



**Registration of a Charge**

Company name: **THISTLE INVESTMENTS (ERM) LIMITED**

Company number: **09223079**



X8F61CUZ

Received for Electronic Filing: **01/10/2019**

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**Details of Charge**

Date of creation: **23/09/2019**

Charge code: **0922 3079 0003**

Persons entitled: **CITICORP TRUSTEE COMPANY LIMITED**

Brief description: **N/A**

**Contains fixed charge(s).**

**Contains floating charge(s) .**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

Certified by:

**ALLEN & OVERY LLP**



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

Company number: 9223079

Charge code: 0922 3079 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd September 2019 and created by THISTLE INVESTMENTS (ERM) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st October 2019 .

Given at Companies House, Cardiff on 2nd October 2019

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



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

**EXECUTION VERSION**

## **SUPPLEMENTAL DEED OF CHARGE**

**23 SEPTEMBER 2019**

**THISTLE INVESTMENTS (ERM) LIMITED**  
as **Issuer**

and

**SCOTTISH WIDOWS LIMITED**  
as **Liquidity Facility Provider**

and

**BANK OF SCOTLAND PLC**  
as **Account Bank and Cash Manager**

and

**CITICORP TRUSTEE COMPANY LIMITED**  
as **Security Trustee and Note Trustee**

and

**CITIBANK, N.A. LONDON BRANCH**  
as **Registrar and Principal Paying Agent**

and

**INTERTRUST MANAGEMENT LIMITED (formerly Structured Finance Management Limited)**  
as **Corporate Services Provider**

and

**STATE STREET BANK AND TRUST COMPANY, LONDON BRANCH**  
as **Custodian**

**ALLEN & OVERY**

**Allen & Overy LLP**

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**THIS SUPPLEMENTAL DEED OF CHARGE** is made on 23 September 2019

**BETWEEN:**

- (1) **THISTLE INVESTMENTS (ERM) LIMITED** (registered number 9223079), a private limited company incorporated in England and Wales whose registered office is at c/o Intertrust Management Limited, 35 Great St. Helen's, London EC3A 6AP (the **Issuer**);
- (2) **BANK OF SCOTLAND PLC** (registered number SC327000), a company incorporated in Scotland and registered as a public Company under the Companies Act 1985 whose registered office is at The Mound, Edinburgh, EH1 1YZ (**Bank of Scotland** and acting in its capacities as the **Cash Manager**, which expression shall include such person and all other persons for the time being acting as cash manager pursuant to the Cash Management Agreement and the **Account Bank**, which expression shall include such person and all other persons for the time being acting as the account bank pursuant to the Bank Account Agreement);
- (3) **SCOTTISH WIDOWS LIMITED** (registered number 3196171), a private limited company incorporated under the laws of England and Wales, whose registered office is at 25 Gresham Street, London EC2V 7HN (**SW** and the **Liquidity Facility Provider** (which expression shall include any New Liquidity Facility Provider from time to time));
- (4) **CITIBANK, N.A. LONDON BRANCH** acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, (acting in its capacities as the **Registrar** which expression shall include such person and all other persons for the time being acting as registrar for the time being pursuant to the Agency Agreement and the **Principal Paying Agent**, which expression shall include such person and all other persons for the time being acting as principal paying agent pursuant to the Agency Agreement);
- (5) **CITICORP TRUSTEE COMPANY LIMITED**, a private limited company incorporated in England and Wales (company registration number 235914) with its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacities as the **Security Trustee**, which expression shall include such company and all other companies for the time being acting as security trustee (or security trustees) pursuant to the terms of the Original Deed of Charge and the **Note Trustee**, which expression shall include such company and all other companies for the time being acting as note trustee (or note trustees) pursuant to the terms of the Trust Deed);
- (6) **INTERTRUST MANAGEMENT LIMITED (formerly Structured Finance Management Limited)** (registered number 3853947), a private limited company incorporated in England and Wales whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the **Corporate Services Provider**, which expression shall include such person and all other persons for the time being acting as corporate services provider pursuant to the Corporate Services Agreement); and
- (7) **STATE STREET BANK AND TRUST COMPANY**, a bank and trust company organised under the laws of The Commonwealth of Massachusetts, U.S.A., acting through its London Branch at 20 Churchill Place, Canary Wharf, London E14 5HJ, U.K. (the **Custodian**).

**WHEREAS:**

- (A) This Deed secures, *inter alia*, the Secured Obligations.
- (B) On the date of the Original Deed of Charge the Issuer issued the Notes pursuant to the Trust Deed.

- (C) By the Mortgage Sale Agreement, the Seller has agreed to sell its interest in a portfolio of equity release loans comprising the Loans and their Related Security, and all amounts derived therefrom from time to time, 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 Account Bank has agreed to provide certain bank account services to the Issuer in respect of the Bank Accounts.
- (G) By the Liquidity Facility Agreement, the Liquidity Facility Provider has agreed to provide the Liquidity Facility.
- (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.
- (I) By the Corporate Services Agreement, the Corporate Services Provider has agreed to act as corporate services provider to the Issuer.
- (J) 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 such Security on trust for itself and the other Secured Creditors on the terms set out in this Deed.

**BY WAY OF SUPPLEMENT TO THE ORIGINAL DEED OF CHARGE, NOW THIS DEED WITNESSES** as follows:

## **1. INTERPRETATION**

### **1.1 Definitions**

The Master Definitions and Construction Schedule signed by, amongst others, the Issuer and the Security Trustee and originally dated 24 March 2015, as amended pursuant to an amendment deed between, among others, the Issuer and the Security Trustee dated on or about the date of this Deed (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 or 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 the Master Definitions and Construction Schedule. Clauses 1 (Definitions) and 2 (Interpretation and Construction) of the Master Definitions and Construction Schedule are set out for information purposes in Schedule 5 (Definitions) hereto. In the event of an inconsistency between the Master Definitions and Construction Schedule and Schedule 5 (Definitions) hereto, the Master Definitions and Construction Schedule prevails to the extent of the inconsistency.

- 1.2 The parties hereto acknowledge and agree that the Security Trustee will act solely as directed or instructed by the Note Trustee in accordance with the Supplemental Deed of Charge and the exercise of any right, power, authority or discretion by the Security Trustee will be construed, in each case, as an approval to be required from the Note Trustee.
- 1.3 The parties hereto acknowledge and agree that for so long Scottish Widows Limited is the Controlling Class, the Note Trustee will act solely as directed or instructed by the Controlling Class

and the exercise of any right, power, authority or discretion by the Note Trustee will be construed, in each case, as an approval to be required from the Controlling Class.

#### 1.4 **Construction**

In this Deed, except where the context otherwise requires:

- (a) The terms of the Trust Deed and of 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 Law of Property (Miscellaneous Provisions) Act 1994.
- (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 Supplemental 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) The term **full title guarantee** will be construed in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (e) 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 all of the other Secured Creditors.

- 1.5 The parties hereto acknowledge and agree that for so long as Scottish Widows Limited is the Controlling Class, the Security Trustee will act solely as directed or instructed by the Controlling Class and the exercise of any right, power, authority or discretion by the Security Trustee will be construed, in each case, as an approval to be required from the Controlling Class.

#### **1A ORIGINAL SECURITY AND ACCESSION OF THE CUSTODIAN TO THE ORIGINAL DEED OF CHARGE**

- (a) The security created by Clause 3 of this Deed is without prejudice to the security created pursuant to Clause 3 of the Deed of Charge dated 24 March 2015 between, among others, the Issuer and the Security Trustee (the **Original Deed of Charge**).
- (b) The parties acknowledge the security created on 24 March 2015 pursuant to Clause 3 of the Original Deed of Charge and consider that such security secures payment of the Secured Obligations (as defined in the Master Definitions and Construction Schedule) and agree that, except insofar as supplemented by this Deed, the Original Deed of Charge will remain in full force and effect.
- (c) The parties hereto agree that the Original Deed of Charge (other than Clause 3 thereof) shall, with effect from the date hereof, be supplemented in the form of this Deed.
- (d) In consideration of the Custodian being accepted as a Secured Creditor for the purposes of the Original Deed of Charge by the parties thereto as from the date of this Deed, the Custodian agrees to



become, with immediate effect, a party to, and agrees to be bound by the terms of, the Original Deed of Charge as if it had originally been party to the Original Deed of Charge as a Secured Creditor.

- (e) The Custodian further agrees that the Security Trustee shall be the Security Trustee for all Secured Creditors upon and subject to the provisions of the Original Deed of Charge and this Deed.
- (f) The Security Trustee for itself and the other parties to this Deed (other than the Custodian) confirms the acceptance of the Custodian as a Secured Creditor for the purposes of both (i) the Original Deed of Charge and (ii) this Deed, and that this Deed shall be treated as a Transaction Document.

## 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 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, under 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

- (a) As continuing security, 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 absolutely 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, this Deed, any Scottish Declaration of Trust, any Scottish Sub-Securities and any Scottish Supplemental Charge) to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party (the **Charged Transaction Documents**) including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, 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.
- (b) The term **all of its rights** as used in this Clause 3 includes (but is not limited to), 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), 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 each case, in respect of the relevant Charged Assets.

### 3.2 **English Loans, the English Mortgages and other 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 absolutely assigns by way of continuing 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, the English Mortgages and their other Related Security and all other related rights under the same including, 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 Mortgages comprised from time to time 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 Mortgages comprised from time to time 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 the English Loans in the Portfolio or their Related Security, **TO HOLD** the same unto the Security Trustee absolutely.

### 3.3 **Northern Irish Loans, Northern Irish Mortgages and other 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 Northern Irish Loans, the Northern Irish Mortgages and their other 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 Northern Ireland and the Northern Irish Mortgages 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 Northern Irish Mortgages 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 the Northern Irish Loans in the Portfolio or their Related Security, **TO HOLD** the same unto the Security Trustee absolutely.

### 3.4 **Insurance Policies**

The Issuer, by way of first fixed security for the payment and discharge of the Secured Obligations, (or as beneficial owner) and subject to Clause 4 (Release of Charged Assets), hereby assigns absolutely by way of continuing 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, without limitation, 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.

### 3.5 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 Seller pursuant to Clause 7.2(c) (Completion Mechanics) 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 2 (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 Mortgage 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 Seller pursuant to Clause 7.2(d) (Completion Mechanics) 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 (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 Mortgage 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 3.5 simultaneously to deliver to the Security Trustee the relevant SLR Transfer (where applicable) and the relevant Sasine Transfer (where applicable) 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 Mortgage Loans and their Related Security from time to time comprised in the Portfolio, including without limitation the registration or recording of the Issuer as heritable creditor under such Scottish Mortgages at the Registers 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 and all sums secured thereby.

### 3.6 Scottish Trust Security

- (a) The Issuer undertakes forthwith upon the execution and delivery after the date of the Original Deed of Charge of each and every Scottish Declaration of Trust entered into pursuant to Clause 3 (Closing Date) 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 4 (Form of Scottish Supplemental Charge) to this Deed. The other parties to this Deed consent to the entering into from time to time of such Scottish Supplemental Charges and the Security Trustee authorises and instructs the Issuer to intimate and give notice to the Seller of the assignation in security made thereunder as provided therein.

- (b) The Seller has agreed pursuant to Clauses 3.1(a) (iii) and 5.2(b) of the Mortgage Sale Agreement to execute each such Scottish Supplemental Charge to which it is a party as trustee under each Scottish Declaration of Trust granted by it.
- (c) The Issuer undertakes to the Security Trustee at the time of delivery of any Scottish Supplemental Charge under the terms of Clause 3.5(a) simultaneously to deliver to the Security Trustee the relevant Scottish Declaration of Trust applicable thereto.

### 3.6A **Authorised Investments**

The Issuer, by way of a 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 respect of the Authorised Investments made or purchased from time to time by or on its behalf (whether owned by it or held by any nominee on its behalf, including the Custodian, and to the extent owned or held by the Custodian, such charge shall include the Accounts, any amount standing from time to time to the credit of the Cash Account and the Collateral ("Accounts", "Cash Account" and "Collateral" each as defined in the Custodian Agreement)), and all interest, monies and proceeds paid or payable in relation to those Authorised Investments, **TO HOLD** the same unto the Security Trustee absolutely.

### 3.7 **Bank Accounts**

As continuing security, 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 Bank Accounts, the Standby Account and each other account (if any) in which the Issuer may at any 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.

### 3.8 **Floating Charge**

As continuing security, 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, including without limitation its uncalled capital, other than any property or assets from time to time or for the time being subject of fixed charges pursuant to Clauses 3.1 (Contractual Rights) to 3.7 (Bank Accounts) (inclusive) or otherwise effectively assigned by way of security or charged by way of fixed security but extending over all of its property, assets, rights and revenues as are situated in Scotland or governed by Scottish Law (whether or not the subject of fixed charges or an assignment 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 and accordingly paragraph 14 of Schedule B1 of the Insolvency Act applies to the floating charge.

### 3.9 **Full Title Guarantee**

Each of the dispositions, assignments or assignments of or charges over property effected in or pursuant to Clauses 3.1 (Contractual Rights) to 3.8 (Floating Charge) (inclusive) is made with full title guarantee or, in relation to Scottish Mortgage Loans and their Related Security, with absolute warrandice, as beneficial owner and registered owner, as the case may be.

### 3.10 Further Acquired Rights

Subject to Clauses 3.5 (Scottish Sub-Securities) and 3.6 (Scottish Trust Security), it is hereby confirmed that reference herein to Mortgage Loans (including English Loans, Northern Irish Mortgage Loans and Scottish Mortgage 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 3.7 (Bank Accounts) (inclusive) are, and are intended to be, specific and fixed assignments and assignments 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.

### 3.11 Notice and Acknowledgement

- (a) The execution of this Deed constitutes irrevocable notice in writing to each Secured Creditor of the assignment 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 Transaction 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 and assignments and other Security Interests made or granted by the foregoing provisions of this Clause 3. 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 Transaction Document(s), to deal with the Security Trustee without reference to the Issuer.
- (b) Each Secured Creditor acknowledges and consents to the assignment 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 Transaction Document(s) without any reference to the Issuer; and
  - (ii) as of the date of the Original Deed of Charge and this Deed it has not received from any other person notice of any assignment or charge of any Charged Transaction Document.
- (c) Each Secured Creditor 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 20 (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.

### 3.12 Charged Transaction Documents

Subject to Clause 23.2 (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.

### **3.13 Notice of Transaction Documents**

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

### **3.14 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 Transaction 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.

### **3.15 Declaration of Trust**

The Security Trustee hereby declares itself trustee of all the covenants, undertakings, charges, 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.

## **4. RELEASE OF CHARGED ASSETS**

### **4.1 Prior to Payment or Discharge of Secured Obligations**

Notwithstanding anything to the contrary contained herein, the Issuer may make cash payments out of the Bank 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 (or any combination of the foregoing) of all the Secured Obligations, the Security Trustee, at the written request and cost of the Issuer, shall release, reassign, retrocess or discharge from the Security the Charged Assets to, or to the order of, the Issuer.

### **4.3 On Withdrawals from Bank Accounts**

From time to time, there shall be deemed to be released 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 Transaction Account pursuant to Clauses 6.2 (Pre-Acceleration Priority of Payments) and 6.3 (Payments under Cash Management Agreement) and from the other Bank Accounts as and to the extent 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 Bank Account of the Issuer, it shall thereupon become subject to the Security Interests constituted by this Deed in respect of such Bank Account.

### **4.4 Disposal and Substitution of Authorised Investments**

Upon the Cash Manager, on behalf of the Issuer, making a disposal of any Authorised Investments charged pursuant to this Deed, such Authorised Investments shall be deemed to be released, reassigned or discharged from the Security Interests constituted by this Deed, provided that the proceeds of such disposal are paid into the Transaction Account or are immediately reinvested into

another Authorised Investment, subject to and in accordance with the provisions of the Cash Management Agreement and this Deed.

## **5. CONTINUANCE OF SECURITY**

### **5.1 Continuing Security**

The charges, assignments and assignations and other Security Interests contained in 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 intermediate payment or satisfaction of any part of the Secured Obligations or 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 of Security**

The Issuer hereby acknowledges the charges, assignments, assignations and other Security Interests made 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 and undertakes 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.

## **6. PAYMENTS OUT OF THE BANK ACCOUNTS AND APPLICATION OF CASH PRIOR TO ACCELERATION**

### **6.1 Following Service of a Note Acceleration Notice**

No payment, transfer or withdrawal from the Bank Accounts may be made under this Clause 6 at any time after a Note Acceleration Notice has been served (which has not been withdrawn) other than with the prior written consent of the Security Trustee.

### **6.2 Pre-Acceleration Priority of Payments**

Notwithstanding the security rights created by or pursuant to Clause 3 (Security and Declaration of Trust) of this Deed and/or pursuant to Clause 3 of the Original Deed of Charge, but prior to the service of a Note Acceleration Notice, the Cash Manager, on behalf of the Issuer, shall withdraw, or shall instruct the Account Bank, or cause the Account Bank to be instructed, to withdraw or transfer (unless the intended recipient of the relevant payment agrees otherwise and subject to the terms of the Cash Management Agreement and the Trust Deed) monies from the Transaction Account on each Payment Date (subject to Clause 6.3 (Payments under Cash Management Agreement) below) to be applied in accordance with the Pre-Acceleration Priority of Payments, as applicable, as set out in Schedule 2 (Cash Management and Maintenance of the Accumulation Ledger) of the Cash Management Agreement.

### **6.3 Payments under Cash Management Agreement**

Notwithstanding the security rights created by or pursuant to Clause 3 (Security and Declaration of Trust) of this Deed and/or pursuant to Clause 3 of the Original Deed of Charge, but prior to the service of a Note Acceleration Notice, the Cash Manager, on behalf of the Issuer, shall withdraw, or shall instruct the Account Bank, or cause the 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 and the Trust Deed) monies from the Bank Accounts (only to the extent that such withdrawal does not cause the applicable Bank Account to become overdrawn) for making any payments due to be made, in each case subject to and in accordance with the Cash Management Agreement which, for the avoidance of doubt, includes investments by the Cash Manager in Authorised Investments on behalf of the Issuer in accordance with Clause 4.11 (Authorised Investments) of the Cash Management Agreement.

