

MR01

Particulars of a charge



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

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

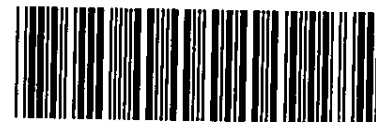
☒ What this form is NOT for
You may not use this form to
register a charge where there is no
instrument Use form MR08

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

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

☒ You must enclose a certified copy of the instrument with this form. This will
be scanned and placed on the public record. Do not send the original

WEDNESDAY



A3JJ46YO

A05

29/10/2014

#281

COMPANIES HOUSE

1 Company details

Company number 0 9 2 3 2 0 4 2

Company name in full Slate No 1 PLC

1 For official use

→ Filing in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 7 1 0 2 0 1 4

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

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

Name U S Bank Trustees Limited (acting as Security

Trustee for the Secured Creditors (as defined in

Name the accompanying instrument))

Name

Name

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

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

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4	Brief description	<p>Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument</p>	<p>Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"</p> <p>Please limit the description to the available space</p>
	Brief description	N/A	
5	Other charge or fixed security	<p>Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
6	Floating charge	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes Continue</p> <p><input type="checkbox"/> No Go to Section 7</p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input checked="" type="checkbox"/> Yes</p>	
7	Negative Pledge	<p>Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
8	Trustee statement ^①	<p>You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge</p> <p><input type="checkbox"/></p>	<p>^① This statement may be filed after the registration of the charge (use form MR06)</p>
9	Signature	<p>Please sign the form here</p> <p>Signature</p> <p>X Allen & Overy LLP X</p> <p>This form must be signed by a person with an interest in the charge</p>	

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Shivali Sood

Company name Allen & Overy LLP

Address One Bishops Square

Post town London

County/Region

Postcode E 1 6 A D

Country United Kingdom

DX

Telephone 0203 088 0000



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following.

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



Important information

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



How to pay

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

Make cheques or postal orders payable to 'Companies House'.



Where to send

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

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

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

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9232042

Charge code: 0923 2042 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th October 2014 and created by SLATE NO.1 PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th October 2014

Pos

Given at Companies House, Cardiff on 4th November 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

DEED OF CHARGE

27 OCTOBER 2014

Between

CONSILIUM AIRTON LIMITED
as Seller

and

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

and

ELAVON FINANCIAL SERVICES LIMITED
as Registrar

and

PEPPER (UK) LIMITED
as Servicer

and

CHACONIA MORTGAGES LIMITED, ROSE MORTGAGES LIMITED AND TULIP
MORTGAGES LIMITED
as Legal Title Holders

and

SLATE NO. 1 PLC
as Issuer

and

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

and

STRUCTURED FINANCE MANAGEMENT LIMITED
as Corporate Services Provider

and

HOMELoAN MANAGEMENT LIMITED
as Back-Up Servicer

ALLEN & OVERY

Allen & Overy LLP

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

Name [Signature]
Qualified as SOLE AGENT
Allen Overy LLP
One Bishops Square
London E1 6AD
United Kingdom
Date 28/10/14

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THIS DEED OF CHARGE is made on 27 October 2014

BETWEEN

- (1) **CONSILIUM AIRTON LIMITED** (registered number 09222270), a limited company incorporated under the laws of England and Wales, whose registered office is at Jessop House, Jessop Avenue, Cheltenham, Gloucester, GL50 3WG (the **Seller**),
- (2) **ELAVON FINANCIAL SERVICES LIMITED**, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland, acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Cash Manager, Issuer Account Bank, Principal Paying Agent and Agent Bank**),
- (3) **ELAVON FINANCIAL SERVICES LIMITED**, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland (the **Registrar**),
- (4) **PEPPER (UK) LIMITED** (registered number 06548489), a private limited company incorporated under the laws of England and Wales, whose registered office is at 114A Cromwell Road, London SW7 4ES (the **Servicer**),
- (5) **ROSE MORTGAGES LIMITED** (registered number 9242330), 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, **CHACONIA MORTGAGES LIMITED** (registered number 9242348), 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, and **TULIP MORTGAGES LIMITED** (registered number 9242357), 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 (each a **Legal Title Holder**, and together, the **Legal Title Holders**)
- (6) **SLATE NO. 1 PLC** (registered number 09232042), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Issuer**),
- (7) **U.S. BANK TRUSTEES LIMITED** (registered number 2379632), a private limited company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee and Note Trustee**, which expression shall include such person and all other persons for the time being acting as note trustee(s) under the Trust Deed or as security trustee(s) under this Deed, respectively),
- (8) **HOMELoan MANAGEMENT LIMITED** (registered number 2214839) a private limited company incorporated under the laws of England and Wales, whose registered office is at The Bailey, Skipton, North Yorkshire BD23 1DN (the **Back-up Servicer**),
- (9) **COMMERCIAL FIRST GROUP LIMITED**, (registered number 04461471), a private limited company incorporated under the laws of England and Wales, whose registered office is at Jessop House, Jessop Avenue, Cheltenham, Gloucester GL50 3WG (the **Back-up Servicer Facilitator** and the **Servicing Consultant**), and
- (10) **STRUCTURED FINANCE MANAGEMENT LIMITED** (registered number 03853947), a private limited company under the laws of England and Wales whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Corporate Services Provider**)

WHEREAS

- (A) This Deed secures, *inter alia*, the Secured Obligations
- (B) The Issuer will on or about the date of this Deed issue the Notes and the Certificates pursuant to the Trust Deed
- (C) 
- (D) By the Mortgage Sale Agreement, the Seller has agreed to sell its interest in the Portfolio to the Issuer
- (E) By the Servicing Agreement, the Servicer has agreed to act as servicer and to service the Portfolio on behalf of the Issuer
- (F) 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
- (G) By the Bank Account Agreement, the Issuer Account Bank has agreed to provide certain bank account services to the Issuer in respect of the Issuer Accounts
- (H) By the Agency Agreement, the Agents have agreed to provide certain agency services on behalf of the Issuer for the benefit of the Noteholders and the Certificateholders
- (I) By the Corporate Services Agreement, the Corporate Services Provider has agreed to act as corporate services provider to the Issuer and Holdings
- (J) The Issuer has agreed to provide the Security Trustee with the benefit of the Security described in this Deed to secure the Secured Obligations. The Security Trustee shall hold the benefit of such Security on trust for itself and the other Secured Creditors on the terms set out in this Deed

IT IS HEREBY AGREED as follows

1. INTERPRETATION

1.1 Definitions

The master definitions and construction schedule made between, amongst others, the parties hereto on or about the date of this Deed (as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto, the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the Recitals hereto and this Deed shall be construed in accordance with the interpretation provisions set out in Clause 2 (Interpretation and Construction) of 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 6 (Definitions and Construction) hereto. In the event of an inconsistency between the Master Definitions and Construction Schedule and Schedule 6 (Definitions and Construction) hereto, the Master Definitions and Construction Schedule prevails to the extent of the inconsistency.

