (provided that any terms of this Master Definitions and Construction Schedule which are particular to Scots law shall be construed in accordance with the Scots laws)

SCHEDULE 1

NOTICES

Any notices to be given pursuant to any of the Transaction Documents to any of the parties hereto shall be sent to the contact details as set out below

- (a) in the case of the Cash Manager, Issuer Account Bank, Principal Paying Agent and Agent Bank to Elavon Financial Services Limited, acting through its UK Branch, 125 Old Broad Street, Fifth Floor, London EC2N 1AR (facsimile number +44 (0)20 7365 2577) for the attention of Structured Finance Relationship Management,
- (b) in the case of the Issuer to Precise Mortgage Funding No 1 plc, 35 Great St Helen's, London EC3A 6AP (facsimile number +44 (0)20 7398 6325) for the attention of The Directors, with a copy to 2 Charter Court, Broadlands, Wolverhampton, West Midlands WV10 6TD (facsimile number +44 (0)19 0262 5925, telephone number +44 (0)19 0262 5988) for the attention of Simon Allsop,
- (c) in the case of the Registrar to Elavon Financial Services Limited, Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland (facsimile number +353 (1) 656 9442) for the attention of Structured Finance Agency Services,
- (d) in the case of the Note Trustee and the Security Trustee to U S Bank Trustees Limited, 125 Old Broad Street, Fifth Floor, London EC2N 1AR (facsimile number +44 (0)20 7365 2577) for the attention of Structured Finance Relationship Management,
- (e) in the case of the Servicer, the Originator and Retention Holder to Charter Court Financial Services Limited, 2 Charter Court, Broadlands, Wolverhampton, West Midlands WV10 6TD (facsimile number +44 (0)19 0262 5925, telephone number +44 (0)19 0262 5988) for the attention of Simon Allsop,
- (f) in the case of the Swap Provider to Credit Suisse International, One Cabot Square, London E14 4QJ, (facsimile number + 44 (0)20 7888 2686) for the attention of General Counsel Europe – Legal and Compliance Department, with copies to (facsimile number + 44 (0)20 7888 3715) for the attention of Head of Credit Risk Management, and (facsimile number. + 44 (0)20 7888 9503) for the attention of Global Head of OTC Operations, Operations Department,
- (g) in the case of the Seller to Buttermere plc, 35 Great St. Helen's, London EC3A 6AP (facsimile number +44 (0)20 7398 6325) for the attention of The Directors,
- (h) in the case of the Collection Account Bank to Barclays Bank PLC, Non-Bank Financial Institutions, Level 11, One Churchill Place, London, E145HP, e-mail George.Osborne@barclays.com, for the attention of George Osborne,
- (i) 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; and
- (j) in the case of the Share Trustee to SFM Corporate Services Limited, 35 Great St Helen's, London EC3A 6AP (facsimile number +44 (0)20 7398 6325) for the attention of The Directors,

or to such other address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice Any party may change its contact details by giving five Business Days' notice to the other parties.

SIGNATORIES

Seller

SIGNED for and on behalf of)
BUTTERMERE PLC)
per pro SFM Directors Limited, as a Director) Michael Drew

Swap Provider

SIGNED for and on behalf of)
CREDIT SUISSE INTERNATIONAL) Tahir Wahid
acting by two duly authorised Attorneys) Masashi Washida

Servicer, Originator and Retention Holder

SIGNED for and on behalf of)
CHARTER COURT FINANCIAL SERVICES LIMITED)
acting by its Director) Ian Lonergan

Cash Manager, Issuer Account Bank, Principal Paying Agent and Agent Bank

SIGNED for and on behalf of)
ELAVON FINANCIAL SERVICES LIMITED,)
ACTING THROUGH ITS UK BRANCH) Chris Yates
acting by two duly authorised Attorneys) Laurence Griffiths

Registrar

SIGNED for and on behalf of)
ELAVON FINANCIAL SERVICES LIMITED) Chris Yates
acting by two duly authorised Attorneys) Laurence Griffiths

Issuer

SIGNED for and on behalf of)
PRECISE MORTGAGE FUNDING NO. 1 PLC)
per pro SFM Directors Limited, as Director) Michael Drew

Holdings

SIGNED for and on behalf of
PRECISE MORTGAGE HOLDINGS NO. 1 LIMITED
per pro SFM Directors Limited, as Director

)
)
) Michael Drew

Corporate Services Provider

SIGNED for and on behalf of
STRUCTURED FINANCE MANAGEMENT LIMITED
acting by its authorised signatory

)
)
) Michael Drew

Share Trustee

SIGNED for and on behalf of
SFM CORPORATE SERVICES LIMITED
acting by its authorised signatory

)
)
) Michael Drew

Security Trustee

SIGNED for and on behalf of
U.S. BANK TRUSTEES LIMITED
acting by two duly authorised Attorneys

)
) Chris Yates
) Laurence Griffiths

Note Trustee

SIGNED for and on behalf of
U.S. BANK TRUSTEES LIMITED
acting by two duly authorised Attorneys

)
) Chris Yates
) Laurence Griffiths

Collection Account Bank

SIGNED for and on behalf of
BARCLAYS BANK PLC
acting by its duly authorised signatory

)
)
) Joanne Preston