### **6.4 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 Transaction Account shall from time to time be credited with all amounts received by the Issuer and falling within any of the categories set forth in Clause 4.1(b) (Transaction Account) of the Cash Management Agreement.

### **6.5 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 Secured Creditors in respect of such Secured Obligations into, and retain such monies in, an interest bearing account to be held by it as security and applied by it in accordance with Clause 6.2 (Pre-Acceleration Priority of Payments) on any subsequent Payment Dates or, following the service of a Note Acceleration Notice, in accordance with Clause 7 (Payments Out of the Bank Accounts upon Acceleration).

### **6.6 VAT**

If any sums which are payable by the Issuer under Clause 6.2 (Pre-Acceleration Priority of Payments) or Clause 7 (Payments Out of the Bank Accounts upon Acceleration) 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.

### **6.7 Obligations in relation to Charged Assets and Transaction Documents**

Notwithstanding the security created under Clause 3 (Security and Declaration of Trust) to this Deed and/or pursuant to Clause 3 of the Original Deed of Charge, the Issuer shall, subject to Clause 6.2 (Pre-Acceleration Priority of Payments) or as specifically provided otherwise in the Transaction Documents and prior to delivery of a Note Acceleration Notice, 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 BANK ACCOUNTS UPON ACCELERATION**

### **7.1 After a Note Acceleration Notice**

From and including the time when a Note Acceleration Notice (which has not been withdrawn) has been served on the Issuer:

- (a) no amount may be withdrawn from the Bank Accounts without the prior written consent of the Security Trustee; and
- (b) if not already crystallised, any charge created by Clause 3 (Security and Declaration of Trust), which is a floating charge, shall (so far as permitted by applicable law) crystallise upon service of a notice from the Security Trustee to the Issuer.

### **7.2 Post-Acceleration Priority of Payments**

Following the service of a Note Acceleration Notice by the Note Trustee (which has not been revoked) on the Issuer, the Security Trustee (or the Cash Manager on its behalf) will apply all moneys standing to the credit of the Bank Accounts and all receipts (however characterised or realised) received by the Issuer and/or the Security Trustee or a Receiver (whether of principal or interest or otherwise) in the following order of priority (and, in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full (**Post-Acceleration Priority of Payments**)):

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) any remuneration, fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Note Trustee or 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 remuneration, fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Security Trustee or any Appointee under the provisions of this Deed 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, fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Registrar and the Paying Agents under the provisions of the Agency Agreement or the Cash Management Agreement, together with (if payable) VAT thereon as provided therein; and
  - (ii) any remuneration, fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts 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;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

- (i) any remuneration, fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Servicer under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein;
- (ii) any remuneration, fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Cash Manager under the provisions of the Cash Management Agreement, together with (if payable) VAT thereon as provided therein; and
- (iii) any remuneration, fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Custodian under the provisions of the Custodian Agreement, together with (if payable) VAT thereon as provided therein;
- (d) *fourth*, any remuneration, fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Account Bank under the provisions of the Bank Account Agreement, together with (if payable) VAT thereon as provided therein
- (e) *fifth*, to credit the Issuer Profit Amount Ledger with an amount equal to the Issuer Profit Amount;
- (f) *sixth*, in or towards satisfaction of all amounts due and payable to the Liquidity Facility Provider in respect of (i) repayment of any outstanding Liquidity Facility Drawings; (ii) any amounts of interest due or accrued (if any) but unpaid in respect of any Liquidity Facility Drawings; and (iii) as fees under the Liquidity Facility Agreement;
- (g) *seventh*, to pay amounts due and payable to the Class A Noteholders; and
- (h) *eighth*, to pay any remaining amounts to the Class B Noteholders.

### 7.3 Subordination

- (a) Each of the Secured Creditors hereby agrees to be bound by the order of priority set out in the Pre-Acceleration Priority of Payments and the Post-Acceleration Priority of Payments (as applicable). Without prejudice to Clause 20 (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) 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 Security Trustee (as applicable) to that Secured Creditor under the Transaction Documents, in cash or in kind, and 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), 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-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) have been paid in full; and
  - (ii) 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 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, (i) receipt of written notice from the Issuer or, as applicable, the Security Trustee and (ii) 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) The Security Trustee shall not 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 Security Trustee to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Acceleration Priority of Payments or the Post-Acceleration 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.

## **8. ACTION, PROCEEDINGS AND INDEMNIFICATION**

- 8.1 The Security Trustee shall not be bound to take any action in relation to these presents or any other Transaction Documents unless it shall be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities, actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damage and expenses which it may incur by so doing and, for this purpose, the Security Trustee may demand prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify and/or secure and/or pre-fund it. Notwithstanding anything to the contrary in this Deed or any other Transaction Documents, the Security Trustee will in all circumstances, subject in all cases to it being indemnified and/or secured and/or prefunded to its satisfaction and subject as provided in Clause 8.3 below act solely in accordance with the written directions of the Note Trustee in respect of all other powers, trusts, discretions, rights, authorities, and duties of the Security Trustee (together, the **Trustee Rights**) in respect of all Trustee Rights, in accordance with the written directions.
- 8.2 For the avoidance of doubt, the Security Trustee shall take no action (other than with respect to any Security Trustee Reserved Matters) in relation to the Trustee Rights unless it has received written directions in accordance with the relevant Transaction Documents from the Note Trustee and shall not be bound to enquire as to the efficacy of such directions nor incur any Liabilities to any person for the consequences of acting in accordance therewith. Other than in respect to the matters specified in Clause 8.3 below, the Security Trustee shall be acting in a purely mechanical and administrative capacity, in that it shall be following written directions given by the Note Trustee and shall not be entitled to exercise any discretion.
- 8.3 Notwithstanding anything to the contrary in the relevant Conditions or any other Transaction Documents, the Security Trustee is entitled to exercise unfettered discretion in relation to any matter which relates to a Trustee Reserved Matter.
- 8.4 Notwithstanding anything else herein contained, the Security Trustee may refrain without liability from doing anything that would in its opinion be contrary to any law of any state or jurisdiction

(including but not limited to the United States of America or any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

## **9. THE SECURITY TRUSTEE'S POWERS**

### **9.1 Prior Notification**

The Security Trustee shall, if reasonably practicable, give prior notification to the Seller 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) and the 1881 Act (i) the Security created under this Deed shall become immediately enforceable and (ii) the power of sale and other powers conferred by Section 101 of the 1925 Act as varied or amended by this Deed, shall, in accordance with this Clause 9 be exercisable by the Security Trustee and (iii) the Issuer shall be deemed to be in default within the meaning of Standard Condition 9(1)(b) of Schedule 3 to the 1970 Act, in each case at any time following the service of a Note Acceleration Notice (which has not been withdrawn) or, if there are no Notes outstanding, following a default in payment of any other Secured Obligations on its due date. Without prejudice to the effectiveness of any service of the Note Acceleration Notice or the obligation to deliver the same in accordance with Condition 6 (Events of Default), the Security Trustee shall deliver a copy of any Note Acceleration Notice (which has not been withdrawn) to each of the Secured Creditors.

### **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**

Sections 93 and 103 of the 1925 Act shall not apply in relation to any of the charges contained in this Deed or to the exercise by the Security Trustee of its right to consolidate all or any of the Security with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Trustee without notice to the Issuer at the time, or at any time after, the Security has become enforceable and at any time after the service of a Note Acceleration Notice (which has not been withdrawn):

- (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 following the service of a Note Acceleration Notice (which has not been withdrawn) and subject to the Security Trustee being satisfied as to the indemnification and/or security and/or prefunding 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; and
  - (ii) do all or any of the things or exercise all or any of the powers referred to in Clause 10.6 (Powers) as if each of them was expressly conferred on the Security Trustee by this Deed.

## **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 Additional Powers**

The Security Trustee shall have the power to insure against any liabilities or obligations arising:

- (a) as a result of the Security Trustee acting or failing to act in a certain way (other than which may arise from its fraud, gross negligence or wilful default or that of its officers or employees);
- (b) as a result of any act or failure to act by any person or persons to whom the Security Trustee has delegated any of its trusts, rights, powers, duties, authorities or discretions, or appointed as its agent (other than which may arise from such person's fraud, gross negligence or wilful default);
- (c) in connection with the Charged Assets; or
- (d) in connection with or arising from the enforcement of the Security created by this Deed.

The Security Trustee shall not be under any obligation to insure in respect of such liabilities and/or obligations or to require any other person to maintain or monitor the adequacy of any such insurance (and the Security Trustee shall not be responsible for any Liability or inconvenience suffered by any person as a result of the lack of or inadequacy of any such insurance), but to the extent that it does so insure, the Issuer shall quarterly and on written request pay all insurance premiums and expenses which the Security Trustee may properly incur in relation to such insurance. If the Issuer fails to reimburse the Security Trustee, the Security Trustee shall be entitled to be indemnified out of the Charged Assets in respect thereof and, in the case of a Note Acceleration Notice having been served (which has not been withdrawn), the indemnification of all such insurance premiums and expenses shall be payable in priority to payments to the Noteholders and all other Secured Creditors and otherwise in accordance with this Deed.

## **9.8 Application to Court**

The Security Trustee may at any time after the service of a Note Acceleration Notice (which has not been withdrawn) 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 Secured Creditors.

## **9.9 Investments**

No provision of these presents or the Transaction Documents shall (a) confer on the Note Trustee any right to exercise any investment discretion in relation to the assets subject to the trust constituted by these presents and, to the extent permitted by law, Section 3 of the Trustee Act 2000 shall not apply to the duties of the Note Trustee in relation to the trusts constituted by these presents and (b) require the Note Trustee to do anything which may cause the Note Trustee to be considered a sponsor of a covered fund under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any regulations promulgated thereunder.

## **9.10 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.

## **9.11 Scottish Trust Property**

The Issuer 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, they will join with the Security Trustee or any Receiver together in directing the Seller or the Servicer on their behalf to 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 trusts constituted by each Scottish Declaration of Trust to which they are a party 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 the relevant Scottish Trust Property or any part thereof in accordance with the terms of each Scottish Declaration of Trust to which they are a party and this Deed. Each of the Seller and the Issuer hereby acknowledges and consents to the foregoing as trustee and beneficiary respectively in terms of each Scottish Declaration of Trust to which they are a party.

# **10. RECEIVER**

## **10.1 Appointment**

- (a) Except as provided below, at any time following the service of a Note Acceleration Notice (which has not been withdrawn), 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 and Section 24(1) of the 1881 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.
- (d) No delay or waiver of the right to exercise the power to appoint a Receiver shall prejudice the future exercise of such power.

#### **10.2 Removal and Replacement**

Except as otherwise required by statute, the Security Trustee may (subject to Section 45 of the Insolvency Act) 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 or the Secured Creditors 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. Notwithstanding the generality of the foregoing, such Receiver shall in the exercise of his powers, authorities and discretions conform to the regulations (if any) from time to time made and given in writing by 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-Acceleration 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.

## 10.6 Powers

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act; and (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the 1925 Act and the Insolvency Act.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.
- (c) The Receiver of the Issuer, in addition to any powers conferred on a receiver by statute or common law, shall have the following powers:
  - (i) 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;
  - (ii) 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;
  - (iii) 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;
  - (iv) to sell or concur in selling the whole or any part of the Issuer's business whether as a going concern or otherwise;
  - (v) 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;
  - (vi) 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;
  - (vii) 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;
  - (viii) to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims, disputes and proceedings concerning the Charged Assets or any part thereof;
  - (ix) 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;
  - (x) 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);



- (xi) to redeem, discharge or compromise any Security Interest from time to time having priority to or ranking *pari passu* with this Deed;
- (xii) to effect or maintain indemnity insurance and other insurance (including without limitation the Insurance Policies) and obtain bonds and performance guarantees;
- (xiii) 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;
- (xiv) 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;
- (xv) to exercise all powers as are described in Schedule 1 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;
- (xvi) 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;
- (xvii) 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;
- (xviii) in addition:
  - (A) 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
  - (B) to exercise in relation to any Charged Assets all the powers, authorities and things which it would be capable of exercising if he were the absolute beneficial owner of the same,
- (xix) and may use the name of the Issuer for any of the above purposes; and
- (xx) 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 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-Acceleration 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-Acceleration 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 in relation to 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. 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.

### **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, Section 21 of the 1881 Act and Section 5 of the 1911 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**

Subject to sections 750 and 751 of the Companies Act 2006 (if applicable), neither the Security Trustee nor the Receiver of the Issuer shall be liable to the Issuer or any other person in the absence of fraud, gross negligence or wilful default 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 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 in possession 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 in possession or heritable creditor in possession in respect of any property referred to in this Deed. 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 in possession 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 Note Acceleration 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) as shall be necessary or 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 its 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 assignment, 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 or Potential 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 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 the floating charge hereby created shall be converted into a first specific fixed charge as to all of the undertaking, 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, 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, the floating charge contained herein shall automatically be converted into a fixed charge over all property, assets or undertaking of the Issuer subject to the floating charge and, in the case of property, assets or undertaking situated in Scotland or which are governed by Scottish Law, only to the extent that such conversion would be legally effective in Scotland, if and when:

- (a) upon service of a Note Acceleration Notice on the Issuer;
- (b) the Issuer ceases to carry on all or a substantial part of all 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 other Security Interests 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 3.8 (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, ETC.**

### **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 Interests, 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 and Section 17 of the 1881 Act shall not apply in relation to any of the charges contained in this Deed.

### **16.3 Ruling Off**

- (a) If the Security Trustee receives notice of any Security Interests affecting the Charged Assets in contravention of the provisions hereof:
- (b) 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
- (c) 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. AVOIDANCE OF PAYMENTS**

### **17.1 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.

## **17.2 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 of a duly authorised officer 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.

## **18. SET-OFF**

The Security Trustee may at any time following the service of a Note Acceleration Notice which has not been withdrawn (without notice and notwithstanding any settlement of account or other matter whatsoever) combine or consolidate all or any existing accounts of the Issuer 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.

## **19. EXECUTION OF TRANSACTION 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.

## **20. EXERCISE OF CERTAIN RIGHTS**

### **20.1 No Enforcement by Secured Creditors**

Subject to and without prejudice to the provisions of Clause 21.4 (Forms MR01) each of the Secured Creditors (other than the Security Trustee, the Noteholders, and the Note Trustee acting on behalf of the Noteholders who may only take action permitted pursuant to the Trust Deed) hereby agrees with the Issuer and the Security Trustee that:

- (a) only the Security Trustee may enforce the Security created in favour of the Security Trustee by this Deed in accordance with the provisions hereof; and
- (b) it shall not take any steps for the purpose of recovering any of the Secured Obligations (including, without limitation, by exercise of any rights of set off) or enforcing any rights arising out of the Transaction Documents against the Issuer or procuring the winding up, administration (including the filing of documents with the court or the service of a notice of intention to appoint an administrator) or liquidation of the Issuer in respect of any of its liabilities whatsoever,

unless a Note Acceleration Notice shall have been served (which has not been withdrawn) or the Note Trustee, having become bound to serve a Note Acceleration Notice, and/or the Security Trustee having become bound to take any steps or proceedings to enforce the said Security pursuant to this Deed, in either case fails to do so within 30 days of becoming so bound and that failure is continuing (in which case, each of such Secured Creditors shall be entitled to take any such steps and proceedings as it shall deem necessary other than the presentation of a petition for the winding up of, or for an administration order in respect of, the Issuer or the filing of documents with the court or the service of a notice of intention to appoint an administrator in relation to the Issuer).

## 20.2 **Limited Recourse**

- (a) Each of the Secured Creditors agrees 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 owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

- (b) The provisions of this Clause 20.2 shall survive the termination of this Deed.

## 20.3 **Discretionary Enforcement**

Subject to the provisions of this Deed, the Security Trustee may at any time, at its discretion and without notice, take such proceedings and/or other action as it may think fit against, or in relation to, the Issuer or any other person to enforce their respective obligations 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, actions or proceedings as it may think fit to enforce such Security.

## 20.4 **Mandatory Enforcement**

- (a) Subject to paragraph (b) below and Clause 10.7 (Appointment of Administrator), the Security Trustee will not, and will not be bound to, take any steps, institute any proceedings, exercise its

rights and/or to take any other action under or in connection with any of the Transaction Documents (including, without limitation, enforcing the Security and/or lodging an appeal in any proceedings) unless the Security Trustee is directed to do so by the Note Trustee; PROVIDED THAT the Security Trustee may at all times, whether or not so directed, take such action in respect of any right, power or discretion which is personal to the Security Trustee or is to preserve or protect the Security Trustee's position or is of a purely administrative nature.

- (b) Upon being directed in accordance with paragraph (a) above, the Security Trustee will be bound to take the relevant action(s) in the manner instructed by the Note Trustee; PROVIDED THAT the Security Trustee has been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may 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, for this purpose, the Security Trustee may demand, prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it.
- (c) The Security Trustee shall not be liable to any Secured Creditor or to the Issuer for any action it may take in accordance with any instructions received pursuant to paragraph (a) above. The Security Trustee shall be entitled to seek clarification from the Note Trustee with regard to such instructions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction from the Note Trustee.
- (d) The Security Trustee hereby acknowledges that the Note Trustee acts as directed pursuant to the Trust Deed in providing instructions under this Deed and the Trust Deed.

## **20.5 Disposal of Charged Assets**

Notwithstanding Clause 8 (Action, Proceedings and Indemnification) 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 unless either (i) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Noteholders (and all persons ranking in priority) or (ii) 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 to the Noteholders (and all persons ranking in priority to the Noteholders as set out in the Priorities of Payments). The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer.