1.2 Construction

In this Deed, except where the context otherwise requires

- (a) 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
- (b) The terms of the Trust Deed, the Master Definitions and Construction Schedule and any other agreement in existence at the date hereof between the parties hereto in relation to any such documents are incorporated in this Deed to the extent required to ensure that any proposed disposition of the Charged Assets contained in this Deed is a valid disposition in accordance with Section 2(1) of the LP (MP) Act
- (c) 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
- (d) **This Deed** means this Deed of Charge and all the Schedules hereto (as from time to time modified and/or supplemented in accordance with the provisions set out herein) and/or 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
- (e) Any reference to a document (including a Transaction Document or a Charged Document) shall be construed as a reference to that document as the same may have been, or may from time to time be, amended, varied, novated, replaced or supplemented in accordance with its terms and the terms of the Transaction Documents
- (f) 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 and the Certificateholders, or if there are no Notes then outstanding and the Certificates have been cancelled, the interests of all of the other Secured Creditors
- (g) Any covenant of or undertaking by the Issuer under this Deed (other than a payment obligation) shall remain in force during the Security Period,
- (h) Unless the context otherwise requires, a reference to a Charged Asset includes the proceeds of sale of that Charged Asset,
- (i) The term **full title guarantee** will be construed in accordance with the LP (MP) Act but so that the covenants implied by the LP (MP) Act in respect of the Issuer Security do not include
 - (i) the words "other than any charges, encumbrances or rights which that person does not and could not reasonably be expected to know about" in section 3(1)(b) of the LP (MP) Act, and
 - (ii) section 6(2) of the LP (MP) Act

2. ISSUER'S COVENANT TO PAY

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

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

3. SECURITY AND DECLARATION OF TRUST

3.1 Contractual Rights

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

3.2 English Loans, Northern Irish Loans and their Related Security

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, as the registered owner or as the person entitled to be registered as owner and subject to Clause 4 (Release of Charged Assets), hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the English Loans and the Northern Irish Loans and their Related Security and all other related rights under the same, and without limitation, all monies assured by or to become payable under the same and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same and the Title Deeds and documents relating to the Properties situated in England and Wales and Northern Ireland (respectively) and the English Loans from time to time comprised in the Portfolio, including (without prejudice to the generality of the foregoing) any consents, postponements, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the English Loans and the Northern Irish Loans from time to time comprised in the Portfolio (and all causes and rights of action of the Issuer against any person in connection with the same) and any other contractual documents or any security documents in either case setting out the terms of such English Loans and Northern Irish Loans or their Related Security, to hold the same unto the Security Trustee absolutely

3.3 Insurance Policies

The Issuer, by way of first fixed security for the payment and discharge of the Secured Obligations, (as beneficial owner) and subject to Clause 4 (Release of Charged Assets), hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Insurance Policies to the extent that such rights, title, interest and benefit in, to and under the Insurance Policies have been assigned to the Issuer pursuant to the Mortgage Sale Agreement, and including all amounts

which may become payable thereunder and the benefit of all covenants, undertakings and rights relating thereto and all powers and remedies for enforcing the same, to hold the same unto the Security Trustee absolutely

3.4 Scottish Sub-Securities

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

- (a) upon the delivery to it of any SLR Transfer from a Legal Title Holder pursuant to Clause 6 (Perfection of the Sale) of the Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the payment and discharge of the Secured Obligations a Scottish Sub-Security substantially in the form set out in Schedule 3 (Form of Scottish Sub-Security (Land Register)) to this Deed in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages (and the Scottish Loans secured thereby) to which the Issuer is entitled in terms of such SLR Transfer,
- (b) upon the delivery to it of any Sasine Transfer from a Legal Title Holder pursuant to Clause 6 (Perfection of the Sale) of the Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the payment and discharge of the Secured Obligations a Scottish Sub-Security substantially in the form set out in Schedule 4 (Form of Scottish Sub-Security (Sasine Register)) to this Deed in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages (and the Scottish Loans secured thereby) to which the Issuer is entitled in terms of such Sasine Transfer,
- (c) at the time of delivery of any Scottish Sub-Security in accordance with the preceding provisions of this Clause 3 4 simultaneously to deliver to the Security Trustee the relevant SLR Transfer or the relevant Sasine Transfer (as applicable) 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 complete and perfect legal title to the Scottish Loans and their Related Security from time to time comprised in the Portfolio, including the registration or recording of the Issuer as heritable creditor under such Scottish Mortgages at the Land Register of Scotland or the General Register of Sasines and intimation thereof to the relevant Borrowers, and
- (e) if and when called upon to do so by the Security Trustee, to use all reasonable endeavours to execute and deliver such documents, and in such form, and to take such other steps as the Security Trustee shall reasonably consider necessary to enable the Security Trustee to obtain and perfect a first ranking heritable security over the Scottish Mortgages from time to time comprised in the Portfolio and a first ranking fixed security over the rights, title and interest of the Issuer in and to the other Related Security from time to time comprised in the Portfolio and all sums secured thereby

3.5 Scottish Trust Security

- (a) The Issuer undertakes forthwith upon the execution and delivery of the Scottish Trust Transfer, to execute and deliver to the Security Trustee the Scottish Supplemental Charge substantially in the form set out in Schedule 5 (Form of Scottish Supplemental Charge) to this Deed. The other parties to this Deed consent to the entering into of such Scottish Supplemental Charge and the Security Trustee authorises and instructs the Issuer to intimate and give notice to each of the Original Sellers (as trustees under the Scottish Declaration of Trust) of the assignation in security made thereunder as provided therein

- (b) The Issuer undertakes to the Security Trustee at the time of delivery of the Scottish Supplemental Charge under the terms of Clause 3 5(a) simultaneously to deliver to the Security Trustee the Scottish Declaration of Trust and the Scottish Trust Transfer

3.6 Issuer Accounts

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

3.7 Collection Account Trust

- (a) The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Assets), hereby assigns by way of security (and to the extent not assigned, charges by way of first fixed charge) (but subject to the right of reassignment) to the Security Trustee all of its rights, title, interest and benefit, present and future, under or in respect of the Collection Account Trust (created pursuant to the Collection Account Declaration of Trust)
- (b) The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Assets), hereby assigns by way of security (and to the extent not assigned, charges by way of first fixed charge) (but subject to the right of reassignment) to the Security Trustee all of its rights, title, interest and benefit, present and future, under or in respect of each and every trust constituted by the Mortgage Sale Agreement (other than the Scottish Trust)

3.8 Authorised Investments

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

3.9 Original Sellers Collection Account Trust

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

3.10 Floating Charge

The Issuer, by way of first floating security for the payment or discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Assets), hereby charges to the Security Trustee by way of first floating charge the whole of its undertaking and all its property and assets, rights and revenues, whatsoever and wheresoever, both present and future, other than its share capital but including its uncalled capital, other than any property or assets from time to time or for the time being the subject of fixed charges pursuant to Clauses 3 1 (Contractual Rights) to 3 3 (Insurance Policies) (inclusive), 3 6 (Issuer Accounts), 3 7 (Collection Account Trust) and 3 8 (Authorised Investments) or otherwise effectively assigned by way of security or charged by way of fixed security, but excluding from the foregoing exclusion all of its property, assets, rights and revenues situated in Scotland or governed by Scots law (all of which are charged by the floating charge hereby created whether or not the subject of fixed charges or otherwise effectively assigned or charged 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 charges created hereby

3.11 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 10 (Floating Charge) (inclusive) is made with Full Title Guarantee or, in relation to Scottish Loans and their Related Security, with absolute warrandice