## **21. COVENANTS AND WARRANTIES**

### **21.1 Warranties**

- (a) The Issuer warrants to the Security Trustee that 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.
- (b) The Issuer warrants to the Security Trustee (on behalf of the Secured Creditors) as at the date of the Original Deed of Charge and 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 and will not be treated as resident outside the United Kingdom by virtue of the application of section 18 of the Corporation Tax Act 2009;
  - (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 all documents entered into pursuant hereto 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, to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Deed, are legal, valid, binding and enforceable against it and to make this Deed admissible in evidence in England and Wales and (where applicable) Scotland and Northern Ireland 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; and
  - (v) the entry by it into and the execution (and, where appropriate, delivery) of this Deed and the performance by the Issuer of its obligations under this Deed 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;
- (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 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 that no director shall be connected to the Lloyds Banking Group;

- (g) the Issuer warrants that 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 or in relation to an Insolvency Event in respect of the Issuer; and
- (h) the Issuer represents that prior to the Closing Date it is not, and is not liable to be, registered (or part of any registration) for VAT.

## 21.2 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 mortgage, standard security, assignment, assignation, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law) upon the whole or any part of its assets (including any uncalled capital) or its undertaking, present or future;
- (b)
  - (i) carry on any trade or business or any other activities other than as contemplated by the Transaction Documents and the related activities described therein; or
  - (ii) hold (and confirms it has not held) any shares or other interest in any company (including but not limited to an interest in the capital, income or voting rights in any company) nor have any employees (but shall procure that, at all times, it shall retain at least one director) or premises;
- (c) transfer, sell, assign, lend, part with, declare a trust over, create a beneficial interest in or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein or thereto or agree or attempts or purport to do so;
- (d) make any other distributions other than as contemplated by the Transaction Documents;
- (e) pay any dividend or make any other distribution to its shareholder nor shall it issue any further shares;
- (f) incur any financial indebtedness or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (h) permit any of the Transaction Documents to become invalid or ineffective, or the priority of the Security Interests created thereby to be reduced, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Charged Assets to be released from its respective obligations;
- (i) have an interest in any bank account other than the Bank Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;

- (j) 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;
- (k) 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;
- (l) apply to become part of any group for the purposes of sections 43 to 43D of the Value Added Tax Act 1994 and the VAT (Groups: eligibility) Order (S.I. 2004/1931) with any other company or group of companies, or such act, regulation, order, statutory instrument or directive which may from time to time re enact, replace, amend, vary, codify, consolidate or repeal any of the same;
- (m) permit any person, other than itself and the Security Trustee, to have any equitable interest or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein; or
- (n) purchase or otherwise acquire any Note or Notes (other than pursuant to the Conditions).

### 21.3 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;
- (b) to give to the Security Trustee within a reasonable time after request such information and evidence as it shall reasonably 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;
- (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 give notice in writing to the Security Trustee of the occurrence of any Event of Default, Potential Event of Default and/or service of a Note Acceleration Notice (such notice to be effective by the delivery of a copy of the Note Acceleration Notice to the Security Trustee) as soon as reasonably practicable upon becoming aware thereof and without waiting for the Security Trustee to take any further action;
- (f) give to the Security Trustee (i) within 7 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 2015 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 and/or Potential 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;

- (g) at all times to execute all such further documents and do all such further acts and things as may in the 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;
- (h) at all times to comply with the obligations and provisions binding upon it under and pursuant to this Deed and the other Transaction Documents;
- (i) 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;
- (j) 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 the United Kingdom) and it will not have any "establishment" (as defined in the EU Insolvency Regulation) in any Member State (other than the United Kingdom);
- (k) that, in order to enable the Security Trustee to ascertain the Principal Amount Outstanding of the Notes of each Class 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 aggregate principal amount of Notes of each Class and which:
  - (i) up to and including the date of such certificate have been purchased by the Issuer and cancelled; and
  - (ii) are at the date of such certificate held by, for the benefit of, or on behalf of, the Issuer, any holding company of any of them or any other Subsidiary of such holding company;
- (l) that it will not hold save to the extent permitted by or provided in the Transaction Documents, any capital assets;
- (m) that it is not a director of any company;
- (n) it will keep any relevant notification pursuant to the Data Protection Act current and up to date;

- (o) (i) the only amounts retained by the Issuer have been and will be the Issuer Profit Amount and amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness; 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 Profit Amount and amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness; and
- (p) it will at all times ensure that its assets constitute “financial assets” as defined in the Securitisation Regulations.

#### 21.4 **Forms 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 copy of this Deed and each Scottish Supplemental Charge and Scottish Sub-Security within the applicable time limit.

## 22. **PROVISIONS SUPPLEMENTAL TO THE TRUSTEE ACT 1925**

### 22.1 **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 Acts 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. The Security Trustee will have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:

- (a) the Security Trustee may in relation to this Deed or any of the other Transaction Documents request and act on the opinion or advice of, or a certificate or report 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, the Issuer or any other party and shall not be responsible for any Liability occasioned by so acting;
- (b) any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, cable or e-mail and the Security Trustee will not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission, cable or e-mail, including in circumstances where the relevant communication contains one or more errors and/or is not 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 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 hold 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 Liability 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 23.2 (Delegation), the Security Trustee (except where such agent is an affiliate or associated company of, the Security Trustee) shall not be responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise or monitor the proceedings or acts of any such persons;
- (f) where it is necessary or desirable for any purpose in connection with this Deed or any of the other Transaction Documents 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 agreed by the Security Trustee and any rate, method and date so agreed will be binding on the Issuer and the Secured Creditors;
- (g) subject to Clause 23.5 (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 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 Servicer or the Seller or any other person believed by it to be genuine as to (i) any other fact or matter *prima facie* within the knowledge of the Issuer or such person as sufficient evidence thereof and (ii) to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient, and the Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability 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 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;
- (j) 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;
- (k) no provision of this Deed or any other Transaction Document shall require the Security Trustee to do anything and the Security Trustee may refrain from doing anything which may be illegal or contrary to applicable law or regulation of any jurisdiction or any directive or regulation of any agency of any state and may do anything which is, in its opinion, necessary

to comply with any such law, directive or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers or otherwise in connection with this Deed or any other Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it;

- (l) 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 or any other person 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 or any other person shall be entitled to take any action to obtain from the Security Trustee any such information;
- (m) 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 Liability incurred by reason of misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such persons;
- (n) unless notified to the contrary, the Security Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to Clause 21.3(k) (Positive Covenants)) that no Notes are held by, for the benefit of, or on behalf of, the Issuer, Seller, any Subsidiary of the Seller or the Issuer or any holding company of any of them or any other Subsidiary of such holding company with respect to the Seller or the Issuer or any other person referred to in the proviso to the definition of outstanding;
- (o) the Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic;
- (p) the Security Trustee will 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;
- (q) 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;
- (r) the Security Trustee shall 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 or loss 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;

- (s) 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;
- (t) 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;
- (u) in determining whether to serve a Servicer Termination Notice to terminate the Servicer's appointment following a Servicer Termination Event the Security Trustee shall be entitled to seek directions from the Controlling Class in this regard and shall not be responsible for any delays in taking action occasioned by so doing. The Security Trustee has no obligation to assume the role or responsibilities of the Servicer;
- (v) the Security Trustee shall not be responsible for:
  - (i) identifying the occurrence of a Seller Insolvency Event or a Servicer Termination Event and shall assume that no such event has occurred unless notified in writing thereof by the Seller in accordance with the provisions of Clause 7.1(d) (Perfection of the Sale) of the Mortgage Sale Agreement regarding a Seller Insolvency Event, or by the Servicer pursuant to Clause 19 (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;
- (w) 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; and
- (x) the Security Trustee shall be entitled to assume that 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.
- (y) any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;



- (z) notwithstanding anything contained in this Deed, if the Security Trustee is required by law to make any deduction or withholding for or on account of Tax from any distribution or payment made by it under this Deed or if the Security Trustee is otherwise charged to, or may become liable to, Tax (other than any taxes on the Security Trustee's own net income, profits or gains) as a consequence of performing its duties under this Deed or the other Transaction Documents, then the Security Trustee shall make such deduction or withholding or (as the case may be) be entitled to retain out of sums received by it an amount sufficient to discharge any liability to Tax which relates to sums so received or distributed or to discharge any such other liability of the Security Trustee to Tax from the funds held by the Security Trustee on the trusts of this Deed;
- (aa) the Security Trustee shall not be responsible for any unsuitability, inadequacy or unfitness of any Charged Assets as security for the Secured Obligations and shall not be obliged to make any investigation into, and shall be entitled to assume, the suitability, adequacy and fitness of the Charged Assets as security for the Secured Obligations;
- (bb) until the delivery of an Note Acceleration Notice, the monies standing to the credit of any account comprised in the Charged Assets shall be dealt with in accordance with the provisions of the Transaction Documents and the Security Trustee shall not be responsible in such circumstances or at any other time for any Liability suffered by any person, whether by reason of depreciation in value or by fluctuation in exchange rates or otherwise;
- (cc) the Security Trustee may rely on reports and/or certificates of the Issuer's auditors and enter into letters engaging the auditors to provide such certificates or reports, notwithstanding any monetary limit on the liability of the auditors of the Issuer; and
- (dd) instructions:
  - (i) subject to Clause 8.3 (Action, Proceedings and Indemnification), the Security Trustee shall be considered to be acting only in a mechanical and administrative capacity when exercising the Trustee Rights at the written direction of the Note Trustee;
  - (ii) the Security Trustee shall assume that (1) any written direction received by it from the Note Trustee is authentic and has been duly given by the Note Trustee and (2) unless it has received actual written notice that any such directions given by such parties have been revoked, no revocation of any such instruction by such parties shall affect any action taken by the Security Trustee in reliance upon such instruction or direction prior to actual receipt of the notice of revocation;
  - (iii) the Security Trustee shall not be responsible for (1) any failure to take any action, proceedings or other consequences to any other person where it has received a request of instruction to that effect or is acting in accordance with any written direction from the Note Trustee and any consequent delay in relation thereto and (2) any inability to exercise (or delay in the exercise of) any Trustee Right as a result of seeking any direction or permission from the Note Trustee;
  - (iv) the Security Trustee shall be entitled to request clarification of any instruction or direction received by it from the Note Trustee as to whether and in what manner, it should exercise or refrain from exercising any rights, powers and discretions and shall refrain from exercising any rights, powers and discretion and shall refrain from acting unless and until those instructions or clarifications are received by it and shall have no Liabilities for the consequences thereof; and

- (v) the Security Trustee hereby acknowledges that the Note Trustee acts on direction pursuant to the Trust Deed in providing instructions under this Deed and the Trust Deed.

## **22.2 Representations and Warranties, etc.**

The Security Trustee shall not be responsible for investigating any matter which is the subject of 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 and shall not be liable for any defect or failure in the right or title of the Issuer or any other person to all or part of the Charged Assets. 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.

## **22.3 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 or requiring any further assurance in relation to the Security;
- (b) failure to register or file the same in accordance with the provisions of any of the documents of title of the Issuer to any of the Charged Assets or otherwise protect or perfect the Security or the priority thereof or the right or title of any person in or to the assets comprised in the Security; 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.

## **22.4 Enforceability, etc.**

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 or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to 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, 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 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 Potential 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.

#### **22.5 No Supervision**

The Security Trustee shall be under no obligation to investigate, monitor or supervise the respective functions or performance of their respective obligations of the Account Bank under the Bank Account Agreement or 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 or any other agreement or document relating to the transactions herein and therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each party is properly performing and complying with its functions and obligations and shall have no Liability to any person from any Loss arising therefrom.

#### **22.6 No Liability**

Subject to the provisions of Clause 22.9 (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.

#### **22.7 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.

#### **22.8 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.

#### **22.9 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 in respect of any fraud, gross negligence or wilful default of which it may be guilty in relation to its duties under this Deed.

### **23. SUPPLEMENTAL PROVISIONS REGARDING THE SECURITY TRUSTEE**

#### **23.1 Assumption of No Default**

Unless expressly provided otherwise, 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, obligations and provisions contained in this Deed and the other Transaction Documents to be performed and observed on their parts and until it has received written notice of the occurrence of an Event of Default or Potential Event of Default that no event has occurred which constitutes an Event of Default or a Potential 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.

### **23.2 Delegation**

The Security Trustee may, in the execution and exercise 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 fit, 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 in the interests of the Secured Creditors think fit; PROVIDED THAT the Security Trustee shall have exercised due care in the selection of such delegate. The Security Trustee shall not be bound to supervise the proceedings of, or be responsible for any Liability incurred by any misconduct, omission or default on the part of, such delegate or sub-delegate.

### **23.3 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 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 or any other party or any person or body corporate directly or indirectly associated with the Issuer or such other party. 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 any other party to the Transaction Documents or any contract of banking or insurance with the Issuer or or any other party to the Transaction Documents. Neither the Security Trustee nor any such director or officer or employee of the Security Trustee shall be accountable to any of the Secured Creditors or the Issuer or any other party to the Transaction Documents 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.

### **23.4 Additional Powers of the Security Trustee**

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.

### **23.5 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 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; PROVIDED THAT the Security Trustee shall not consent to or approve any amendment to a Transaction Document without the prior written direction of the Note Trustee (acting in accordance with the Trust Deed).

### **23.6 Interests of Secured Creditors**

Where the Security Trustee is required to have regard to the interests of any Secured Creditor (other than the Noteholders), the Security Trustee may consult with such Secured Creditor and may (acting in accordance with Clause 8 (Action, Proceedings and Indemnification)) 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.

### **23.7 Modification to Transaction Documents**

The Security Trustee shall upon receipt of written direction of the Note Trustee (acting in accordance with the Trust Deed), concur with the Issuer and any other person in making or sanctioning any modification to any of the Transaction Documents or the Conditions.

Notwithstanding anything to the contrary contained in this Deed or any other Transaction Document:

- (a) when sanctioning or implementing any modification pursuant to this Clause 23.7, the Security Trustee shall act and rely solely and without further investigation on any direction provided to it by the Note Trustee pursuant to this Clause 23 and shall not be liable to any Secured Creditors, or any other person for so acting or relying; and
- (b) nothing in this Clause 23 shall oblige the Security Trustee to sanction or make any such modification to the extent that doing so would, in the opinion of the Security Trustee, have the effect of (i) exposing the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction, or (ii) increasing the liabilities, obligations or duties, or decreasing the rights or protections of the Security Trustee (as applicable) in the Transaction Documents and/or the Conditions.

Any such modification, determination or authorisation shall be binding on the Secured Creditors and, unless the Security Trustee otherwise agrees, notice thereof shall be given by the Cash Manager to the Secured Creditors as soon as practicable thereafter.

### **23.8 Authorisation or Waiver of Breach**

The Security Trustee shall, upon receipt of a written direction from the Note Trustee (acting in accordance with the Trust Deed), but without prejudice to its right in respect of any further or other breach, from time to time and at any time:

- (a) 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 any of the Transaction Documents or the Conditions by any party thereto; and
- (b) determine that any Potential Event of Default or Event of Default or actual or potential breach of the Conditions or any term of any Transaction Document shall not, or shall not subject to any specified conditions, be treated as such.

Notwithstanding anything to the contrary contained in this Deed or any other Transaction Document:

- (i) when implementing any authorisation, waiver or determination pursuant to this Clause 23.8, the Security Trustee shall act and rely solely and without further investigation on any direction provided to it by the Note Trustee pursuant to this Clause 23 and shall not be liable to any Secured Creditors, or any other person for so acting or relying; and

- (ii) nothing in this Clause 23 shall oblige the Security Trustee to sanction or make any such authorisation, waiver or determination to the extent that doing so would, in the opinion of the Security Trustee, have the effect of (A) exposing the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction, or (B) increasing the liabilities, obligations or duties, or decreasing the rights or protections of the Security Trustee (as applicable) in the Transaction Documents and/or the Conditions.

Any such authorisation, determination or waiver shall be binding on the Secured Creditors and, unless the Security Trustee otherwise agrees, notice thereof shall be given by the Cash Manager to the Secured Creditors as soon as practicable thereafter.

#### **23.9 Consequential Loss**

The Security Trustee shall not in any event be liable for special or consequential loss or damages of any kind whatsoever (including but not limited to business, goodwill, opportunity or lost profits) even if the Security Trustee has been advised of the likelihood of such loss or damage and regardless of whether any claim for loss or damage is made in negligence, for breach of contract, breach of trust or otherwise.

#### **23.10 Monies Held on Trust**

All monies received by the Security Trustee in respect of the Secured Obligations or amounts payable under this Deed will, despite any appropriation by the Issuer, be held by the Security Trustee on trust to apply them, if received prior to the delivery of a Note Acceleration Notice, in accordance with the Pre-Acceleration Priority of Payments and, if received after delivery of a Note Acceleration Notice, the Post-Acceleration Priority of Payments.

#### **23.11 Investment by Security Trustee**

No provision of this Deed or the Transaction Documents shall (i) confer on the Security Trustee any right to exercise any investment discretion in relation to the assets subject to the trust constituted by this Deed and, to the extent permitted by law, Section 3 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts constituted by this Trust Deed and (ii) require the Security Trustee to do anything which may cause the Security Trustee to be considered a sponsor of a covered fund under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any regulations promulgated thereunder.

### **24. REMUNERATION AND INDEMNIFICATION OF THE SECURITY TRUSTEE**

#### **24.1 Remuneration**

- (a) The Issuer shall (subject as hereinafter provided) pay to the Security Trustee annually in advance 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 (the **Remuneration**); PROVIDED THAT if and for so long as the Note Trustee and the Security Trustee are the same person, no such fee shall be payable under this Deed. All such Remuneration shall be payable in accordance with the Pre-Acceleration Priority of Payments or, as the case may be, the Post-Acceleration Priority of Payments. Such Remuneration shall accrue from day to day 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 and/or discharged the Charged Assets as provided in Clause 4.2 (On Payment or Discharge of Secured Obligations).

- (b) 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 shall be deemed to be exclusive of VAT and the Issuer in addition to such sums, when the Security Trustee and/or Receiver is the person liable to account for the VAT pay to the Security Trustee and/or the Receiver of the Issuer an amount equal to such VAT from and against all claims and, against production of a valid VAT invoice.
- (c) Any sums of whatever nature which are payable to the Security Trustee (for its own account) under this Deed shall be made without set off, counterclaim, deduction or withholding unless compelled by law, in which case the Issuer will gross up such payments to the Security Trustee.

#### **24.2 Additional Remuneration**

In the event of an Event of Default or Potential Event of Default occurring or in the event of the Security Trustee finding it expedient or necessary or being required 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, the Issuer shall pay to the Security Trustee such additional remuneration as shall be agreed between the Security Trustee and the Issuer.

#### **24.3 Disputes**

In the event of the Security Trustee and the Issuer failing to agree upon the amount of any Remuneration from time to time pursuant to Clause 24.1 (Remuneration) or to agree in a case to which Clause 24.2 (Additional Remuneration) above applies, upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee hereunder or upon the amount of such additional remuneration, such matters shall be determined by a person (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by the Issuer or, failing such approval, nominated 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 person being payable by the Issuer, and the decision of any such person shall be final and binding on the Issuer and the Security Trustee.

#### **24.4 Expenses**

In addition to remuneration hereunder, the Issuer shall pay (on an indemnity basis) all other costs, charges and expenses not expressly waived in the fee letter referenced in Clause 24.1 (Remuneration) 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 (but not, for the avoidance of doubt, Tax or net income, profits or gains) 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).

#### **24.5 Indemnity**

Subject to Clause 22.9 (No Indemnity) and without prejudice to the right of indemnity by law given to trustees, the Issuer covenants and undertakes that it shall indemnify the Security Trustee and the Receiver of the Issuer, on demand, 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 person appointed by it to whom



any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by or pursuant to this Deed and any of the other Transaction Documents) may be or become liable or which may be incurred by it (or any such person as aforesaid) in the execution or purported execution and performance of any of its trusts, 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 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. The Security Trustee shall not be entitled to be paid twice in respect of the same matter pursuant to this Clause 24.5.

#### **24.6 Interest**

All sums payable by the Issuer under Clauses 24.3 (Disputes), 24.4 (Expenses) and 24.5 (Indemnity) shall be payable on demand and:

- (a) in the case of payments actually made by the Security Trustee prior to the demand, shall carry interest at LIBOR plus 2.00 per. cent per annum from the first Business Day following the date of the same being demanded 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) or such later date as specified in such demand; and
- (b) in all other cases, shall carry interest at such rate from the date fifteen (15) days after the date of the same being demanded or (where the demand specifies that payment by the Security Trustee will be made on an earlier date provided such earlier date is a business day) from such earlier date (not being earlier than the Business Day following the date of such demand) to the date of actual payment.

Any amounts payable pursuant to Clauses 24.1 (Remuneration) to 24.2 (Additional Remuneration) (inclusive) shall carry interest at the aforesaid rate from the due date thereof to the date of actual payment.

#### **24.7 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 and documents executed pursuant hereto and the other Transaction Documents.

#### **24.8 Survival**

Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause 24 (Remuneration and Indemnification of the Security Trustee) shall continue in full force and effect notwithstanding such discharge.

## **25. APPOINTMENT OF NEW SECURITY TRUSTEE AND REMOVAL OF SECURITY TRUSTEE**

### **25.1 Power of Issuer**

The power of appointing a new Security Trustee shall be vested in the Issuer; PROVIDED THAT such appointment must be approved in writing by the Controlling Class. 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.

### **25.2 Power of Security Trustee**

Notwithstanding the provisions of Clause 25.1 (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.

### **25.3 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.

## 26. RETIREMENT OF SECURITY TRUSTEE

Any security trustee for the time being of this Deed may retire at any time upon giving not less than 3 months' prior notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs or Liabilities resulting from such retirement. 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 26 or being removed as referred to in Clause 25.1 (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).

## 27. NOTICES AND DEMANDS

### 27.1 Service of Notices

Any notices to be given pursuant to this Deed to any of the parties hereto shall be sufficiently served if sent to the addresses given in Clause 27.2 (Address) by prepaid first class post, by hand, facsimile transmission or electronic transmission by email and shall be deemed to be given (in the case of facsimile transmission or electronic transmission by email) when despatched, (where delivered by hand) on the day of delivery if delivered before 5.00 pm (London time) 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. Any notices to be given pursuant to this Deed to Noteholders will be given in accordance with the Conditions.

### 27.2 Address

The addresses referred to in this Clause 27 are as follows:

- (a) in the case of the **Issuer**, to Thistle Investments (ERM) Limited, c/o Intertrust Management Limited, 35 Great St. Helen's, London EC3A 6AP (facsimile number: +44 (0) 20 7398 6325, email: directors-uk@intertrustgroup.com) for the attention of the Directors, with a copy to Scottish Widows Limited, 69 Morrison Street, Edinburgh EH3 8YF (facsimile number: 0131 6555831), email address DavidBeaumont@lloydsbanking.com, for the attention of the Head of Legal, Insurance Investment Strategy;
- (b) in the case of the **Account Bank**, to Bank of Scotland PLC, 116 Wellington Street, Leeds LS1 4LT for the attention of Corporate Banking Support;
- (c) in the case of the **Liquidity Facility Provider**, to Scottish Widows Limited, 69 Morrison Street, Edinburgh EH3 8YF (facsimile number: 0131 6555831), email address DavidBeaumont@lloydsbanking.com, for the attention of the Head of Legal, Insurance Investment Strategy;
- (d) in the case of the **Cash Manager**, to Bank of Scotland PLC, 1 Lovell Park Road, Leeds LS1 1NS (facsimile number: 0113 235 7511) for the attention of Head of Secured Mortgages;
- (e) in the case of the **Security Trustee** and the **Note Trustee**, to Citicorp Trustee Company Limited acting through its office at Citigroup Centre, Canada Square, Canary Wharf,

London E14 5LB (facsimile number +44 (0) 0207 500 5877, telephone number: +44 (0) 207 500 5000, email: sf.issuer@citi.com)) for the attention of The Directors, Agency and Trust;

- (f) in the case of the **Principal Paying Agent** and the **Registrar**, to Citibank, N.A. London Branch acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (facsimile number +3531 622 2210 / +3531 247 6363, telephone number: +353 1 622 0866 / +353 1 622 2211, email: ppapayments@citi.com / Register@citi.com) for the attention of Agency and Trust; and
- (g) in the case of the **Corporate Services Provider**, to Intertrust Management Limited, 35 Great St. Helen's, London EC3A 6AP (facsimile number: +44 (0) 20 7398 6325, email: directors-uk@intertrustgroup.com) for the attention of The Directors,

or to such other address, facsimile number or email 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 in accordance with the provisions of this Clause 27.

The Issuer hereby acknowledges that it is fully aware of the risk associated with transmitting instructions via facsimile, and being aware of these risks authorises the Security Trustee to accept and act upon any instruction sent to the Security Trustee in the Issuer's name or in the name of one or more appropriate authorised signers of the Issuer via facsimile. The Security Trustee shall be entitled to the benefit of the provisions of Clause 24.5 (Indemnity) when accepting or acting upon any instructions, communications or documents transmitted by facsimile, and shall not be liable in the event any facsimile transmission is not received, or is mutilated, illegible, interrupted, duplicated, incomplete, unauthorised or delayed for any reason, including (but not limited to) electronic or telecommunications failure.

## **28. FURTHER PROVISIONS**

### **28.1 Evidence of Indebtedness**

In any action, proceedings or claim relating to this Deed or the charges contained in this Deed, 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.

### **28.2 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. The respective rights of the Security Trustee, the Secured Creditors and any Receiver in relation to this Deed (whether arising under this Deed or under the general law) shall not be capable of being waived or varied otherwise than by express waiver or variation in writing; and, in particular, any failure to exercise or any delay in exercising any such rights shall not operate as a variation or waiver of that or any other such right; any defective or partial exercise of such rights shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on their part or on their behalf shall in any way preclude them from exercising any such right or constitute a suspension or any variation of any such right.

### 28.3 **Invalidity of any Provision**

If any of the provisions of this Deed become invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

### 28.4 **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.

### 28.5 **Counterparts**

This Deed may be executed in any number of counterparts (manually or electronically) and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original, but all the counterparts shall together constitute but one and the same instrument; **provided however, that** this Deed shall have no force or effect until it is executed by the last party to execute the same and shall be deemed to have been executed and delivered in the place where such last party executed this Deed.

Where any provision in or obligation under this Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations under this Deed, or of such provision or obligation in any other jurisdiction, shall not be affected or impaired thereby.

### 28.6 **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, without limitation, the giving of notices of assignment 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.

## 29. **SECURITY TRUSTEE'S REQUIREMENTS REGARDING AGENTS**

### 29.1 **Occurrence of Failure to Pay**

At any time after an Event of Default or a Potential Event of Default shall have occurred which shall not have been waived or if there is a failure to make payment of any amount in respect of any Note when due or the Security Trustee shall have received any money which it proposes to pay to the Noteholders, the Security Trustee may:

- (a) by notice in writing to the Issuer, the Agents and the Cash Manager (if applicable), require the Agents (pursuant to the Agency Agreement) and the Cash Manager (pursuant to the Cash Management Agreement):

- (i) to act thereafter, until otherwise instructed by the Security Trustee, as Agents, Cash Manager respectively on behalf of the Security Trustee, and in the case of the Principal Paying Agent and the Cash Manager, in relation to payments to be made by or on behalf of the Security Trustee under the provisions of this Deed *mutatis mutandis* on the terms provided in the Agency Agreement or the Cash Management Agreement, as applicable, and thereafter to hold all Notes and all sums, documents and records held by them in respect of such notes on behalf of the Security Trustee (save that the Security Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Agents and the Cash Manager shall be limited to the amounts for the time being held by the Security Trustee on the trusts under the provisions of this Deed relating to the relative Notes and available for such purpose); and/or
- (ii) to deliver up all Notes and all sums, documents and records held by them in respect of the Notes to the Security Trustee or as the Security Trustee shall direct in such notice, PROVIDED THAT such notice shall be deemed not to apply to any documents or records which the Agents and/or the Cash Manager (as applicable) is obliged not to release by any law or regulation; and/or
- (b) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Notes to or to the order of the Security Trustee and not to the Principal Paying Agent and the Registrar or the Class A Noteholder or the Class B Noteholder and with effect from the issue of any such notice to the Issuer and until such notice is withdrawn this Clause 29.1 shall cease to have effect.

## 29.2 **Withdrawal of Notice**

The Security Trustee at any time may, if any Event of Default or Potential Event of Default is remedied to the reasonable satisfaction of the Security Trustee during any applicable grace period, by notice in writing to the Issuer and the relevant Agents and/or the Cash Manager (if applicable) withdraw any notice given by the Security Trustee pursuant to Clause 29.1 (Occurrence of Failure to Pay) whereupon such Agents and/or Cash Manager shall act as agents of the Issuer in accordance with the terms hereof. The withdrawal of any notice given by the Security Trustee pursuant to Clause 29.1 (Occurrence of Failure to Pay) shall not preclude the Security Trustee from issuing any other or further notices pursuant to that Clause on any subsequent occasion and at any time after the occurrence of an Event of Default or Potential Event of Default, no notice given by the Security Trustee pursuant to Clause 29.1 (Occurrence of Failure to Pay) shall be withdrawn except at the absolute discretion of the Security Trustee.

## 30. **NOTIFICATION AGENT**

If the Security Trustee has actual knowledge that the Seller has failed to give the requisite notices pursuant to Clause 7.5 (Timing) of the Mortgage Sale Agreement, the Security Trustee agrees that:

- (a) as soon as practicable after the Security Trustee receives such actual knowledge, it shall use reasonable endeavours to identify an entity who will act as agent of the Issuer in order to effect the delivery of such notices (such entity, the **Notification Agent**) and shall have no liability to any person if, having used its reasonable endeavours, it is unable to identify a suitable Notification Agent;
- (b) it will only be required to attempt to identify such Notification Agent for ninety (90) days;
- (c) it shall not be responsible for carrying out the duties of the Seller set out in Clause 7.5 (Timing) of the Mortgage Sale Agreement or for performing the duties of any Notification

Agent itself during the time it is attempting to identify such Notification Agent or thereafter if it is unable to find such replacement; and

- (d) shall not be required to take any action to find a Notification Agent unless it has been previously indemnified and/or secured and/or prefunded to its satisfaction.

The Security Trustee shall be entitled to assume that the Seller has complied with its obligations under Clause 7.5 (Timing) of the Mortgage Sale Agreement, unless it is told otherwise as specified in the Transaction Documents.

## **31. CHOICE OF LAW**

### **31.1 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 3.5 (Scottish Sub-Securities), 3.6 (Scottish Trust Security) and 9.11 (Scottish Trust Property) and any terms hereof which are particular to the law of Scotland shall be construed in accordance with Scots law and any terms thereof which are particular to Northern Irish Law which shall be governed by, and construed in accordance with, Northern Irish Law).

### **31.2 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 such 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.

*[the remainder of this page left intentionally blank]*

**SIGNATURE PAGE TO THE SUPPLEMENTAL DEED OF CHARGE**

**DULY EXECUTED** and **DELIVERED** as a **DEED** by each of the parties hereto or on its behalf on the date appearing on page 1 of this Supplemental Deed of Charge.

**ISSUER**

**EXECUTED** and **DELIVERED** as a **DEED** )

by Intertrust Directors 1 Limited and Intertrust )  
Directors 2 Limited )

for and on behalf of )

**THISTLE INVESTMENTS (ERM) LIMITED** )

Director: )

REDACTED UNDER  
S859G OF THE  
COMPANIES ACT 2006

Director: )

REDACTED  
UNDER S859G OF  
THE COMPANIES  
ACT 2006



**LIQUIDITY FACILITY PROVIDER**

**EXECUTED** and **DELIVERED** as a **DEED**  
by **SCOTTISH WIDOWS LIMITED**  
acting by its Attorney

Attorney

in the presence of:

Witness:

Name:

Address:

REDACTED UNDER S859G OF  
THE COMPANIES ACT 2006

)  
)  
)

LOAN INVESTMENTS SENIOR MANAGER

REDACTED UNDER S859G  
OF THE COMPANIES ACT  
2006

)  
)  
)

LESLEY MUIR

69 MORRISON STREET, EDINBURGH

ACCOUNT BANK

EXECUTED and DELIVERED as a DEED  
by BANK OF SCOTLAND PLC  
acting by its Attorney

Attorney

in the presence of:

Witness:

Name:

Address:

REDACTED UNDER S859G OF  
THE COMPANIES ACT 2006

REDACTED UNDER S859G OF THE  
COMPANIES ACT 2006

) MARK UNGWORTH  
) 1 LOVELL PARK ROAD  
) LEEDS LS1 1NS

CASH MANAGER

EXECUTED and DELIVERED as a DEED  
by BANK OF SCOTLAND PLC  
acting by its Attorney

REDACTED UNDER S859G OF  
THE COMPANIES ACT 2006

Attorney

in the presence of:

Witness:

Name:

Address:

REDACTED UNDER S859G OF THE  
COMPANIES ACT 2006

) MARK WINSWORTH  
) 1 LOVELL PARK ROAD  
LEEDS LS11NS

**CORPORATE SERVICES PROVIDER**

**EXECUTED and DELIVERED as a DEED**  
by  
**INTERTRUST MANAGEMENT LIMITED**

Signed by two authorised signatories  
Director:

Director/Secretary:

)  
)  
)  
)  
)  
)  
)

REDACTED UNDER S859G  
OF THE COMPANIES ACT  
2006

**SECURITY TRUSTEE**

**EXECUTED and DELIVERED as a DEED by  
CITICORP TRUSTEE COMPANY LIMITED**

acting by one Director:

**Director**

in the presence of:

Witness name:

Witness address:

REDACTED UNDER  
S859G OF THE  
COMPANIES ACT 2006

REDACTED UNDER  
S859G OF THE  
COMPANIES ACT  
2006

Jillian Hamblin  
Director

Cristina Voic  
Vice President

Citi  
Citigroup Centre  
25 Canada Square  
Canary Wharf  
London E14 5LB

**EXECUTED and DELIVERED as a DEED by  
CITICORP TRUSTEE COMPANY LIMITED**

Director

in the presence of:

Witness name:

Witness address:

REDACTED UNDER  
S859G OF THE  
COMPANIES ACT  
2006

**Cristina Volc**  
**Vice President**

**Citi**  
**Citigroup Centre**  
**25 Canada Square**  
**Canary Wharf**  
**London E14 5LB**

REDACTED UNDER S859G OF  
THE COMPANIES ACT 2006

**Jillian Himmelin**  
**Director**

**REGISTRAR**

**EXECUTED and DELIVERED as a DEED by  
CITIBANK, N.A. LONDON BRANCH**

acting by a delegated signatory

) REDACTED UNDER S859G  
) OF THE COMPANIES ACT  
) 2006  
)  
)

**Jillian Hamblin  
Director**

**PRINCIPAL PAYING AGENT**

**EXECUTED and DELIVERED as a DEED by  
CITIBANK, N.A. LONDON BRANCH**

acting by a delegated signatory

) REDACTED UNDER S859G  
) OF THE COMPANIES ACT  
) 2006  
)  
)

*Jillian Hamblin  
Director*



**CUSTODIAN**

**EXECUTED and DELIVERED as a DEED by** )  
**STATE STREET BANK AND TRUST** )  
**COMPANY, LONDON BRANCH** )

acting by one Director: )

Direct **REDACTED UNDER S859G OF**  
**THE COMPANIES ACT 2006**

in the )

Witness name: **MATTHEW MISTON**  
Witness address: **18 STANNARD ROAD**  
**BEDFORD**  
**MK41 8BW**

**REDACTED UNDER**  
**S859G OF THE**  
**COMPANIES ACT 2006**

## SCHEDULE 1

### POWER OF ATTORNEY

**THIS POWER OF ATTORNEY** is made on [●] by **THISTLE INVESTMENTS (ERM) LIMITED** (registered number 9223079), whose registered office is at c/o Intertrust Management Limited, 35 Great St. Helen's, London EC3A 6AP (the **Principal**).