3.12 Further Acquired Rights

Subject to Clauses 3 4 (Scottish Sub-Securities) and 3 5 (Scottish Trust Security), it is hereby confirmed that reference herein to Loans (including English Loans and Northern Irish Loans), their Related Security and Insurance Policies and related rights under the same include those which are hereafter sold or transferred to or otherwise acquired by the Issuer and that the Security created by or pursuant to Clause 3 1 (Contractual Rights) to Clause 3 8 (Authorised Investments) (inclusive) are, and are intended to be, specific and fixed assignments by way of security of, or specific and fixed charges over (as the case may be), the items to which they relate, both present and future acquired

3.13 Notice and Acknowledgement

- (a) The execution of this Deed by each Secured Creditor constitutes irrevocable notice in writing to each Secured Creditor of the assignment of all of the Issuer's rights, title, interest and benefit, present and future in, to and under the Transaction Documents charged under Clause 3 1 (Contractual Rights) (the **Charged Documents**) and the execution of this Deed by each of the Secured Creditors shall constitute an express acknowledgement by each of them of such conveyances, transfers, charges and assignments and other Security Interests made or granted by the foregoing provisions of this Clause 3 and Clause 2 (Issuer's Covenant to Pay) The Issuer authorises and instructs each of the Secured Creditors, following the service of an Enforcement Notice on the Issuer, in relation to the Issuer's rights (but not its obligations) under the relevant Charged Document(s), to deal with the Security Trustee without reference to the Issuer
- (b) Each Secured Creditor (other than the Security Trustee) acknowledges and consents to the assignment referred to in paragraph (a) above and confirms that
 - (i) following the service of an Enforcement Notice on the Issuer, it will deal only with the Security Trustee in relation to the Issuer's rights (but not its obligations) under the Charged Document(s) without any reference to the Issuer, and

- (ii) as of the date of this Deed it has not received from any other person notice of any assignment or charge of any Charged Document
- (c) Each Secured Creditor (other than the Security Trustee) acknowledges the Security and covenants with and undertakes to the Security Trustee not to do anything inconsistent with the Security or knowingly to prejudice that Security or any of the Charged Assets (or the Security Trustee's interest in such property) **provided that**, subject to Clause 22 (Exercise of Certain Rights), this Deed does not limit the rights or obligations of any of the Secured Creditors exercisable or to be performed in accordance with and subject to the terms of any of the Transaction Documents

3.14 Charged Documents

Prior to the Security created by or pursuant to this Deed becoming enforceable, the Issuer is entitled 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 Issuer in its absolute discretion shall think fit (but subject to and in accordance with any other express provisions of the Transaction Documents)

3.15 Notice of Transaction Documents

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

3.16 Payments to the Issuer

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

3.17 Declaration of Trust

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

3.18 General

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

- (b) The term "all of its rights" as used in this Clause 3 includes, unless the context requires otherwise
- (i) the benefit of all covenants, undertakings, representations, warranties and indemnities,
 - (ii) all powers and remedies of enforcement and/or protection,
 - (iii) all rights to receive payment of all amounts assured or payable (or to become payable), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable, and
 - (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof,

in each case, in respect of the relevant Charged Assets

4. RELEASE OF CHARGED ASSETS

4.1 Prior to Payment or Discharge of Secured Obligations

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

4.2 On Payment or Discharge of Secured Obligations

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

4.3 On Disposal of Authorised Investments

Upon the Cash Manager, on behalf of the Issuer, making a disposal of an Authorised Investment charged pursuant to Clause 3.8 (Authorised Investments), the Security Trustee shall, if so requested in writing by the Cash Manager and at the sole cost and expense (on an indemnity basis) of the Issuer, but without being responsible for any loss, costs, claims or liabilities whatsoever occasioned and howsoever arising by so acting upon such request, release, reassign or discharge from the Security Interests constituted by this Deed the relevant Authorised Investments, without recourse, representation or warranty, provided that the proceeds of such disposal are paid into an account charged pursuant to Clause 3.6 (Issuer Accounts) in accordance with Clause 6.4 (Authorised Investments) from which the monies to make such Authorised Investments were originally drawn, subject to and in accordance with the provisions of the Bank Account Agreement, the Cash Management Agreement and this Deed

4.4 On Withdrawals from Issuer Accounts

From time to time there shall be deemed to be released and discharged from the Security Interests constituted by this Deed all amounts which the Cash Manager, on behalf of the Issuer, is permitted to withdraw from the Issuer Accounts pursuant to Clauses 6.2 (Pre-Enforcement Priority of Payments) and 6.3 (Payments under the Cash Management Agreement and the Bank Account Agreement) or as otherwise permitted or required by the Transaction Documents, any such release to take effect immediately upon the relevant withdrawal being made **provided that** where the relevant amount is transferred to another Issuer Account of the Issuer, it shall thereupon become subject to the Security Interests constituted by this Deed in respect of such Issuer Account

4.5 Repurchase of Loans

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

5. CONTINUANCE OF SECURITY

5.1 Continuing Security

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

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

5.2 Acknowledgement

The Issuer hereby acknowledges the assignments, charges and other Security Interests constituted or granted by the foregoing provisions of this Deed and undertakes to the Security Trustee not to do anything inconsistent with the Security given under or pursuant to this Deed or knowingly to prejudice the Security granted to the Security Trustee under or pursuant to this Deed or the Charged Assets or the Security Trustee's interest therein and the Issuer covenants not to permit the validity, effectiveness, or priority of the Security given under or pursuant to this Deed to be postponed, amended, terminated or discharged

5.3 Accession of New Secured Creditors

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

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

6.1 Following service of an Enforcement Notice

No payment, transfer or withdrawal from the Issuer Accounts may be made under this Clause 6 at any time after an Enforcement Notice has been served on the Issuer other than with the prior written consent of the Security Trustee

6.2 Pre-Enforcement Priority of Payments

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

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

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

6.4 Authorised Investments

- (a) The Cash Manager, on behalf of and in the name of the Issuer, may invest monies standing from time to time to the credit of the Deposit Account in Authorised Investments subject to the following provisions
- (i) any investment in an Authorised Investment shall be made in the name of the Issuer,
 - (ii) any costs properly and reasonably incurred in making, changing or otherwise disposing of any investment in an Authorised Investment will be reimbursed to the Cash Manager by the Issuer, and
 - (iii) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Deposit Account
- (b) Notwithstanding the security rights created by or pursuant to Clause 3 (Security and Declaration of Trust) but prior to the service of an Enforcement Notice, Authorised Investments may, at the request of the Cash Manager, on any Business Day, be sold or redeemed or disposed of or realised or otherwise deposited subject always to the other provisions hereof (including Clause 3.8 (Authorised Investments) and Clause 4.3 (On Disposal of Authorised Investments))

6.5 Management and Application of Funds

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

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

6.6 Enforcement When Not All Amounts Due and Payable

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

6.7 VAT

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

6.8 Obligations in relation to Charged Assets and Transaction Documents

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

7. PAYMENTS OUT OF THE ISSUER ACCOUNTS UPON ENFORCEMENT

7.1 After an Enforcement Notice

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

- (a) the Security Trustee shall promptly notify each party to the Transaction Documents that an Enforcement Notice has been served on the Issuer,

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

7.2 Post-Enforcement Priority of Payments

After an Enforcement Notice has been served on the Issuer, the Security Trustee (or the Cash Manager on its behalf) or any Receiver appointed by the Security Trustee in connection with the enforcement of the Security will apply all amounts received or recovered other than any amount standing to the credit of the Issuer Profit Ledger, which shall be applied by the Issuer in or towards satisfaction of any liability of the Issuer for corporation tax of the Issuer, in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Post-Enforcement Priority of Payments** and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Redemption Priority of Payments, the **Priorities of Payments**)

- (a) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof of
 - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee, Receiver and any Appointee under the provisions of the Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein, and
 - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee, Receiver and any Appointee under the provisions of 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 then due and payable to the Agent Bank, the Registrar and the Paying Agent and any costs, charges, liabilities and expenses then due and payable to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein,
 - (ii) any amounts then due and payable to the Cash Manager and any fees, costs, charges, liabilities and expenses then due under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein,
 - (iii) any amounts then due and payable to the Servicer including any fees (up to the Servicing Fee Cap), costs, charges, liabilities and expenses then due under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein,
 - (iv) any amounts then due and payable to the Back-Up Servicer including any fees (up to the Back-Up Servicing Fee Cap), costs, charges, liabilities and expenses then due under the provisions of the Back-Up Servicing Agreement, together with VAT (if payable) thereon as provided therein,

- (v) any amounts then due and payable to the Servicing Consultant including fees up to the Servicing Fee Cap (after having provided for payments to the Servicer on such date), costs, charges, liabilities and expenses then due to the Servicing Consultant under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein;
 - (vi) any amounts then due and payable to the Back-Up Servicer Facilitator including fees up to the Servicing Fee Cap (after having provided for payment to the Servicer and the Servicing Consultant on such date), costs, charges, liabilities and expenses then due to the Back-Up Servicer Facilitator under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein,
 - (vii) any amounts then due and payable to the Corporate Services Provider including any fees (up to the Corporate Services Provider Fee Cap), costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement together with (if payable) VAT thereon as provided therein,
 - (viii) any amounts then due and payable to the Issuer Account Bank and any fees, costs, charges, liabilities and expenses then due and payable to the Issuer Account Bank under the provisions of the Bank Account Agreement, together with (if payable) VAT thereon as provided therein, and
 - (ix) any amounts then due and payable to the Collection Account Bank and any fees, costs, charges, liabilities and expenses then due under the provisions of the Collection Account Declaration of Trust, together with (if applicable) VAT thereon as provided therein,
- (c) *third*, to pay, *pro rata* and *pari passu*, amounts due in respect of the fees and costs due to each Legal Title Holder,
 - (d) *fourth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof
 - (i) amounts due in respect of any Class X Early Termination Amount, and
 - (ii) interest and principal due and payable on the Class A Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero,
 - (e) *fifth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero,
 - (f) *sixth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero,
 - (g) *seventh*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero,
 - (h) *eighth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero,

- (i) *ninth, pro rata and pari passu*, according to the respective outstanding amounts thereof
 - (i) (a) any amounts then due and payable to the Servicer as Subordinated Servicing Fees and thereafter (b) any subordinated servicing consultant fees under the Servicing Agreement and thereafter (c) any Subordinated Back-Up Servicer Facilitator Fees, together with (if payable) in each case VAT thereon as provided therein,
 - (ii) any amounts then due and payable to the Back-Up Servicer as Subordinated Back-Up Servicing Fees, together with (if payable) VAT thereon as provided therein, and
 - (iii) any amounts then due and payable to the Corporate Services Provider as Subordinated Corporate Services Provider Fees, together with (if payable) VAT thereon as provided therein,

in each case including any amounts which remain unpaid on any previous date,

- (j) *tenth, to pay, pro rata and pari passu*, the Class Y Early Termination Amount,
- (k) *eleventh, to pay, pro rata and pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero, and
- (l) *twelfth, to pay, pro rata and pari passu* any Class Z Payment (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations ranking (a) to (k), above)

7.3 Subordination

- (a) Each of the Secured Creditors hereby agrees to be bound by the order of priority set out in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) Without prejudice to Clause 22 (Exercise of Certain Rights), each of the Secured Creditors further agrees with each other party to this Deed that, notwithstanding any other provision contained herein or in any other Transaction Document
 - (i) (other than Security Trustee and the Note Trustee) it will not demand or receive payment of any distribution in respect of, or on account of, any amounts payable by the Issuer (or the Cash Manager on its behalf) or the Security Trustee (as applicable) to that Secured Creditor under the Transaction Documents, in cash or in kind,
 - (ii) it will not apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method other than in the case of the Issuer Account Bank, in accordance with Clause 3.3 (Bank Charges) of the Bank Account Agreement), unless all amounts then due and payable by the Issuer to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) have been paid in full, and
 - (iii) without prejudice to the foregoing, whether in the liquidation of the Issuer or any other party to the Transaction Documents or otherwise, if any payment or distribution (including by way of set-off or the proceeds of any enforcement of any Security) is received by a Secured Creditor in respect of any amount payable by the Issuer or the Security Trustee (as applicable) to that Secured Creditor under the relevant Transaction Document at a time when, by virtue of the provisions of the relevant Transaction Document and this Deed, no payment or distribution should have been made, the amount so received shall be held by the

Secured Creditor upon trust for the Issuer or, as applicable, the Security Trustee and shall be paid over to the Issuer or, as applicable, the Security Trustee as soon as is reasonably practicable following the earlier of (A) receipt of written notice from the Issuer or, as applicable, the Security Trustee and (B) actual knowledge of such Secured Creditor, in each case, that such payment or distribution should not have been made (whereupon the relevant payment or distribution shall be deemed not to have been made or received)

- (b) Neither the Issuer nor the Security Trustee shall pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor under the relevant Transaction Documents, in cash or in kind, except as expressly provided for in the relevant Transaction Documents, unless and until all amounts then payable by the Issuer or the Security Trustee to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) have been paid in full based on the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor. Subject to Clause 12 (Protection of Security Trustee and Receiver), the Security Trustee shall not be held liable for any incorrect payment, repayment or distribution if such payment, repayment or distribution is made in reliance upon the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor.
- (c) Where amounts owing to a group of Secured Creditors under the relevant Transaction Document are expressed to be required to be made *pari passu* and pro rata among such group, the Security Trustee shall not pay or repay, or make any distribution in respect of, such amounts to any Secured Creditor of such group, in cash or in kind, except on a *pari passu* and pro rata basis among such group.
- (d) The perpetuity period for the trusts in this Clause 7.3 shall be 125 years.

8. CONFLICT

8.1 Noteholders, Certificateholders and the other Secured Creditors

So long as any Notes are outstanding or any Certificates are in issue, and there is a conflict between the interests of (i) the Noteholders and/or the Certificateholders, and (ii) the other Secured Creditors, subject to Clause 24.1(k) below, and except as otherwise expressly provided in this Deed, the Security Trustee shall have regard to the interests of only the Noteholders and/or Certificateholders as regards the exercise and performance of all powers, rights, trusts, authorities, duties and discretions of the Security Trustee in respect of the Charged Assets, under this Deed or any other Transaction Document or in respect of the rights or benefits which are comprised in the Charged Assets (except where specifically provided otherwise).

8.2 Acknowledgement

Each of the Secured Creditors hereby acknowledges and concurs with the provisions of Clauses 8.1 (Noteholders, Certificateholders and the other Secured Creditors) and 24.1(k) (Powers of Security Trustee) (inclusive), and each of them agrees that it shall have no claim against the Security Trustee as a result of the application thereof.