#### Whereas

- (1) By virtue of a deed of charge dated on or about 24 March 2015 and made between, *inter alios*, the Principal, the Cash Manager, the Security Trustee, the Note Trustee, the Account Bank, the Principal Paying Agent, the Registrar and the Corporate Services Provider (each as referred to therein), as supplemented pursuant to a supplemental deed of charge dated on or about [●] between, *inter alios*, the Principal and the Security Trustee referred to therein, (the **Deed of Charge**) 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 Citicorp Trustee Company 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 any manager (the **Receiver**) and/or administrator (the **Administrator**) appointed from time to time by the Attorney or on its behalf its true and lawful attorney for and in the Principal's name or otherwise jointly and severally to do any act matter or thing which the Attorney, Receiver or Administrator considers in each case *bona fide* necessary for the protection or preservation of the Attorney's interests and rights in and to the Charged Assets or which ought to be done under the covenants, undertakings and provisions contained in the Deed of Charge in any circumstances where the Attorney has become entitled to take the steps referred to in Clauses 9.5 (Law of Property Act 1925) to 9.11 (Scottish Trust Property) (inclusive) of the Deed of Charge including (without limitation) any or all of the following:
  - (a) to do every act or thing which the Attorney, Receiver or Administrator may deem to be necessary, proper or expedient for fully and effectually vesting, transferring or assigning the Security and/or the Charged Assets or any part thereof and/or the Principal's estate, right, title, benefit and/or interest therein or thereto in or to the Attorney and its successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Principal could have done; and
  - (b) the power by writing under its hand by an officer of the Attorney (including every Receiver appointed under the Deed of Charge) from time to time to appoint a substitute attorney (each a **Substitute**) who shall have power to act on behalf of the Principal as if that Substitute shall have been originally appointed Attorney by this Power of Attorney and/or to revoke any such appointment at any time without assigning any reason 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 paragraph 3 above shall continue in force after the revocation or termination, howsoever arising, of this Power of Attorney.
5. The laws of England shall apply to this Power of Attorney and the interpretation thereof and to all acts of the Attorney and each Receiver and/or Administrator and/or substitute carried out or purported to be carried out under the terms hereof.
6. The Principal hereby agrees at all times hereafter to ratify and confirm whatsoever the said Attorney or its attorney or attorneys or any Receiver or Administrator or substitute shall properly and lawfully do or cause to be done in and concerning the 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 **Intertrust Directors 1 Limited and Intertrust** )  
**Directors 2 Limited** )  
  
for and on behalf of )  
  
**THISTLE INVESTMENTS (ERM) LIMITED** )

Director

Director

## SCHEDULE 2

### FORM OF SCOTTISH SUB-SECURITY (LAND REGISTER)

WE, **THISTLE INVESTMENTS (ERM) LIMITED** (registered number 9223079), a private limited company incorporated in England and Wales, having our registered office at c/o Intertrust Management Limited, 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 on or about [●] March 2015 between us and Citicorp Trustee Company Limited, a company incorporated in England and Wales whose registered address is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (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 Issuer and others we have entered into a deed of charge (the **Deed of Charge**) between us, Citicorp Trustee Company Limited, as Security Trustee thereunder, a company incorporated in England and Wales whose registered address is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (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 on or about 24 March 2015, as supplemented pursuant to a supplemental deed of charge between, among others, us and the Security Trustee dated on or about [●];
- (c) in the terms of the Deed of Charge we have agreed to grant this deed; and
- (d) 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 the Master Definitions and Construction Schedule dated on or about 24 March 2015 between *inter alios* us, the Note Trustee and the Security Trustee (as the same may be amended, restated, varied or supplemented from time to time) and this deed shall be construed in accordance with the principles of interpretation and constructions set out therein:

**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 3.5 (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 Registers 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 2 to the 1970 Act (the **Standard Conditions**) and any lawful variation thereof operative for the time being shall apply: And we agree that:

- (First) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security;

- (Second) 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;
- (Third) 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;
- (Fourth) 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
- (Fifth) 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 warrandice *[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  
**THISTLE INVESTMENTS (ERM) LIMITED**  
 per pro **Intertrust Directors 1 Limited** and  
**Intertrust Directors 2 Limited**

at .....

on .....

by .....Director

at

on

by: .....Director

.....

.....

Schedule referred to in the foregoing Standard Security by THISTLE INVESTMENTS (ERM) LIMITED (the Issuer) in favour of CITICORP TRUSTEE COMPANY LIMITED (as Security Trustee)

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

..... Director

..... Director

### SCHEDULE 3

#### FORM OF SCOTTISH SUB-SECURITY (SASINE REGISTER)

WE, **THISTLE INVESTMENTS (ERM) LIMITED** (registered number 9223079), a private limited company incorporated in England and Wales, having our registered office at c/o Intertrust Management Limited, 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 on or about [●] March 2015 between us and **CITICORP TRUSTEE COMPANY LIMITED** acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (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 Issuer and others we have entered into a deed of charge (the **Deed of Charge**) between us, **CITICORP TRUSTEE COMPANY LIMITED** acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (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 on or about 24 March 2015, as supplemented pursuant to a supplemental deed of charge between, among others, us and the Security Trustee dated on or about [●];
- (c) In terms of the Deed of Charge we have agreed to grant this deed; and
- (d) 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 the Master Definitions and Construction Schedule dated on or about [●] March 2015 between *inter alios* us, the Note Trustee and the Security Trustee (as the same may be amended, restated, varied or supplemented from time to time) and this deed shall be construed in accordance with the principles of interpretation and constructions set out therein:

**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 3.5 (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 2 to the 1970 Act (the **Standard Conditions**) and any lawful variation thereof operative for the time being shall apply: And we agree that:

- (First) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security;



- (Second) 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;
- (Third) 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;
- (Fourth) 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
- (Fifth) 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 warrandice *[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  
**THISTLE INVESTMENTS (ERM) LIMITED**  
 per pro **Intertrust Directors 1 Limited** and  
**Intertrust Directors 2 Limited**

at .....

on .....

by .....Director

at

on .....Director

**Schedule referred to in the foregoing Standard Security by THISTLE INVESTMENTS (ERM) LIMITED in favour of CITICORP TRUSTEE COMPANY LIMITED (as Security Trustee)**

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

..... Director

..... Director

## SCHEDULE 4

### FORM OF SCOTTISH SUPPLEMENTAL CHARGE

#### ASSIGNATION IN SECURITY

##### BETWEEN

- (1) **THISTLE INVESTMENTS (ERM) LIMITED** (registered number 9223079), a private limited company incorporated in England and Wales, whose registered office is at c/o Intertrust Management Limited, 35 Great St. Helen's, London EC3A 6AP (referred to herein as the **Issuer**); in favour of
- (2) **CITICORP TRUSTEE COMPANY LIMITED** a private limited company incorporated in England and Wales (company registration number 235914) with its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacity as the **Security Trustee**, which expression shall include such company and all other companies for the time being acting as security trustee (or security trustees) pursuant to the terms of the Deed of Charge);

with the knowledge and consent of

- (3) **LLOYDS BANK PLC** (registered number 00002065), a public company incorporated under the laws of England and Wales, whose registered office is at 25 Gresham Street, London EC2V 7HN (referred to hereinafter as the **Seller**).

##### WHEREAS:

- (A) This deed is supplemental to a Deed of Charge dated on or about 24 March 2015 (the **Deed of Charge**) made between, *inter alios*, the Issuer and Citicorp Trustee Company Limited (the **Security Trustee**, which expression shall include its successor or successors as trustee under and in terms of the Deed of Charge), as supplemented pursuant to a supplemental deed of charge between, among others, the Issuer and the Security Trustee dated on or about [●];
- (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 on or about [●] March 2015 (the **Scottish Declaration of Trust**) has been entered into between the Seller and the Issuer and delivered, in terms of which certain Scottish Loans together with their related Scottish Mortgages and other collateral security relative thereto as more fully specified and defined therein (the **Scottish Trust Property**) are held in trust by the Seller for the Issuer; and
- (D) This deed is made by the Issuer and the Seller in favour of the Security Trustee in accordance with and pursuant to Clause 3.6 (Scottish Trust Security) of the Deed of Charge.

**NOW THEREFORE** the parties hereto **HAVE AGREED** and **DO HEREBY AGREE** as follows:

1. The Master Definitions and Construction Schedule made between *inter alios* the Issuer and the Seller dated on or about 24 March 2015 (as amended, varied, supplemental and/or restated from time to time) 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 (Interpretation and Construction) of the Master Definitions and Construction Schedule.

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 (with effect from [●] (the **Effective Date**)) **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 (for itself and on behalf of the Security Trustee) hereby gives notice of and intimates the assignation in security made in terms of Clause 3 (Security and Declaration of Trust) hereof to the Seller as trustee under the Scottish Declaration of Trust and the Seller by its execution hereof immediately subsequent to the execution of this deed by the Issuer consents thereto, acknowledges such notice and intimation and confirms that save under or pursuant to the Transaction Documents as at the date hereof it has not received notification of any other dealing with the Scottish Trust Property or the Scottish Declaration of Trust or any part thereof.
5. The parties hereby agree 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 from the Effective Date 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 deed 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 deed.
6. This deed shall be governed by and construed in accordance with Scottish Law.

SUBSCRIBED for and on behalf of the said  
**THISTLE INVESTMENTS (ERM)  
LIMITED**  
per pro **Intertrust Directors 1 Limited** and  
**Intertrust Directors 2 Limited**

at .....

on .....

by:..... Director

..... Director

SUBSCRIBED for and on behalf of the said  
**LLOYBS BANK PLC**  
as **Seller**

at .....

on .....

by:.....

.....Attorney/Authorised  
Signatory

.....Attorney/Authorised  
Signatory

## **SCHEDULE 5**

### **DEFINITIONS**

*Defined terms used in this Supplemental Deed of Charge have the meanings set out below.*

Except where the context otherwise requires, the following defined terms used in the Transaction Documents have the meanings set out below (as the same may be amended and supplemented from time to time):

## 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 will, unless otherwise defined therein or unless the context otherwise requires, have the following meanings:

**1881 Act** means the Conveyancing Act 1881.

**1911 Act** means the Conveyancing Act 1911.

**1925 Act** means the Law of Property Act 1925.

**1970 Act** means the Conveyancing and Feudal Reform (Scotland) Act 1970.

**1999 Regulations** means the Unfair Terms in Consumer Contracts Regulations 1999 (SI 1999/2083).

**Account Bank** means the bank at which the Bank Accounts are maintained from time to time, being as at the Closing Date, Bank of Scotland plc, or such other person as may from time to time be appointed as account bank pursuant to the Bank Account Agreement.

**Account Bank Required Ratings** means at least a long-term, unsecured, unsubordinated and unguaranteed debt obligation rating of BBB- by Fitch and a short-term rating of at least F3 by Fitch (or such other ratings by any Rating Agency that may be agreed between the parties to the Bank Account Agreement).

**Account Bank Termination Event** has the meaning given to it in Clause 10.1(b) (Account Bank Termination Events) of the Bank Account Agreement.

**Account Mandate** means the Transaction Account Mandate.

**Accumulation Ledger** means the ledger maintained by the Cash Manager on behalf of the Issuer on the Transaction Account, which will record all amounts credited to such ledger from Available Receipts in accordance with the Pre-Acceleration Priority of Payments or as otherwise applied as Available Receipts and withdrawals from such ledger on any Further Advance Date.

**Additional Account** means any account in the name of the Issuer at the Account Bank or any other bank account created after the Closing Date established pursuant to and in accordance with the Bank Account Agreement.

**Advance** means, in respect of any Loan, the original principal amount advanced by the Seller including any retention(s) advanced to the relevant Borrower in accordance with the Mortgage Conditions after completion of the Mortgage but excluding any Further Advance relating to any such Loan.

**Adverse Credit History** means bankruptcy, whenever it occurred, an individual voluntary arrangement or debt management arrangement within the last six years or county court judgements or defaults within the last six years.

**Affiliate** means Subsidiary or a holding company of a person or any other Subsidiary of that holding company.

**Agency Agreement** means the agency agreement entered into on or about the Closing Date between the Issuer, the Principal Paying Agent, the Registrar, the Cash Manager, the Security Trustee and the Note Trustee which sets out the appointment of the Paying Agents and the Registrar for the Notes.

**Agents** means the Paying Agents and the Registrar.

**Aggregate Liability Cap** has the meaning given in Part 2 of Schedule 1 (Seller's Limitations on Liability) of the Mortgage Sale Agreement.

**Annual Payment Date** means, in relation to the Class A Notes and the Class B Notes, the Payment Date falling on the 15th day of March of each year, commencing on 15 March 2016, subject to, and in accordance with, the Priority of Payments.

**Applicable Law and Regulations** means all applicable law, enactment or requirement of any Regulatory Authority, any regulation, regulatory policy, guidance, the Appropriate Regulator's Rules (and any other guidance issued by the Appropriate Regulator), regulatory permit or regulatory licence from time to time.

**Appointee** means any attorney, manager, agent, delegate, nominee, Receiver, custodian 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.

**Appropriate 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:
  - (i) the FCA; or
  - (ii) the PRA and the FCA;

as applicable.

**Appropriate Regulator's Rules** means the rules made by the Appropriate Regulator under the FSMA.

**Approved Further Advance** means a Further Advance that satisfies the Further Advance Criteria or is a Deemed Approved Further Advance.

**Approved New Loan** means a New Loan that satisfies the New Loan Criteria set out in Clause 5.3 (New Loan Criteria) of the Mortgage Sale Agreement.

**Assignment and Assignment of Third Party Rights** means a re-assignment and re-assignment of Related Security and rights of action against third parties substantially in the form set out in Schedule 7 (Assignment and Assignment of Third Party Rights) to the Mortgage Sale Agreement.

**Auditors** means PricewaterhouseCoopers LLP or such other independent firm of international auditors selected from time to time by the Issuer.

**Authorised Investments** means Sterling gilt-edged securities.



**Authorised Signatory** means any authorised signatory referred to in the Transaction Account Mandate.

**Authority** means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction, domestic or foreign.

**Availability Period** means the period from and including the date of the Liquidity Facility Agreement to and including the Liquidity Facility Term Date.

**Available Receipts** means on any date, for each Payment Date, an amount equal to the aggregate of (without double counting):

- (a) all Receipts received by the Issuer in respect of the Loans during the immediately preceding Calculation Period;
- (b) interest payable to the Issuer on the Transaction Account to be received on or before the Payment Date;
- (c) the aggregate amount of all Liquidity Facility Drawings to be withdrawn on such Payment Date or outstanding as at any immediately preceding Calculation Date;
- (d) all amounts standing to the credit of the Accumulation Ledger; and
- (e) any amount which has been provided for on a Payment Date in accordance with Clause 6(c) of the Pre-Acceleration Priority of Payments that has not actually been paid within 15 months of that Payment Date,

less

- (f) the aggregate of all amounts applied in respect of Approved Further Advances and New Loans from amounts standing to the credit of the Transaction Account (excluding any amounts applied from (i) the Accumulation Ledger and (ii) Liquidity Facility Drawings) in the immediately preceding Calculation Period; and
- (g) amounts applied from time to time during the immediately preceding Calculation Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to):
  - (i) payments of certain insurance premiums;
  - (ii) amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from the related Borrower's account; and
  - (iii) 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 or the Seller; and
- (h) any amounts earned and received in respect of any Authorised Investment on or prior the Payment Date,

(items (g)(i) to (iii) being collectively referred to herein as **Third Party Amounts**).

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

**Bank Account Agreement** means the agreement entered into on or about the Closing Date between the Account Bank, the Issuer, the Cash Manager, the Seller and the Security Trustee which governs the operation of the Bank Accounts.

**Bank Account(s)** means the Transaction Account and/or any substitute Bank Account (if any).

**Bank of England Base Rate** means the rate as advised from time to time by the Monetary Policy Committee of the Bank of England.

**Basic Terms Modification** has the meaning given to it in paragraph 5 of Schedule 3 (Provisions for Meetings of Noteholders) to the Trust Deed.

**Block Voting Instruction** has the meaning given to it in paragraph 1 (Definitions) of Schedule 3 (Provisions for Meetings of Noteholders) to the Trust Deed.

**Borrower** means: (i) in relation to a Loan, the individual or individuals specified as such in the legal charge specified in the relevant Mortgage Conditions together with the individual or individuals (if any) from time to time assuming an obligation to repay such Loan or any part of it; and (ii) (in the case of joint Borrowers) in the event of death of a Borrower or a Borrower ceasing to occupy the relevant Property, the last individual (referred to in (i) above) occupying the relevant Property.

**Business Day** means a day (other than a Saturday or Sunday or bank holiday) on which banks are generally open for business in London and Edinburgh.

**Calculation Date** means the date which occurs 4 Business Days prior to each Payment Date.

**Calculation Period** means each period commencing from (and including) the first day of each month (or in the case of the first such period, the Closing Date) to (but excluding) the first day of the next following month (or, in the case of the last such period, the date on which the aggregate Principal Amount Outstanding of the Notes is reduced to zero).

**Capitalised Expenses** means, in relation to a Loan, the amount of all expenses charges, fees, premiums or payments capitalised and included in the Current Balance or Non-Approved Further Advance Deferred Consideration in respect of such Loan in accordance with the relevant Mortgage Conditions.

**Capitalised Interest** means the aggregate increase in the Current Balance or Non-Approved Further Advance Deferred Consideration of a Loan that occurs as a result of interest being charged and not paid by the Borrower.

**Cash** means cash and/or amounts standing to the credit of a bank account, as the context will require.

**Cash Management Agreement** means the cash management agreement entered into on or about the Closing Date between the Cash Manager, 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 Bank of Scotland plc 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 11.1 (Cash Manager Termination Events) of the Cash Management Agreement.

**CCA** means the Consumer Credit Act 1974 as amended from time to time (including the amendments introduced pursuant to the Consumer Credit Act 2006).

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

**CHAPS** means the UK payment system operated by CHAPS Clearing Company Limited for eligible Sterling fund transfers as amended from time to time or any scheme replacing the same.

**Charged Assets** means the property, assets and undertakings of the Issuer the subject of any security created under or pursuant to the Security Documents.

**Charged Transaction Documents** has the meaning given to it in Clause 3.1 (Contractual Rights) of the Deed of Charge.

**Class** in relation to the Notes means each or any of the Class A Notes and the Class B Notes, as the context may require.

**Class A Note Amortisation Schedule** means the amortisation schedule set out at Condition 3.2 (Mandatory Redemption in Part of the Class A Notes) of the Trust Deed.

**Class A Note Final Maturity Date** means the Payment Date falling in March 2036.

**Class A Noteholder** means Scottish Widows plc or any other holder of the Class A Notes from time to time.

**Class A Notes** means the Class A Notes due March 2036.

**Class A Note Scheduled Amount** means the scheduled amortisation amount in respect of the Class A Notes on any Payment Date.

**Class B Note Final Maturity Date** means the Payment Date falling in March 2070

**Class B Noteholder** means Scottish Widows Group Limited or any other holder of the Class B Notes from time to time.

**Class B Notes** means the Class B Notes due March 2070.

**Closing Date** means 20 March 2015.

**CML** means the Council of Mortgage Lenders in the United Kingdom.

**Code** means the U.S. Internal Revenue Code of 1986.

**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.

**Completion Date** means, in relation to each Loan, the date on which funds are advanced to the Borrower.

**Conditions or Terms and Conditions** means the terms and conditions of the Notes set out in Schedule 2 (Terms and Conditions of the Notes) to the Trust Deed and any reference to a numbered Condition will be construed accordingly.

**Consideration** means an amount equal to the aggregate Current Balance of the Loans in the Portfolio one Business Day prior to the Closing Date multiplied by 102.44 per cent. and rounded up to the nearest £100,000 which is the consideration for the Seller's sale to the Issuer of the relevant Loans and their Related Security comprising the Portfolio.

**Controlling Class** means:

- (a) for so long as Scottish Widows Limited is the sole Class A Noteholder and the sole Class B Noteholder, the Class A Noteholder and the Class B Noteholder acting unanimously; and
- (b) on and from the date on which Scottish Widows Limited ceases to be the Class A Noteholder and/or the Class B Noteholder:
  - (i) until such time as the Class A Notes are repaid in full and cancelled, the Class A Noteholder; and thereafter
  - (ii) the Class B Noteholder.

**Corporate Services** has the meaning given to it in Clause 2.1 (Duties and Responsibilities) of the Corporate Services Agreement.

**Corporate Services Agreement** means the agreement dated the Closing Date and made between the Corporate Services Provider, the Share Trustee, the Issuer, the Seller and the Security Trustee for the provision by the Corporate Services Provider of certain corporate services to the Issuer.

**Corporate Services Provider** means Intertrust Management Limited (registered number 3853947), a company incorporated under the laws of England and Wales, whose registered 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 under the Corporate Services Agreement.

**Corporate Services Fee Letter** means the fee letter dated on or around the Closing Date between the Issuer, the Corporate Services Provider and the Share Trustee.

**CTA 2009** means the Corporation Tax Act 2009.

**Current Balance** means, in relation to any Loan at any date, the aggregate balance of the Loan at such date (but avoiding double counting) including:

- (a) the Advance;
- (b) any increase in the principal amount of a Loan due to any Approved Further Advance;
- (c) Capitalised Expenses;
- (d) Capitalised Interest; and
- (e) any other amount which is 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,

as at the end of the Business Day immediately preceding that given date less any repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any retentions made but not released by the end of the Business Day immediately preceding that given date and, in each case, excluding any Non-Approved Further Advance Deferred Consideration due in respect of such Loan, provided that for the purposes of calculating the Consideration payable on the Closing Date only, references to the “Business Day immediately preceding that given date” in the foregoing shall be deemed to refer instead to “the day immediately preceding that given date”.

**Custodian** means State Street Bank and Trust Company, London Branch in its capacity as custodian or any successor custodian appointed from time to time as Custodian pursuant to the Custodian Agreement.

**Custodian Agreement** means the tri-party custodian agreement entered into on or about 23 September 2019 between the Issuer, the Security Trustee and the Custodian.

**Customer Files** means the file or files relating to each Loan and its Related Security containing, *inter alia*:

- (a) all correspondence relating to that Loan and its Related Security; and
- (b) the completed mortgage documentation applicable to the Loan and its Related Security (other than the Title Deeds) including the Valuation Report and the Certificate of Title (where applicable),

whether original documentation, in electronic form or otherwise.

**Data Controller** means the Issuer.

**Data Privacy Policy** means the data protection policy of Lloyds Banking Group, as the same may be amended from time to time and as communicated by the Cash Manager to the Issuer

**Data Processor** means the Servicer.

**Data Protection Act** means the Data Protection Act 1998.

**Data Subject** will have the same meaning as is assigned to it in the Data Protection Act.

**Deed of Charge** means the deed of charge entered into 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, as supplemented on 23 September 2019.

**Deed of Consent** means a deed whereby a person living or intended to be living at a Property in England and Wales and Northern Ireland who has attained the age of 17, other than the Borrower (or Borrowers) (but for the avoidance of doubt including a married partner of the Borrower), waives any right to occupy the relevant Property in priority to the rights or interest of the lender.

**Deemed Approved Further Advance** has the meaning given to such term in Clause 4.3(d) (Determination of Approved Further Advances and Non-Approved Further Advances) of the Mortgage Sale Agreement.

**Defaulting Borrower** means any Borrower who in relation to a Loan or its Related Security, is in default of their obligation to repay such Loan or any part of it.

**Directive** means Council Directive 2003/48/EC on the Taxation of Savings Income.

**Downgrade Event** means, at any time, the downgrade of the Liquidity Facility Provider's short-term, unsecured, unsubordinated and unguaranteed debt to below the Liquidity Facility Requisite Rating.

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

**Early Repayment Fee** means any fee (other than a Redemption Fee) which a Borrower is required to pay (to the extent such fee has not been waived by the Servicer on behalf of the Issuer and the Seller) in the event that such Borrower 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 3 (Provisions for Meetings of Noteholders) to the Trust Deed.

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

**English Loan** means a Loan secured by an English Mortgage.

**English Mortgage** means a first ranking legal charge secured over a freehold or leasehold property located in England or Wales.

**English Mortgage Conditions** means the Mortgage Conditions applicable to English Loans.

**English Registered Land** means land in England and Wales title to which is, or is required to be, registered at the Land Registry.

**English Registered Transfer** means a deed of transfer of a Mortgage or Mortgages over English Registered Land substantially in the form set out in Schedule 2 (English Registered Transfer) to the Mortgage Sale Agreement with such modifications as may be required from time to time.

**English Unregistered Land** means land in England and Wales title to which is not, and is not required to be, registered at the Land Registry.

**English Unregistered Transfer** means a deed of transfer of a Mortgage or Mortgages over English Unregistered Land substantially in the form set out in Schedule 3 (Scottish Transfers) to the Mortgage Sale Agreement with such modifications as may be required from time to time.

**EU Insolvency Regulation** means Council Regulation (EC) No. 1346/2000 of 29 May 2000.

**Event of Default** means an Event of Default as defined in Condition 7 (Events of Default) of the Notes.

**Existing Loan** means any Loan excluding any New Loan.

**Extraordinary Resolution** has the meaning set out in paragraph 1 (Definitions) of Schedule 3 (Provisions for Meetings of Noteholders) to the Trust Deed.

**Facility Office** means the office(s) through which the Liquidity Facility Provider will perform its obligations under the Liquidity Facility Agreement.

**FATCA Withholding Tax** or **FATCA Withholding** means any withholding or deduction 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 any regulations or agreements 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 Financial Conduct Authority.

**Final Maturity Date** means the Class A Note Final Maturity Date and the Class B Note Final Maturity Date, as applicable.

**Final Redemption** means the date on which all monies and other liabilities for the time being due or owing by the Issuer to the Note Trustee on behalf of the Noteholders have been paid in full.

**Fitch** means Fitch Ratings Ltd. and includes any successor to its rating business.

**FPS** means the UK payment system operated by Faster Payments Scheme Limited for eligible Sterling fund transfers as amended from time to time or any scheme replacing the same.

**FSA** means the UK Financial Services Authority.

**FSMA** means the Financial Services and Markets Act 2000.

**Fundamental Warranties** means those Loan Warranties set out in paragraphs 1.4, 1.12 1.14, 2.1 6.1, 6.2, 7.1 and 7.4, of Part 1 (Loan Warranties) of Schedule 1 (Loan Warranties and Seller's Limitations on Liability) of the Mortgage Sale Agreement.

**Further Advance** means, in relation to a Loan in the Portfolio, any advance of further money to the relevant Borrower following the making of the Advance, which may be an Approved Further Advance or a Non-Approved Further Advance, and which, in either case, is secured by the same Mortgage as the Advance, but does not include the amount of any retention advanced to the relevant Borrower as part of the Advance after completion of the Mortgage.

**Further Advance Criteria** has the meaning given to it in Clause 4.6 (Further Advance Criteria) of the Mortgage Sale Agreement.

**Further Advance Date** means any date on which a Further Advance is made by the Seller (or the Servicer on behalf of the Seller).

**Further Advance Purchase Date** means the day following the Further Advance Date, on which a Further Advance is purchased by the Issuer from the Seller in accordance with Clause 4.2 (Purchase of Further Advances) of the Mortgage Sale Agreement.

**Further Advance Purchase Price** means an amount equal to the principal amount of the relevant Further Advance.

**Further Advance Shortfall** means the extent of the deficiency where there are insufficient funds standing to the credit of the Accumulation Ledger or otherwise insufficient Available Receipts available to pay the relevant Further Advance Purchase Price in respect of Approved Further Advances.

**Further Advance Shortfall Date** means the date on which a Further Advance Shortfall occurs.

**Further Advance Shortfall Drawing** means a drawing made under the Liquidity Facility to fund a Further Advance Shortfall.

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

**General Register of Sasines** means the General Register of Sasines for Scotland.

**Hard Payment Date** means each date specified as such in Condition 3.2 (Mandatory Redemption in Part of the Class A Notes).

**HMRC** means Her Majesty's Revenue & Customs.

**Increased Cost** means:

- (a) an additional or increased cost;
- (b) a reduction in the rate of return from the Liquidity Facility or on its overall capital; or
- (c) a reduction of an amount due and payable under any Liquidity Document,

which is incurred or suffered by the Liquidity Facility Provider or any of its Affiliates but only to the extent attributable to the Liquidity Facility Provider having entered into any Liquidity Document or funding or performing its obligations under any Liquidity Document.

**Insolvency Act** means the Insolvency Act 1986.

**Insolvency Event** means, in respect of the Servicer, the Corporate Services Provider or the Cash Manager (each, for the purposes of this definition, a **Relevant Entity**):

- (a) an order is made or an effective resolution passed for the winding up of the Relevant Entity; or
- (b) the Relevant Entity ceases or threatens to cease to carry on the whole of its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent; or
- (c) proceedings (including, but not limited to, presentation of an application for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) are initiated against the Relevant Entity under any applicable liquidation, administration, reorganisation (other than a reorganisation where the Relevant Entity is solvent) or other similar laws, save where such proceedings are being contested in good faith; or an administrative or other receiver, administrator or other similar official is appointed in relation to the whole or the substantial part of the undertaking or assets of the Relevant Entity or the appointment of an administrator takes effect; or a distress, execution or diligence or other process is enforced upon the whole or the substantial part of the undertaking or assets of the Relevant Entity and in any of the foregoing cases it is not discharged within 15 Business Days; or if the Relevant Entity initiates or consents to judicial proceedings relating to itself under any applicable



liquidation, administration, insolvency, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness.

**Insurance Policies** means a block Lloyds Banking Group policy under which properties in possession are covered

**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 or repayment of such VAT as input tax (as that expression is defined in section 24(1) of the Value Added Tax Act 1994).

**Issuer** means Thistle Investments (ERM) Limited (registered number 9223079), 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.

**Issuer Available Funds** means, on any LF Interest Payment Date, all funds then available to the Issuer to pay the Senior Expenses Shortfall in accordance with the Priority of Payments, ignoring any amounts available under Liquidity Facility Agreement.

**Issuer Entity Requirements** means, with respect to a Mortgage Loan, the requirements with respect to an assignee or transferee set out in the Transaction Documents and as detailed in the Transfer Certificate for that Mortgage Loan and any other requirements, thresholds or similar with respect to a potential lender referred to in a Transfer Certificate or which are applicable to the Transaction.

**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 Amount** means an amount equal to £420 at each Payment Date (£5040 per annum), retained by the Issuer and credited to the Issuer Profit Amount Ledger in accordance with the Cash Management Agreement.

**Issuer Profit Amount Ledger** means the ledger maintained by the Cash Manager on behalf of the Issuer on the Transaction Account, which will record all amounts credited to such ledger from Available Receipts in accordance with the Pre-Acceleration Priority of Payments.

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

**Land Registry Transfers** means the form of transfers as set out in Parts 1 (Seller Northern Ireland Registered Land Transfer) and 2 (Issuer Northern Ireland Registered Land Transfer) of Schedule 4 (Northern Irish Transfers) to the Mortgage Sale Agreement.

**Law** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction and any present or future directive, regulation, guideline, practice, concession, request or requirement whether or not having the force of law issued by any governmental body, agency or department or any central bank or other fiscal, monetary, taxation, regulatory, self-regulatory or other authority or agency.

**Lending Criteria** means the Seller's lending criteria from time to time and, in respect of a Loan, Advance or Further Advance, the Seller's lending criteria in force at the time of origination of that Loan, Advance or Further Advance, in each case, with reference to the Loan to Value Criteria applicable to such Loan, Advance or Further Advance.

**LF Drawdown Date** means each date of the advance of a Liquidity Facility Drawing.

**LF Interest Payment Date** means each Payment Date.

**LF Interest Period** means in respect of a Liquidity Loan, each successive monthly period beginning on (and including) a LF Interest Payment Date and ending on (but excluding) the next following LF Interest Payment Date except that the first LF Interest Period will start on the LF Drawdown Date for that Liquidity Loan and end on the day before the next following LF Interest Payment Date.

**LF Utilisation Request** means a request made by or on behalf of the Issuer for a Liquidity Loan or a Stand-by Loan, substantially in the form of Schedule 2 (Form of LF Utilisation Request) to the Liquidity Facility Agreement.

**Liability** means, in respect of any person, any loss, liability, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability including, but without limitation, legal costs and expenses properly incurred (including, in each case, Irrecoverable VAT in respect thereof and excluding Tax on such person's net income, profits or gains).

**LIBOR** means the rates for deposits in Sterling for a period of 3 months as determined by reference to the London Interbank Offered Rate or such successor or replacement benchmark reference rate as may be notified by any benchmark administrator to the public from time to time.

**Liquidity Documents** means:

- (a) the Liquidity Facility Agreement;
- (b) the Liquidity Facility Fee Letter;
- (c) a Liquidity Facility Transfer Certificate; and
- (d) any other document designated as such by the Liquidity Facility Provider, the Security Trustee and the Issuer.

**Liquidity Drawing** means each of a Further Advance Shortfall Drawing and a Senior Expenses Shortfall Drawing.

**Liquidity Facility** means the committed revolving advances facility and the standby facility granted to the Issuer under the Liquidity Facility Agreement.

**Liquidity Facility Agreement** means the liquidity facility agreement entered into on the Closing Date between the Cash Manager, the Liquidity Facility Provider, the Seller and the Security Trustee.

**Liquidity Facility Break Costs** means the amount (if any) which the Liquidity Facility Provider is entitled to receive under Clause 26.3 (Liquidity Facility Break Costs) of the Liquidity Facility Agreement as compensation if any part of a Liquidity Loan or overdue amount is repaid or prepaid.

**Liquidity Facility Commitment** means the commitment of the Liquidity Facility Provider to the extent not cancelled, transferred or reduced under the Liquidity Facility Agreement, being GBP 45,000,000 on the Closing Date.

**Liquidity Facility Commitment Fee** means the fee payable by the Issuer under Clause 25.1 (Commitment Fee) of the Liquidity Facility Agreement.

**Liquidity Facility Default** means:

- (a) a Liquidity Facility Event of Default; or
- (b) an event which would be (with the expiry of a grace period, the giving of notice or the making of any determination under the Liquidity Documents or any combination of them) a Liquidity Facility Event of Default.

**Liquidity Facility Drawing** means a Liquidity Drawing or a Standby Drawing.

**Liquidity Facility Event of Default** means an event or circumstance specified as such in Clause 21 (Liquidity Facility Default) of the Liquidity Facility Agreement.

**Liquidity Facility Fee Letter** means each letter (if any) setting out any fees payable to the Liquidity Facility Provider (or its successors) by the Issuer for providing the Liquidity Facilities (or any replacement therefor).