9. THE SECURITY TRUSTEE'S POWERS

9.1 Prior Notification

The Security Trustee shall, if reasonably practicable, give prior notification to the Issuer of the Security Trustee's intention to enforce the Security created by or pursuant to 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 or pursuant to this Deed.

9.2 Enforceable

Without prejudice to the provisions of Clauses 9 5 (Law of Property Act 1925) and 10 1 (Appointment) (a) the Security created under this Deed shall become immediately enforceable and (b) the power of sale and other powers conferred by Section 101 of the Law of Property Act 1925 (the **1925 Act**) as varied or amended by this Deed, shall, in accordance with this Clause 9 be exercisable by the Security Trustee and (c) the Issuer shall be deemed to be in default within the meaning of Standard Condition 9(1)(b) of Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (the **1970 Act**), in each case at any time after an Enforcement Notice has been served on the Issuer Without prejudice to the effectiveness of any service of the Enforcement Notice or the obligation to deliver the same in accordance with Condition 11 (*Events of Default*) and/or Certificates Condition 10 (*Events of Default*), the Issuer shall, upon receipt of the same from the Note Trustee, publish (or cause to be published) a copy of any Enforcement Notice in accordance with the provisions of Notices Conditions and deliver a copy to each of the Secured Creditors and the Rating Agencies

9.3 Amounts Due

Notwithstanding any other provision of this Deed, all amounts under the Secured Obligations shall become due for the purposes of Section 101 of the 1925 Act and the statutory powers of sale and appointment of a Receiver which are conferred on the Security Trustee under the 1925 Act (as varied or extended by this Deed) only (and for no other purpose) and all other powers shall be deemed to arise immediately after execution of this Deed but shall only become enforceable in accordance with Clause 9 2 (Enforceable) above

9.4 Power of Sale

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

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

9.5 Law of Property Act 1925

- (a) The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of Section 99 or 100 of the 1925 Act
- (b) The provisions of the 1925 Act relating to the power of sale and the other powers conferred by Section 101(1) and (2) of the 1925 Act, are hereby extended in relation to the Issuer (as if such extensions were contained therein) to authorise the Security Trustee at its absolute discretion at any time after the service of an Enforcement Notice on the Issuer and subject to the Security Trustee being satisfied as to the indemnification and/or security available to it in relation to the exercise of such powers
 - (i) to make demand in the name of the Secured Creditors or in its own right for any monies and liabilities in respect of the Charged Assets,

- (ii) to sell the Issuer's title to or interest in the Charged Assets, and to do so for any shares, debentures or other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by a Security Interest or a guarantee, or for such other consideration whatsoever as the Security Trustee may think fit, and also to grant any option to purchase, and to effect exchanges of, any of the Charged Assets,
- (iii) with a view to or in connection with the sale of the Charged Assets, to carry out any transaction, scheme or arrangement which the Security Trustee may, in its absolute discretion, consider appropriate,
- (iv) to insure the Charged Assets against such risks and for such amounts as the Security Trustee may decide, and
- (v) to do all or any of the things or exercise all or any of the powers which are mentioned or referred to in Clause 10.6 (Powers of Receiver) as if each of them was expressly conferred on the Security Trustee by this Deed and which may not be included in paragraphs (i) to (iv) above

9.6 Delegation to Receiver

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

9.7 Application to Court

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

9.8 Authorised Investments

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

9.9 Deficiency or Additional Payment

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

any proceeds thereof or is required to make any withholding or deduction from any payment to any Secured Creditor

9.10 Scottish Trust Property

The Issuer hereby undertakes as beneficiary under the Scottish Declaration of Trust that, and each of the Legal Title Holders undertakes as trustee thereunder following the execution and delivery of the Assumption and Resignation that, if at any time after the Security constituted by or pursuant to this Deed shall have become enforceable and the Security Trustee or any Receiver shall so require, it will cooperate in selling or disposing of all or any part of the relevant Scottish Trust Property on terms previously approved by the Security Trustee or any Receiver and/or in causing the trust constituted by the Scottish Declaration of Trust to be wound up and/or performed and it will use all reasonable endeavours to take all actions and execute all such documents as may be necessary to effect such sale or disposal or winding up or performance and the distribution or transfer of a Scottish Trust Property or any part thereof in accordance with the terms of the relevant Scottish Declaration of Trust, the Deed of Assumption and Resignation and this Deed

10. RECEIVER

10.1 Appointment

- (a) Except as provided below, at any time after an Enforcement Notice has been served on the Issuer, the Security Trustee may, at its absolute discretion, appoint, by writing or by deed, such person or persons (including an officer or officers of the Security Trustee) as the Security Trustee thinks fit, to be Receiver of the Charged Assets or any part thereof and, in the case of an appointment of more than one person, to act together or independently of the other or others
- (b) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under Section 109(1) of the 1925 Act) does not apply to this Deed
- (c) The Security Trustee is not entitled to appoint a Receiver solely as a result of
 - (i) obtaining a moratorium, or
 - (ii) anything done with a view to obtaining a moratorium under the Insolvency Act 2000 except with leave of the court

10.2 Removal and Replacement

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

10.3 Extent of Appointment

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

10.4 Agent of the Issuer

The Receiver shall be the agent of the Issuer and the Issuer alone shall be responsible for the Receiver's contracts, engagements, acts, omissions, misconduct, negligence or default and for

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

10.5 Remuneration

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

10.6 Powers of Receiver

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

- (a) to take possession of, get in and collect the Charged Assets (or such part thereof in respect of which it may be appointed) or any part thereof including income whether accrued before or after the date of his appointment,
- (b) to carry on, manage, concur in or authorise the management of, or appoint a manager of, the whole or any part of the business of the Issuer,
- (c) to sell, dispose, convey, assign, novate, exchange, license, surrender, renounce, release, discharge, disclaim, abandon, retrocess, return or otherwise dispose of or in any way whatsoever deal with the Charged Assets or any interest in the Charged Assets or any part thereof for such consideration (if any) and upon such terms (including by deferred payment or payment by instalments) as it may think fit and to concur in any such transaction;
- (d) to sell or concur in selling the whole or any part of the Issuer's business whether as a going concern or otherwise,
- (e) to appoint, engage, dismiss or vary the terms of employment of any employees, officers, managers, agents and advisers of the Issuer upon such terms as to remuneration and otherwise and for such periods as it may determine,
- (f) to insure, protect, maintain, repair, alter, improve, replace, exploit, add to and develop or concur in so doing, the Charged Assets or any part thereof in any manner and for any purpose whatsoever,
- (g) in connection with the exercise or the proposed exercise of any of its powers or in order to obtain payment of its remuneration (whether or not it is already payable), to borrow or raise money from any person without security or on the security of any of the Charged Assets and generally in such manner and on such terms as it may think fit,
- (h) to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims, disputes and proceedings concerning the Charged Assets or any part thereof,