**Liquidity Facility Loan** means a Liquidity Loan or a Standby Loan.

**Liquidity Facility Margin** means 2 per cent. per annum

**Liquidity Facility Provider** means Scottish Widows plc in its capacity as liquidity facility provider pursuant to the Liquidity Facility Agreement.

**Liquidity Facility Requisite Rating** means, from time to time, the assigned ratings in respect of the Liquidity Facility Provider's (i) long-term, unsecured, unsubordinated and unguaranteed debt obligations of at least BBB- by Fitch and (ii) short-term debt obligations of at least F3 by Fitch (or such other ratings by any Rating Agency that may be agreed between the parties to the Liquidity Facility Agreement).

**Liquidity Facility Term Date** means the Class A Note Final Maturity Date.

**Liquidity Facility Transfer Certificate** means a certificate, substantially in the form of Schedule 3 (Form of Liquidity Facility Transfer Certificate) of the Liquidity Facility Agreement, with such amendments as the Liquidity Facility Provider may approve or reasonably require or any other form agreed between the Liquidity Facility Provider, the Issuer and the Security Trustee.

**Liquidity Loan** means the principal amount of a borrowing made under Clause 2.1(b)(i) (Facility) of the Liquidity Facility Agreement or the principal amount outstanding of that borrowing.

**Lloyds Banking Group** means Lloyds Banking Group plc (or its successors or assigns) and its subsidiary undertakings from time to time.

**Lloyds Banking Group Risk Framework** means the requirements of the Group Risk function of Lloyds Banking Group plc from time to time.

**Loan or Mortgage Loan** means each mortgage loan (including, for the avoidance of doubt, any English Loan, Northern Irish Loan or Scottish Loan) which is to be sold, assigned or transferred by the Seller to the Issuer on the Closing Date under the terms of the Mortgage Sale Agreement (or, in the case of Scottish Loans, pursuant to a Scottish Declaration of Trust) (including, without limitation, all New Loans and any Further Advances or future Further Advances made in respect of such mortgage loan) due or owing with respect to that mortgage loan under the relevant Mortgage Terms by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same but excluding any mortgage loan otherwise sold by the Issuer and no longer beneficially owned by it.

**Loan Files** means all correspondence, documentation and other paperwork (whether in hard copy or electronically) held by the Seller in relation to a Loan.

**Loan Porting** means the granting of a New Loan to an existing Borrower secured on a New Property as a result of an existing Borrower(s) moving to a New Property.

**Loan Porting Date** means any date on which a New Loan is originated by the Seller.

**Loan to Value Ratio or LTV Ratio** means the ratio (expressed as a percentage) calculated by dividing the Current Balance of a Loan by the most recent valuation of the Property securing that Loan at the same date.

**Loan Warranties** means the representations and warranties set out in Part 1 (Loan Warranties) of Schedule 1 (Loan Warranties and Seller's Limitations on Liability) to the Mortgage Sale Agreement.

**Long Term Care** is used generally with respect to a Borrower who can no longer live on their own as a result of not being able to perform certain necessary daily activities and who has, as a result, vacated the relevant Property on a permanent basis

**Losses** means (i) any losses, damages, costs, charges, awards, claims, demands or expenses (including, but without limitation, legal costs and expenses (including Irrecoverable VAT in respect thereof)) and (ii) in respect of a Loan, all realised losses on such Loan including any loss to the Issuer as a result of an exercise of any set-off by the Borrower or which results in the Issuer receiving less than the Current Balance in respect of such Loan at the time of completion of any Enforcement Procedures.

**Master Definitions and Construction Schedule** means this master definitions and construction schedule.

**Material Adverse Effect** means a material adverse effect on:

- (a) the business, prospects or financial condition of the Issuer;
- (b) the ability of the Issuer to perform its obligations under any Liquidity Document;
- (c) the validity or enforceability of any Liquidity Document; or
- (d) any right or remedy of the Liquidity Facility Provider or the Security Trustee under a Liquidity Document.

**MCOB** means the FSA's Mortgages and Home Finance: Conduct of Business Sourcebook.

**Member State** means at any time any member state of the European Union that has adopted the euro as its lawful currency in accordance with the Treaty.

**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.

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

**Moody's** means Moody's Investor Service Limited and any successor to its rating business.

**Mortgage** means each English Mortgage, each Northern Irish Mortgage and each Scottish Mortgage, and together the **Mortgages**.

**Mortgage Account** means all Loans secured on the same Property and thereby forming a single mortgage account.

**Mortgage Conditions** means the terms and conditions applicable to a Loan and/or Mortgage as contained in the Seller's "Mortgage Conditions" booklet applicable from time to time.

**Mortgage Sale Agreement** means the mortgage sale agreement dated on or about the Closing Date and made between the Seller, the Issuer, Scottish Widows plc, the Security Trustee and the Servicer in relation to the sale of the Loans to the Issuer.

**Mortgage Terms** means all the terms and conditions applicable to a Loan and/or Mortgage, including, without limitation, the applicable Mortgage Conditions, Loan Conditions and Offer Conditions.

**Mortgaged Property** has the same meaning as Property.

**Mortgagee** means the person for the time being entitled to exercise the rights of the mortgagee or (in Scotland) heritable creditor under a Mortgage.

**New Liquidity Facility Provider** means any person which is a Qualifying Lender and which has the Liquidity Facility Requisite Rating.

**New Loan** means a new Loan granted to a Borrower following the Loan Porting of an Existing Loan pursuant to Clause 5 (Loan Porting) of the Mortgage Sale Agreement.

**New Loan Criteria** has the meaning given to it in Clause 5.3 (New Loan Criteria) of the Mortgage Sale Agreement.

**New Loan Purchase Date** means the day following the Loan Porting Date, on which a New Loan is purchased by the Issuer from the Seller in accordance with Clause 5.5 (General on Loan Porting) of the Mortgage Sale Agreement.

**New Loan Purchase Price** means an amount equal to the Current Balance of the New Loan as at the date of its origination by the Seller.

**New Loan Purchase Price Shortfall** means the extent of the deficiency where there are insufficient Available Receipts available to pay the relevant New Loan Purchase Price in respect of New Loans created in the manner described in Clause 5 (Loan Porting) of the Mortgage Sale Agreement.

**New Loan Purchase Price Shortfall Drawing** means a drawing under the Liquidity Facility to fund a New Loan Purchase Price Shortfall.

**New Property** means a new property to which a Borrower has ported a Loan.

**Non-Approved Further Advance** means a Further Advance that is not an Approved Further Advance or a Deemed Approved Further Advance and does not satisfy the Further Advance Criteria.

**Non-Approved Further Advance Date** means any date on which a Non-Approved Further Advance is made by the Seller in respect of any Loan to a Borrower in accordance with the provisions of the Mortgage Sale Agreement.

**Non-Approved Further Advance Deferred Consideration** means, in relation to any Loan in respect of which one or more Non-Approved Further Advances has been made at any date, the aggregate amount of the Non-Approved Further Advances made in respect of such Loan (but avoiding double counting) including:

- (a) Capitalised Expenses;
- (b) Capitalised Interest; and
- (c) any other amount which is 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,

in each case, which the Servicer has determined are amounts applicable to the Non-Approved Further Advances in respect of such Loan in accordance with Clause 7.6 (Further Advances) of the Servicing Agreement as at the end of the Business Day immediately preceding that given date less any repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any retentions made but not released by the end of the Business Day immediately preceding that given date.

**Non-Approved Further Advance Purchase Price** means, in relation to any Loan in respect of which one or more Non-Approved Further Advances has been made at any date, an amount equal to the Non-Approved Further Advance Deferred Consideration outstanding in respect of such Loan at such time.

**Non-Fundamental Warranties** means those Loan Warranties which are not Fundamental Warranties.

**Northern Ireland Registered Land Transfer** means a transfer relating to Northern Irish Mortgages which are registered (or subject to an application for registration) at the Land Registry of Northern Ireland substantially in the form set out in Part 1 (Seller Northern Ireland Registered Land Transfer) and Part 2 (Issuer Northern Ireland Registered Land Transfer) of Schedule 4 (Northern Irish Transfer) to the Mortgage Sale Agreement.

**Northern Ireland Unregistered Land Conveyance** means a transfer relating to Northern Irish Mortgages which do not comprise registered land substantially in the form set out in Part 1 and Part 2 of Schedule 4 (Northern Irish Transfer) to the Mortgage Sale Agreement.

**Northern Irish Loan** means a Loan secured by a Northern Irish Mortgage.

**Northern Irish Mortgage** means a first ranking legal charge or mortgage by demise or sub-demise over a freehold or leasehold property located in Northern Ireland.

**Northern Irish Transfers** means each Northern Ireland Registered Land Transfer and each Northern Ireland Unregistered Land Conveyance.

**Note Acceleration Notice** means a notice issued by the Note Trustee to the Issuer declaring the Notes to be due and repayable pursuant to Condition 7.1 (Note Events of Default) of the Conditions.

**Note Certificate** means a Note in definitive registered form issued by the Issuer and being in or substantially in the form set out in Schedule 1 (Form of Note Certificates) of the Trust Deed.

**Note Trustee** means Citicorp Trustee Company Limited acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, 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.

**Notes** means the Class A Notes and the Class B Notes.

**Notice** means, in respect of notice being given to the Noteholders, a notice duly given in accordance with Condition 17 (Notices) of the Notes.

**Notification Agent** has the meaning given to it in Clause 30 (Notification Agent) of the Deed of Charge.

**Offer Conditions** means the terms and conditions applicable to a specified Loan as set out in the relevant offer letter to the Borrower.

**Ordinary Resolution** has the meaning given to it in paragraph 1 (Definitions) of Schedule 3 (Provisions for Meetings of Noteholders) to the Trust Deed.

**Original Deed of Charge** has the meaning given to it in Clause 1A(a) (Original Security) of the Deed of Charge.

**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 4 (Cancellation) of the Notes;
- (d) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 12.5 (Prescription) of the Notes;
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 18 (Replacement of Notes) with respect to the Notes; and
- (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 Instrument) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 18 (Replacement of Notes) with respect to the Notes.

**Participating Member State** means a member state of the European Communities that adopts or has adopted the euro as its lawful currency under the legislation of the European Union for European Monetary Union.

**Paying Agents** means the Principal Paying Agent and any further or other paying agents for the time being appointed under the Agency Agreement.

**Payment Date** means the 15th day of each month.

**Permitted Product Switch** means a Product Switch which provides for a Borrower to change the nature of the interest being charged on a Loan from being payable on an "interest only" basis to one where interest is capitalised

**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.

**Portfolio** means the portfolio of the Loans, the Mortgages, the Related Security and all rights, interest, benefit, income and payments derived therefrom from time to time (and includes all Further Advances and New Loans sold to or retained by the Issuer) in each case proposed to be sold to the Issuer by the Seller on the Closing Date, Further Advance Purchase Date or New Loan Purchase Date is made pursuant to the Mortgage Sale Agreement details of which on the Closing Date are included in the email to be sent by the Seller to the Issuer on the Closing Date.

**Post-Acceleration Priority of Payments** means the manner and priority of payments (set out in Clause 7.2 (Post-Acceleration Priority of Payments) of the Deed of Charge and duplicated in paragraph 7 of Schedule 2 (Cash Management and Maintenance of the Ledgers) of the Cash Management Agreement) in which amounts (other than those excluded under Clause 7.2 (Post-Acceleration Priority of Payments) of the Deed of Charge and paragraph 7 of Schedule 2 (Cash Management and Maintenance of the Ledgers) of the Cash Management Agreement) will be applied following the service of a Note Acceleration Notice, as set out in Clause 7.1 (After a Note Acceleration Notice) of the Deed of Charge.

**Potential Event of Default** means the occurrence of any event which with the giving of notice, any relevant certificate, the lapse of time or fulfilment of any other conditions (or any combination of the foregoing) would become an Event of Default.

**PRA** means the UK Prudential Regulation Authority, as subsidiary of the Bank of England, which effective 1 April 2013 assumed certain regulatory and supervisory responsibilities of the FSA, and any successor regulatory authority to the PRA.

**Pre-Acceleration Priority of Payments** means the manner and priority of payments in which Available Receipts will be applied prior to the service on the Issuer of a Note Acceleration Notice, as set out in paragraph 6 of Schedule 2 (Cash Management and Maintenance of the Ledgers) of the Cash Management Agreement.

**Principal Amount Outstanding** means in relation to each Class A Note, on any date, the aggregate amount of the Class A Note Scheduled Amounts due and not yet paid as at such date in respect of such Class A Note.

**Principal Paying Agent** means Citibank, N.A. London 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, prior to the date on which a Note Acceleration Notice is served on the Issuer, the Pre-Acceleration Priority of Payments and, on and



from the date on which a Note Acceleration Notice is served on the Issuer, the Post-Acceleration Priority of Payments.

**Proceedings** has the meaning given to it in the Trust Deed.

**Processing** has the meaning given in the Data Protection Act.

**Product Switch** means a variation to the financial terms and conditions applicable to a Loan.

**Property** means (in England and Wales and Northern Ireland) a freehold or leasehold property or (in Scotland) a heritable property or property held under a long lease, which is, in each case, subject to a Mortgage and together, the Properties.

**Purchase Price** means the Consideration and the Non-Approved Further Advance Deferred Consideration.

**Qualifying Lender** has the meaning given to it in Clause 13 (Taxes) of the Liquidity Facility Agreement.

**Qualifying Noteholder** means a person which is beneficially entitled to interest in respect of the Note and is:

- (a) a company resident in the United Kingdom for United Kingdom tax purposes; or
- (b) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Note in calculating the chargeable profits (within the meaning given by section 19 of the CTA 2009 of that company; or
- (c) a partnership each member of which is:
  - (i) a company resident in the United Kingdom; or
  - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in calculating its chargeable profits (within the meaning given by section 19 of the CTA 2009) the whole of any share of a payment of interest in respect of the Note that falls to it by reason of Part 17 of the CTA 2009.

**Rate Fixing Day** means the LF Drawdown Date for a Liquidity Loan or such other day as the Liquidity Facility Provider determines is generally treated as the rate fixing day by market practice in the relevant interbank market.

**Rating Agency or Rating Agencies** means Fitch, S&P and/or Moodys.

**Reasonable Prudent Lender** means the Servicer acting in accordance with:

- (a) all applicable laws and regulations governing the Loans; and
- (b) the Lloyds Banking Group Risk Framework;
- (c) the terms of the Transaction Documents; and
- (d) the standards of a reasonable prudent commercial lender lending to borrowers in England and Wales, Northern Ireland and/or Scotland,

PROVIDED THAT (i) where acting in accordance with (a) conflicts with (b), (c) and/or (d), (a) will prevail; (ii) where acting in accordance with (b) conflicts with (c), (b) will, subject to consultation with the Seller acting reasonably, prevail; (iii) where acting in accordance with (b) conflicts with (d), (b) will prevail; and (iv) where acting in accordance with (c) conflicts with (d), (c) will prevail.

**Receipts** means:

- (a) payments of interest and other fees due from time to time under the Loans (including any Early Repayment) and other amounts received by the Issuer in respect of the Loans (other than any amounts approved in respect of Clause 7.6 (Further Advances) of the Servicing Agreement);
- (b) recoveries of interest from the proceeds of sale of the relevant Property under Loans being enforced;
- (c) recoveries of principal from the proceeds of sale of the relevant Property under Loans (including Further Advances) being enforced (without double counting but including principal received or treated as received after completion of the Enforcement Procedures);
- (d) principal repayments under the Loans; and
- (e) any payment pursuant to any Insurance Policy in respect of a Property in connection with a Loan in the Portfolio,

in each case excluding any amounts which are appropriated by the Servicer as Non-Approved Further Advance Deferred Consideration in accordance with Clause 7.6 (Further Advances and Product Switches) of the Servicing Agreement.

**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.

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

**Register** means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes which each Noteholder owns.

**Registers of Northern Ireland** means the Land Registry of Northern Ireland and/or the Registry of Deeds in Belfast.

**Registers of Scotland** means the public register of land in Scotland, as established by section 1 of the Land Registration (Scotland) Act 1979 and/or (as the context requires) the General Register of Sasines.

**Registrar** means Citibank, N.A. London Branch, acting as Registrar under the terms of the Agency Agreement to record the holders of the Notes, 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).

**Regulations** means as the context may require the 1999 Regulations and/or, as applicable, the Unfair Terms in Consumer Contracts Regulations 1994 (SI 1994/3159).

**Regulation S** means Regulation S under the Securities Act.

**Regulatory Authority** means:

- (a) any government department or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, authority, agency, bureau, board commission, court, department, tribunal or instrumentality thereof; or
- (b) any banking or financial services or other regulatory authority which regulates or supervises the Seller or the Issuer as the case may be.

**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 other matters applicable thereto and which is acquired as part of any Portfolio sold by the Seller to the Issuer on the Closing Date pursuant to the Mortgage Sale Agreement including (without limitation):

- (c) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent and MHA/CP Documentation) from occupiers and other persons having an interest in or rights in connection with the relevant Property;
- (d) each right of action of the Seller against any person (including, without limitation, 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, without limitation, each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan, or any Property (or any part thereof) and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan;
- (e) the benefit of (including, without limitation, 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 (including, the relevant Insurance Policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and relevant Loan Files; and
- (f) in relation to a Northern Irish Mortgage, the benefit of any right to apply for or receive compensation in respect of criminal damage pursuant to the Criminal Damage (Compensation) (Northern Ireland) Order 1977 in respect of a Property situated in Northern Ireland.

**Relief** includes any relief, loss, allowance, exemption, set-off, deduction or credit in computing or against profits or Taxation.

**Remuneration** has the meaning given in Clause 24.1 (Remuneration) of the Deed of Charge.

**RICS** means the Royal Institute of Chartered Surveyors.

**S&P** means 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 assignation of the relevant Scottish Loans and their related Scottish Mortgages substantially in the appropriate form set out in Part 1 or Part 2 of Schedule 3 to the Mortgage Sale Agreement (with such modification as may be required from time to time) and delivered pursuant to (as appropriate) Clause 7.2(d) thereof.