- (i) to transfer all or any of the Charged Assets and/or any of the liabilities of the Issuer to any other company or body corporate, whether or not formed or acquired for the purpose and to form a subsidiary or subsidiaries of the Issuer,
- (j) to call up or require the directors of the Issuer to call up all or any portion of the uncalled capital for the time being of the Issuer and to enforce payment of any call by action (in the name of the Issuer or the Receiver as may be thought fit),
- (k) to redeem, discharge, retrocess or compromise any Security Interest from time to time having priority to or ranking *pari passu* with this Deed,
- (l) to effect or maintain indemnity insurance and other insurance and obtain bonds and performance guarantees,
- (m) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, receipts, registrations, acts or things which it may consider appropriate,
- (n) to exercise any powers, discretions, voting, conversion or other rights or entitlements in relation to any of the Charged Assets or incidental to the ownership of or rights in or to any of the Charged Assets and to complete or effect any transaction entered into by the Issuer and complete, disclaim, abandon or modify all or any of the outstanding contracts or arrangements of the Issuer relating to or affecting the Charged Assets,
- (o) to exercise all powers as are described in Schedule 1 and Schedule 2 to the Insolvency Act or the 1970 Act (if appropriate), whether or not the Receiver is an "administrative receiver" as defined in the Insolvency Act,
- (p) to delegate its powers by way of power of attorney, or in any other manner to any person, any right, power or discretion exercisable by it under this Deed on the terms (including the power to sub-delegate) and subject to any regulations which such Receiver may think fit and such Receiver shall not be liable or responsible in any way to the Issuer or the Security Trustee for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate,
- (q) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Assets which it may consider expedient as effectually as if he were solely and absolutely entitled to the Charged Assets,
- (r) in addition
 - (i) to do all other acts and things which it may consider desirable or necessary for realising any Charged Assets or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed, and
 - (ii) to exercise in relation to any Charged Assets all the powers, authorities and things which it would be capable of exercising if it were the absolute beneficial owner of the same,

and may use the name of the Issuer for any of the above purposes, and
- (s) to pay and discharge out of the profits and income of the relevant Charged Assets and the monies to be made by it in carrying on the business of the Issuer the expenses incurred in

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

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

10.7 Appointment of Administrator

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

10.8 Costs of Receiver

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

11. PROTECTION OF THIRD PARTIES

11.1 Enquiry

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

11.2 Receipts

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

12. PROTECTION OF SECURITY TRUSTEE AND RECEIVER

12.1 Liability

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

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 liable to account as mortgagee, security holder or heritable creditor in possession. If and whenever the Security Trustee or the Receiver enters into possession of the Charged Assets, it shall be entitled at any time to go out of such possession.

12.3 Mortgagee in Possession

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

13. PROTECTION OF SECURITY

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

- (a) with a view to registering or perfecting any charge or other Security created or intended to be created by or pursuant to this Deed (including the perfecting of the conversion of any floating charge to a fixed charge pursuant to Clause 14.1 (Notice) or 14.2 (Automatic Crystallisation)), or
- (b) with a view to facilitating the exercise or the proposed exercise of any of 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 assigning, transferring, charging or sharing of possession/rights of such benefit

14. CRYSTALLISATION

14.1 Notice

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

- (a) any Event of Default is subsisting and has not been waived, or
- (b) the Security Trustee reasonably believes that the Charged Assets or any part thereof is in danger of being seized or sold under any form of distress, attachment, diligence, or execution levied or threatened or is otherwise in jeopardy or imperilled, or
- (c) any circumstance shall occur which in the reasonable opinion of the Security Trustee, imperils or will imperil the Security created by or pursuant to 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 or pursuant hereto,

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

14.2 Automatic Crystallisation

Subject as set out below, in addition and without prejudice to any other event resulting in a crystallisation of the floating charge, any floating charge contained herein shall automatically be converted into a fixed charge over all property, assets or undertakings of the Issuer subject to the floating charge and, in the case of property, assets or undertakings situated in Scotland or which are governed by or subject to Scots law, only to the extent that such conversion would be legally effective in Scotland, if and when

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

The floating charge created by Clause 3 10 (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 (Issuer Power of Attorney)

16. OTHER SECURITY

16.1 No Merger

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

16.2 Consolidation

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

16.3 Ruling Off

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

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

circumstances whatsoever shall operate to reduce the Secured Obligations as at the time the Security Trustee received such notice

16.4 Change of Name etc.

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

17. MERGER

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

18. AVOIDANCE OF PAYMENTS

18.1 No Release

No assurance, security or payment which may be avoided or adjusted under the law, including under any enactment or principle of law 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 or the corresponding rules of the Scottish common law and any costs payable by it pursuant to or otherwise incurred in connection therewith) or to enforce the charges or other Security contained in this Deed to the full extent of the Secured Obligations

18.2 Retention of Charges

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

filed with the court for the appointment of an administrator or formal notice shall be given of an intention to appoint an administrator in respect of the Issuer or the Issuer shall commence to be wound up or to go into administration or any analogous proceedings shall be commenced by or against the Issuer, the Security Trustee shall be at liberty to continue to retain such security for such further period as the Security Trustee may determine and such security shall be deemed to continue to have been held as security for the payment and discharge to the Security Trustee of all Secured Obligations

19. SET OFF

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

20. EXECUTION OF DOCUMENTS

Without prejudice to any other method of execution under applicable law, any document required to be executed as a deed by the Security Trustee under or in connection with this Deed shall be validly executed if executed as a deed by a duly authorised attorney of the Security Trustee

21. CONFIDENTIALITY

21.1 Confidentiality of information

Each party to this Deed agrees that during the term of this Deed and thereafter it shall keep confidential and it shall not disclose to any person whatsoever, any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may have obtained as a result of the execution of this Deed or of which it may otherwise have come into the possession of as a result of the performance of its obligations in respect of the Transaction

21.2 Disapplication of confidentiality provisions

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

- (a) to the disclosure of any information to any person insofar as such disclosure is expressly permitted by the Transaction Documents,
- (b) to the disclosure of any information already known to the recipient otherwise than as a result of entering into any of the Transaction Documents or as a result of a breach of this Clause 21,
- (c) to the disclosure of any information with the consent of all the parties hereto,

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

22. EXERCISE OF CERTAIN RIGHTS

22.1 Non-Petition in relation to the Issuer

- (a) Subject to and without prejudice to the provisions of Clause 22.4 (Mandatory Enforcement), each of the Secured Creditors (other than, in the case of paragraph (iii) below, the Note Trustee and the Security Trustee) agrees with the Issuer and the Security Trustee that
 - (i) only the Security Trustee may enforce the Security in accordance with the terms of this Deed,

- (ii) it will not take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer, and
 - (iii) it will not take any other steps or action against the Issuer or the Charged Assets for the purpose of recovering any of the Secured Obligations (including by exercising any rights of set-off) or enforcing any rights arising out of the Transaction Documents against the Issuer or take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or the Charged Assets
- (b) If the Note Trustee, having become bound under the terms of the Conditions or the Trust Deed, as the case may be, so to do, has failed to serve an Enforcement Notice or the Security Trustee, having become bound under the terms of this Deed so to do, has failed to enforce the Security, in each case, within a reasonable period and that failure is continuing or if there are no Notes outstanding or Certificates in issue, then each of the Secured Creditors (other than the Noteholders or the Certificateholders, to whom the provisions of Condition 12 (*Enforcement*) shall apply) will be entitled to take any steps or proceedings against the Issuer for the purpose of recovering any of the Secured Obligations or enforcing any rights arising out of the Transaction Documents as it considers necessary other than any steps or proceedings
- (i) in respect of procuring the winding up, administration or liquidation of the Issuer, and/or
 - (ii) which would result in the breach of Clause 6 (Payments out of the Issuer Accounts, Authorised Investments and Application of Cash Prior to Enforcement) and/or Clause 7 (Payments out of the Issuer Accounts upon Enforcement) and/or any term of the other Transaction Documents