**Scottish Declaration of Trust** means each declaration of trust in relation to the relevant 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 Seller to the Issuer and the transfer of the beneficial interest therein to the Issuer are given effect.

**Scottish Loan** or **Scottish Mortgage Loan** means a Loan secured by a Scottish Mortgage or any Loan governed by Scottish law which is not secured by a Scottish Mortgage.

**Scottish Mortgage** means a first ranking standard security over a heritable Property or Property held under a long lease in each case located in Scotland.

**Scottish Property** means a Property located in Scotland.

**Scottish Sub-Security** means each standard security to be executed pursuant to Clause 3.5 (Scottish Sub-Securities) of the Deed of Charge.

**Scottish Supplemental Charge** means each supplemental assignation in security governed by Scottish law granted by the Issuer in favour of the Security Trustee pursuant to the Deed of Charge.

**Scottish Transfer** means each Sasine Transfer and each SLR Transfer.

**Scottish Trust** means a trust declared and created pursuant to each Scottish Declaration of Trust.

**Scottish Trust Property** has the meaning given to it in the relevant Scottish Declaration of Trust.

**Scottish Widows Group Limited** or **SWGL** means a private limited company incorporated under the laws of Scotland with registered number SC199547 having its registered office at 69 Morrison Street, Edinburgh EH3 8YF.

**Scottish Widows plc** or **SW** means a public limited company incorporated under the laws of Scotland with registered number SC199549 having its registered office at 69 Morrison Street, Edinburgh EH3 8YF.

**Secured Creditors** means the Security Trustee, the Note Trustee, the Noteholders, the Seller, the Servicer, the Cash Manager, the Account Bank, the Liquidity Facility Provider, the Corporate Services Provider, the Paying Agents, the Registrar, the Custodian 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 to pay or discharge under Clause 2 (Issuer's Covenant to Pay) of the Deed of Charge and all other amounts owed by it to the Secured Creditors under and pursuant to the Notes and the Transaction Documents.

**Securitisation Regulations** means the Taxation of Securitisation Companies Regulations 2006.

**Security** means the security granted by the Issuer to the Security Trustee under and pursuant to the Deed of Charge in favour of the Secured Creditors.

**Security Documents** means the Deed of Charge, each Scottish Supplemental Charge and any Scottish Sub-Security.

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

**Security Trustee** means Citicorp Trustee Company Limited, acting in its capacity as the Security Trustee under the terms of the Deed of Charge, which expression will 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 Scottish Widows Bank plc acting in its capacity as seller of the Loans and their Related Security to the Issuer pursuant to the Mortgage Sale Agreement.

**Seller Claim** means any claim against the Seller (whether in contract or otherwise) in respect of any of the Loan Warranties.

A **Seller Insolvency Event** will occur in the following circumstances:

- (a) an order is made or an effective resolution passed for the winding up of the Seller; or
- (b) the Seller ceases or threatens to cease to carry on the whole or substantially the whole of its business (other than pursuant to an order made under Part VII of the FSMA or for the purposes of amalgamation or reconstruction (i) with or by Lloyds Banking Group or any of its subsidiaries or (ii) the terms of which have previously been approved by the Security Trustee in writing acting on an Extraordinary Resolution of Noteholders) or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of section 123(1)(a) of the Insolvency Act (on the basis that the reference in such section to £750 was read as a reference to £10 million), section 123(1)(b), (d) and (e), 123(1)(c) (on the basis that the words "for a sum exceeding £10 million" were inserted after the words "extract registered bond" and "extract registered protest") and 123(2) of the Insolvency Act or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent; or
- (c) proceedings (including, but not limited to, presentation of an application for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) are initiated against the Seller under any applicable liquidation, administration, reorganisation (other than a reorganisation where the relevant entity is solvent) or other similar laws, save where such proceedings are being contested in good faith; or an administrative or other receiver, administrator or other similar official is appointed in relation to the whole or the substantial part of the undertaking or assets of the Seller or the appointment of an administrator takes effect; or a distress, execution or diligence or other process is enforced upon the whole or the substantial part of the undertaking or assets of the Seller and in any of the foregoing cases it is not discharged within 15 Business Days; or if the Seller initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, reorganisation or other similar laws (other than under Part VII of the FSMA) or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness.

**Seller Power of Attorney** means the power of attorney granted by the Seller in favour of the Issuer and the Security Trustee on the Closing Date substantially in the form set out in Schedule 5 (Power of Attorney in favour of the Issuer and the Security Trustee) to the Mortgage Sale Agreement and **Seller Power of Attorney** will be construed accordingly.

**Seller's Procedures** means the originating, underwriting, administration, arrears and enforcement procedures applied by the Seller (and as may be amended in the sole discretion of the Seller provided that any such amendment in respect of a Loan would be acceptable to a Reasonable Prudent Lender) from time to time to loans and the security for their repayment.

**Senior Expenses** means items (a) - (g) of the Pre-Acceleration Priority of Payments.

**Senior Expenses Shortfall** has the meaning given to such term in Clause 4.10 (Senior Expenses Shortfall Drawings) of the Cash Management Agreement.

**Senior Expenses Shortfall Amount** means the extent of the deficiency where there are insufficient Available Receipts to pay all amounts due and payable under items (a)-(c), (f) and (g) of the Pre-Acceleration Priority of Payments on any Payment Date.

**Senior Expenses Shortfall Drawing** means a drawing made under the Liquidity Facility to fund a Senior Expenses Shortfall.

**Servicer** means Scottish Widows Bank plc or such other person as may from time to time be appointed as servicer of the relevant Loans in the Portfolio pursuant to the Servicing Agreement.

**Servicer Event of Default** has the meaning given to it in Clause 19.1 (Servicer Termination Event and Servicer Event of Default) of the Servicing Agreement.

**Servicer Termination Event** means any of the events listed in Clause 19.1 (Servicer Termination Event and Servicer Event of Default) of the Servicing Agreement.

**Services** means the services to be provided by the Servicer as set out in the Servicing Agreement including Schedule 1 (The Services) thereto.

**Servicing Agreement** means the agreement entered into on or about the Closing Date between the Servicer, the Issuer, the Cash Manager, the Security Trustee and the Seller pursuant to which the Servicer agrees to service the relevant Loans and their Related Security sold to the Issuer by the Seller in the Portfolio.

**Servicing Fee** has the meaning given in Clause 12 (Remuneration) of the Servicing Agreement.

**Share Declaration of Trust** means the declaration of trust entered into by the Share Trustee on 23 October 2014.

**Share Trustee** means Intertrust Corporate Services Limited (registered number 3920255), a company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP.

**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) and Part 2 (Seller – Sasine 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 6.2(c) (Completion Mechanics) of the Mortgage Sale Agreement thereof.

**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, a list of which is set out in Part 2 of the Appendix to the Mortgage Sale Agreement, or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Reasonable Prudent Lender.

**Standard Security** means a standard security as defined in Part II of the 1970 Act.

**Standby Account** means an account held in the name of the Issuer with:

- (a) the Liquidity Facility Provider; or
- (b) if a Downgrade Event occurs and is outstanding, then a bank which has an assigned rating in respect of its long-term, unsecured, unsubordinated and unguaranteed debt obligations of at least BBB- by Fitch (or or such other rating by any Rating Agency that may be agreed between the parties to the Liquidity Facility Agreement).

in each case secured in favour of the Security Trustee.

**Standby Drawing** means a drawing under the Liquidity Facility Agreement upon the occurrence of a Downgrade Event.

**Standby Loan** means the principal amount of each borrowing made under Clause 2.1(b)(ii) (Facility) of the Liquidity Facility Agreement or the principal amount outstanding of that borrowing.

**Subsidiary** means a subsidiary as defined in section 736 of the Companies Act 1985 and as amended by the Companies Act 2006.

**Successor Agent** means any successor to any Agent who may be appointed by the Issuer under the Agency Agreement.

**Successor Paying Agent** means any successor to any Paying Agent who may be appointed by the Issuer under the Agency Agreement.

**SWB** means Scottish Widows Bank plc.

**SWB/Noteholder Side Letter** means the side letter entered into on the Closing Date pursuant to which SWB provides certain covenants and indemnities in favour of the Noteholders.

**Switch Date** means the day on which a Product Switch is made.

**Target Payment Date** means each date specified as such in Condition 3.2 (Mandatory Redemption in Part of the Class A Notes).

**Tax Certificate** means a certificate substantially in the form of Schedule 1 (Form of Tax Certificate) of the Agency Agreement.

**Taxes** means all present and future taxes (other than stamp duty) and any, levies, imposts, duties, fees, deductions, withholdings or charges in the nature of tax together with any penalties, fines or

interest thereon imposed or levied by or on behalf of any jurisdiction or any sub-division of it or by any authority in it having power to tax and **Tax** and **Taxation** will be construed accordingly.

**Tax Deduction** means a deduction or withholding for or on account of Tax from a payment under a Liquidity Document (or the Trust Deed (as applicable)).

**Tax Payment** means an amount payable by the Issuer to the Liquidity Facility Provider pursuant to Clause 13 (Taxes) of the Liquidity Facility Agreement or in any way related to a Tax Deduction or under any indemnity given by the Issuer in respect of Tax under any Liquidity Document.

**Third Party Amounts** has the meaning given to such term in the definition of **Available Receipts** in this Master Definitions and Construction Schedule.

**Third Party Claim** has the meaning given in paragraph 7 (Third Party Claims and Recoveries) of Part 2 (Seller's Limitations on Liability) of Schedule 1 (Loan Warranties and Seller's Limitations on Liability) of the Mortgage Sale Agreement.

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

**Title Information Documents** means the Title Deeds and any related planning documents or other local authority documents relating to the Property.

**Transaction** means the transaction contemplated by the Transaction Documents.

**Transaction Account** means the account in the name of the Issuer held with the Cash Manager and with account number 10025863 and sort code 12-08-83 into which all amounts received by the Seller in respect of the Loans are paid, together with any additional accounts or replacement accounts from time to time.

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

**Transaction Documents** means the following documents:

- (a) the Servicing Agreement;
- (b) the Agency Agreement;
- (c) the Bank Account Agreement;
- (d) the Cash Management Agreement;
- (e) the Corporate Services Agreement;
- (f) the Deed of Charge (and each document entered into pursuant thereto);
- (g) the Share Declaration of Trust;
- (h) the Issuer Power of Attorney;
- (i) the Liquidity Documents;



- (j) this Master Definitions and Construction Schedule;
- (k) the Mortgage Sale Agreement;
- (l) each Scottish Declaration of Trust;
- (m) Scottish Supplemental Charge;
- (n) the Seller Power of Attorney;
- (o) the SWB/Noteholder Side Letter;
- (p) the Trust Deed; and
- (q) the Custodian Agreement,

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.

**Transaction Party** means each party to a Transaction Document.

**Transfer Certificate** means the form of transfer certificate attached as Schedule 6 (Form of Transfer Certificate) of the Mortgage Sale Agreement.

**Treaty** means the Treaty establishing the European Communities, as amended by the Treaty on European Union and the Treaty of Amsterdam.

**Trigger Event** means the event that occurs or, would occur if a change is made to the Liquidity Facility, when the aggregate of all Liquidity Facility Drawings (including any that are proposed to be made) exceeds or, would cause to exceed, the aggregate Current Balance of the Loans on any Calculation Date immediately preceding an Annual Payment Date (as calculated by the Cash Manager)..

**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 entered into on or about the Closing Date between the Issuer and the Note Trustee constituting the Notes.

**Trustee Acts** means the Trustee Act 1925 and the Trustee Act 2000.

**Trustee Reserved Matter** means, at any time, each and every of the rights, powers, authorities and discretions exercisable by, the Note Trustee under any of the provisions of the Conditions or any Transaction Document to which it is a party:

- (a) to receive any sums owing to it for its own account in respect of fees, costs, charges, liabilities, damages, proceedings, claims and demands in performing its powers, duties, rights and exercising its discretions under the Transaction Documents; and
- (b) which is provided for the purpose of enabling the Note Trustee to protect its own interests;

**Trustee Rights** has the meaning given to it in Clause 10.1(b) (Actions and Proceedings) of the Trust Deed with respect to the Note Trustee and Clause 8.1 (Action, Proceedings and Indemnification) of the Deed of Charge with respect to the Security Trustee.

**UK Information Commissioner** means any independent official as may be appointed by the UK Crown from time to time.

**UK Regulator** means the FCA or the PRA and the FCA as applicable.

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

**United States** means the United States of America.

**Valuation Report** means the valuation report or reports for mortgage purposes, in the form of the pro forma report contained in the Standard Documentation, obtained by the Seller from a Valuer in respect of each relevant Property or a valuation report in respect of a valuation of a Property made using a methodology which would be acceptable to a Reasonable Prudent Lender and which has been approved by the Seller (or his successor).

**Valuer** means an Associate or Fellow of the Royal Institution of Chartered Surveyors who was at the relevant time either a member of a firm which was on the list of Valuers approved by or on behalf of the Seller from time to time or an Associate or Fellow of the Royal Institution of Chartered Surveyors employed in-house by the Servicer acting for the Seller in respect of the valuation of a Property.

**VAT** or **Value Added Tax** means:

- (a) 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
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

**VAT Element** has the meaning given to it in Clause 10.3 (Relevant Sum and VAT Element) of the Servicing Agreement.

**voting certificate** has the meaning given to it in Schedule 3 (Provisions for Meetings at Noteholders) to the Trust Deed.

## **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) **affiliate** of any person will be construed as a reference to the ultimate holding company of that person or an entity of which that person or its ultimate holding company (a) has direct or indirect control or (b) owns directly or indirectly more than 50% of the share capital or similar rights of ownership;
- (b) the **assets** of any person will 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;

- (c) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing or registration;
- (d) a **calendar year** refers to a year from the beginning of 1 January to the end of 31 December;
- (e) **disposal** will be construed as any sale, lease, transfer, conveyance, assignment, assignation, licence, sub-licence or other disposal and **dispose** will be construed accordingly;
- (f) 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;
- (g) **indebtedness** will 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;
- (h) a **month** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it will end on the next Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it will end on the preceding Business Day, PROVIDED THAT if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period will end on the last Business Day in that later month (and references to **months** will be construed accordingly);
- (i) a Liquidity Facility Default, a Liquidity Facility Event of Default or a Downgrade Event being **outstanding** means that it has not been remedied or waived;
- (j) 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;
- (k) **set-off** will be deemed to include analogous rights in other relevant jurisdictions;
- (l) a **wholly-owned subsidiary** of a company or corporation will 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;
- (m) the **winding-up, dissolution or administration** of a company or corporation will 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;
- (n) the Servicer acting as agent for the Seller will be deemed to include in the case of the Scottish Loans, the Servicer acting on behalf of and as agent for the Seller in its capacity as trustee for the Issuer under the relevant Scottish Declaration of Trust;
- (o) monies, funds, sums or payments **belonging to or available to** the Issuer or **due to** the Issuer from a Borrower or the Seller, will, in respect of the Scottish Loans and the Related

Security held under a Scottish Trust, be deemed to include (without double counting) reference to monies, funds, sums or payments **belonging to** or **available to** the Seller or **due to** the Seller in its capacity as trustee under that Scottish Trust for the benefit of the Issuer as beneficiary thereunder; and

- (p) an **assignment**, a **transfer** and/or a **sale** in relation to any Portfolio and/or any Loan and/or its Related Security comprised in any Portfolio transferred or to be transferred by the Seller to the Issuer pursuant to the Mortgage Sale Agreement will, unless the context requires otherwise, be construed to include a declaration of trust constituted by the Scottish Trust in respect of any Scottish Loans and/or their Related Security comprised in any such Portfolio and all rights and interests relative thereto and the terms **assigned**, **assign**, **transferred**, **sell** and **sold** will be construed accordingly in the context of any Portfolio and/or any Loan and/or its Related Security as aforesaid.

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 will include the plural number also and *vice versa*;
- (b) words denoting one **gender** only will include the other genders;
- (c) words denoting **persons** only will include firms and corporations and *vice versa*;
- (d) references to any **statutory provision** will 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) will be deemed also to refer to such agreement or document as amended, restated, modified, varied, replaced, supplemented and/or novated from time to time;
- (f) references to the **Deed of Charge** will 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) the Liquidity Facility Provider includes a New Liquidity Facility Provider;
- (i) a Liquidity Document, a Transaction Document or another document is a reference to that Liquidity Document, Transaction Document or other document as amended;
- (j) a word or expression used in any other Liquidity Document or in any notice given in connection with any Liquidity Document has the same meaning in that Liquidity Document or notice as in the Liquidity Facility Agreement;
- (k) any obligation of the Issuer under the Liquidity Documents which is not a payment obligation remains in force for so long as any payment obligation of the Issuer is, may be or is capable of becoming outstanding under the Liquidity Documents;
- (l) reference to an **Act**, **Regulation** and/or a **Statute** will be construed as a reference to such Act, Regulation and/or statute as the same may have been, or may from time to time be,

amended or re-enacted to the extent such amendment or re-enactment is substantially to the same effect as such statute on the date hereof;

- (m) reference to a **time of day** will be construed as a reference to London time (unless otherwise specified);
- (n) reference to a **court** or **Court** will be construed as a reference to a court of competent jurisdiction;
- (o) references to **Clauses, Schedules** and **paragraphs** in any Transaction Document will, unless their context otherwise requires, be construed as references to the clauses of, schedules to, and paragraphs of, such Transaction Document;
- (p) references to any **person** or a **party** will include references to his successors, transferees and assigns and assignees and any person deriving title under or through him.

- 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 will be deemed to include (a) in the case of the Note Trustee, a reference to a requirement that such reasonableness will 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 will 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.