22.2 Limited Recourse

- (a) Each of the Secured Creditors 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 due or to be paid to them which remain unpaid and the Issuer shall be deemed to be discharged from making any further payments to the Secured Creditors and any further payment rights shall be extinguished

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

22.3 Discretionary Enforcement

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

Transaction Documents Subject to the provisions of this Deed, at any time after the Security has become enforceable, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce such Security

22.4 Mandatory Enforcement

- (a) The Security Trustee shall not be bound to take any steps or to institute any proceedings or to take any other action under or in connection with any of the Transaction Documents (including enforcing the Security constituted by or pursuant to this Deed if it has become enforceable) unless
 - (i) directed to do so
 - (A) by an Extraordinary Resolution of the holders of the Most Senior Class or in writing by the holders of at least 25% in aggregate Principal Amount Outstanding of the Most Senior Class, or
 - (B) if there are no Notes then outstanding and the Certificates have been cancelled, by the Secured Creditors (other than the Noteholders and the Certificateholders), and
 - (ii) in all cases, it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing and the terms of such indemnity may include the provision of a fighting fund, non-recourse loan or other similar arrangement
- (b) The Security Trustee shall not be held liable for the consequences of taking any action under Clause 10 7, Clause 22 3 (Discretionary Enforcement) or this Clause 22 4 and may do so without having regard to the effect of such action on individual Noteholders or Certificateholders or any other Secured Creditor

22.5 Disposal of Charged Assets

Notwithstanding Clause 9 (The Security Trustee's Powers), if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders as set out in the Post-Enforcement Priority of Payments), or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing (i) to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders as set out in the Post-Enforcement Priority of Payments), and (ii) once all the Noteholders and the Certificateholders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority 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 in accordance with the applicable Priority of Payments. The Security Trustee shall be entitled to rely on the advice of any financial adviser (or other professional adviser) given pursuant to this Clause 22 5 without further enquiry and shall incur no liability to any person for so doing

22.6 Enforcing Security

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

22.7 Sole Obligations

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

23. COVENANTS AND WARRANTIES

23.1 Warranty

- (a) The Issuer warrants to the Security Trustee that (i) it has taken all necessary steps to enable it to charge or assign as Security the Charged Assets in accordance with Clause 3 (Security and Declaration of Trust), and that it has taken no action or steps to prejudice its right, title and interest in and to the Charged Assets and (ii) this Deed creates the security it purports to create and such security is not liable to be avoided or otherwise set aside upon an occurrence of and in relation to an Insolvency Event in relation to the Issuer
- (b) The Issuer warrants to the Security Trustee (on behalf of the Secured Creditors) as at the date of this Deed that
 - (i) it is duly incorporated in England and Wales with limited liability and with full power and authority to own its property and assets and conduct its business and is resident for tax purposes solely in, and has its usual place of abode in, the United Kingdom,
 - (ii) it has obtained and maintained in effect all authorisations, approvals, licences and consents required in connection with its business and the consummation of the transactions contemplated by the Transaction Documents to which it is a party pursuant to any requirement of law or any regulatory direction applicable to the Issuer in each other jurisdiction in which the Issuer carries on business,
 - (iii) it has the requisite power and authority to enter into this Deed and each relevant Transaction Document and to undertake and perform the obligations expressed to be assumed by it therein,
 - (iv) all acts, conditions and things required to be done, fulfilled and performed in order to enable it lawfully to enter into this Deed and each relevant Transaction Document, to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Deed the Scottish Supplemental Charge the Scottish Sub-Security, and to make this Deed and any Scottish Supplemental Charge and any Scottish Sub-Security admissible in evidence in England and Wales and (where applicable) Scotland have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected, and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected,

- (v) the entry by it into and the execution (and, where appropriate, delivery) of this Deed and each relevant Transaction Document and the performance by the Issuer of its obligations under this Deed, the Scottish Supplemental Charge and any Scottish Sub-Security do not and will not conflict with or constitute a breach or infringement by the Issuer of its memorandum and articles of association or any requirement of law or any regulatory direction or any other agreement to which the Issuer is a party or which is binding on it or any of its assets,
- (vi) each Charged Document is its legally binding, valid and enforceable obligation,
- (vii) it is not in default of any of its obligations under any Charged Document and no Insolvency Event will occur in respect of it as a result of it entering into any Charged Document, and
- (viii) there is no prohibition on assignment in any Charged Document,
- (c) The Issuer warrants to the Security Trustee that it does not hold, and has not at any time held any capital assets and will not at any time hold any assets other than the Portfolio save to the extent reasonably incidental to the activities envisaged by the Transaction Documents,
- (d) The Issuer warrants to the Security Trustee that the obligations expressed to be assumed by the Issuer under this Deed, the Scottish Supplemental Charge and any Scottish Sub-Security are legal and valid obligations, binding on it and enforceable against it in accordance with their terms except
 - (i) as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally,
 - (ii) as such enforceability may be limited by the effect of general principles of equity, and
 - (iii) obligations relating to stamp duties may be void by virtue of Section 117 of the Stamp Act 1891,
- (e) The Issuer represents and warrants to the Security Trustee that it does not have, and has not had since the date of its incorporation, a source of income prior to the Closing Date,
- (f) The Issuer represents and warrants to the Security Trustee that it is the beneficial owner of or the holder of the beneficial interest in, the Charged Assets and the Charged Assets are free of any Security Interests (except for those created by or under this Deed) and any other rights or interests (including any licences) in favour of third parties,
- (g) The Issuer represents and warrants to the Security Trustee that, as at the Closing Date, none of its property, assets and/or undertakings are subject to any restriction (whether contractual or otherwise) that may render the Security Interests granted by the Issuer under this Deed ineffective or which otherwise prohibit the grant of such Security Interests,
- (h) The Issuer represents to the Security Trustee that no Security Interest exists over or in respect of any asset of the Issuer, other than as created by or pursuant to this Deed, and
- (i) Each party to this Deed represents to each other party that it has entered into the Transaction Documents to which it is party in good faith and for the purposes of carrying on its business

23.2 Negative Covenants

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

- (a) create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertakings,
- (b)
 - (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage, or
 - (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 2006) or any employees (but shall procure that, at all times, it shall retain at least one Independent Director) or premises,
- (c) assign, transfer, sell, lend, lease, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing,
- (d) pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association, the Transaction Documents and with applicable laws or issue any further shares,
- (e) consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person,
- (f) incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person,
- (g) permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the Security Interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed, waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party,
- (h) have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee,
- (i) become or be a party to any transaction for the purposes of securing a tax advantage within the meaning of Section 1139 of the Corporation Tax Act 2010 for itself or any other person,
- (j) do any act or thing the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the United Kingdom,
- (k) engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles,

- (l) permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein, or
- (m) purchase or otherwise acquire any Notes (other than pursuant to the Conditions) or Certificates (other than pursuant to the Certificates Conditions)

23.3 Positive Covenants

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

- (a) at all times to carry on and conduct its affairs in a proper and efficient manner and in accordance with its constitutive documents and all laws and regulation applicable to it and comply and perform all its obligations under each Transaction Document,
- (b) to give to the Security Trustee within a reasonable time after request such information and evidence as it shall require and in such form as it shall reasonably require, including without prejudice to the generality of the foregoing the procurement by the Issuer of all such certificates called for by the Security Trustee pursuant to this Deed or any other Transaction Document for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under this Deed or any other Transaction Document to which the Security Trustee is a party or by operation of law and the Security Trustee may rely on the contents of such certificates, information and evidence as conclusive evidence of the matters stated therein or the matters to which they relate and shall incur no liability to any person for so doing,
- (c) to cause to be prepared and certified by its Auditors in respect of each Financial Year accounts in such form as will comply with relevant legal and accounting requirements for the time being,
- (d) at all times to keep or procure the keeping of proper books of account and records and allow the Security Trustee and any person or persons appointed by the Security Trustee to whom the Issuer shall have no reasonable objection free access to such books of account and records at all times during normal business hours upon reasonable notice in writing provided that such inspection shall only be for the purposes of carrying out its duties under this Deed and any information so obtained shall only be used and passed on to any other person for the purpose of the Security Trustee carrying out its duties under this Deed,
- (e) to send to the Security Trustee a copy of every balance sheet, profit and loss account, source and application of funds statement (if any), report, or other notice, statement, circular or document issued or given to any holder of securities issued by the Issuer (including Noteholders, Certificateholders and shareholders in their capacity as such) or creditors of the Issuer as soon as reasonably practicable after issue of the same,
- (f) to give notice in writing to the Security Trustee of the occurrence of any Event of Default and/or service of an Enforcement Notice (such notice to be effective by the delivery of a copy of the Enforcement Notice to the Security Trustee) immediately upon becoming aware thereof and without waiting for the Security Trustee to take any further action,
- (g) give to the Security Trustee (i) within seven days after demand by the Security Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each Financial Year commencing with the financial period ending 30 November 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 (or if such exists or existed specifying the same) and that during the period from and including the Certification Date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the certification date of such certificate the Issuer has complied, to the best of their knowledge, information and belief, with all its obligations contained in this Deed and each of the other Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not complied and the Security Trustee shall be entitled to rely on the contents of such certificate as conclusive evidence of the matters stated therein,

- (h) at all times to execute all such further documents and do all such further acts and things as may in the reasonable opinion of the Security Trustee be necessary at any time or times to give effect to the terms and conditions of this Deed and the other Transaction Documents,
- (i) at all times to comply with the obligations and provisions binding upon it under and pursuant to this Deed and the other Transaction Documents,
- (j) duly and promptly to pay and discharge all Taxes imposed upon it or its assets unless such Taxes are, in the opinion of the Security Trustee, being contested in good faith by the Issuer,
- (k) conduct its business and affairs such that, at all times, its "centre of main interests" for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000 shall not be in any Member State other than England and Wales and it will not have any "establishment" (as defined in the Insolvency Regulation) in any Member State other than England and Wales,
- (l) that, in order to enable the Security Trustee to ascertain the principal amount of the Notes of each Class for the time being outstanding or the total number of Certificates being in issue for the time being for any of the purposes referred to in the proviso to the definition of "outstanding" in the Master Definitions and Construction Schedule, the Issuer will deliver to the Security Trustee forthwith upon being so requested in writing by the Security Trustee (upon being provided with the relevant information from the Registrar) a certificate in writing signed by two directors of the Issuer setting out the total number and Principal Amount Outstanding of the Notes of each Class or the total number of Certificates which are at the date of such certificate held by, for the benefit of, or on behalf of, any Relevant Person,
- (m) that it will not hold save to the extent permitted by or provided in the Transaction Documents, any capital assets,
- (n) that it will at no time be a director of any company,
- (o) it will keep any relevant notification pursuant to the Data Protection Act current and up to date,
- (p) that
 - (i) in respect of each accounting period of the Issuer, the amounts retained by the Issuer will be its profit as provided for in the Cash Management Agreement (the **Issuer's Profit**) and amounts retained in the Issuer Accounts and recorded on the Rated Note Reserve Fund Ledger being amounts reasonably required to provide for losses or

expenses arising from its business or to maintain or enhance its creditworthiness and no other amounts are or will be reserved or retained by it, and

- (ii) in respect of all amounts received by the Issuer pursuant to any Transaction Document, the Issuer has a corresponding obligation to pay out an equal amount by way of cost or expense owing to a third party less an amount equal to the Issuer's Profit, and
- (q) the Issuer's Profit has been determined by the directors of the Issuer on the basis of due consideration of all relevant corporate and regulatory matters as being an adequate commercial return for the risks undertaken by the Issuer in entering into the transactions pursuant to and in accordance with the Transaction Documents

23.4 Form MR01

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

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

24.1 Powers of Security Trustee

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts constituted by this Deed. Where there are any inconsistencies between the Trustee Act 1925, the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000 the provisions of this Deed shall constitute a restriction or exclusion for the purposes of that Act

The Security Trustee shall have all the powers conferred upon trustees by the Trustee Act 1925 and the Trustee Act 2000 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 rely or act on the opinion or advice of, or a certificate or any information obtained from, any lawyer, banker, valuer, surveyor, securities company, broker, auctioneer, accountant or other expert in the United Kingdom or elsewhere, whether obtained by the Security Trustee, any Receiver or any other party and whether or not addressed to the Security Trustee and shall not be responsible for any loss occasioned by so acting or relying (notwithstanding that such opinion, advice, certificate or information may contain a cap or other limitation (monetary or otherwise) on the liability of any person or limits the scope and/or basis of such advice, report, opinion or information),
- (b) any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, facsimile reproduction, electronic mail or in any other form and the Security Trustee shall not be liable for acting in good faith on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic,
- (c) the Security Trustee (i) shall (save as expressly otherwise provided in this Deed or any of the other Transaction Documents) as regards all rights, powers, authorities and discretions vested in it by this Deed or any of the other Transaction Documents, or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and

- (ii) may at its discretion and without notice, take such proceedings and/or other steps as it may think fit against the Issuer or any other person or party to any of the Transaction Documents to enforce the provisions of the Notes or the Certificates and any of its rights under this Deed or any other Transaction Document in such manner as it thinks fit,
- (d) the Security Trustee shall be at liberty to place this Deed and all deeds and other documents relating to this Deed with any bank or banking company, or lawyer or firm of lawyers believed by it to be of good repute, in any part of the world, and the Security Trustee shall not be responsible for or be required to insure against any loss incurred in connection with any such deposit and the Issuer shall pay all sums required to be paid on account of or in respect of any such deposit,
- (e) the Security Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Security Trustee (including the receipt and payment of money) Provided that the Security Trustee has exercised reasonable care in the selection of any such agent, the Security Trustee (except where such agent is an affiliate or associated company of, the Security Trustee) shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons,
- (f) where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or required by law) be converted at such rate or rates in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Security Trustee in its absolute discretion but having regard to current rates of exchange if available and the Security Trustee shall not be liable for any loss occasioned by the said conversion under this paragraph (f),
- (g) subject to Clause 25.5 (Consent of Security Trustee), any consent or approval given by the Security Trustee for the purposes of this Deed or any of the other Transaction Documents may be given on such terms and subject to such conditions (if any) as the Security Trustee thinks fit and, notwithstanding anything to the contrary contained in this Deed or any of the other Transaction Documents, may be given retrospectively,
- (h) the Security Trustee shall be entitled to rely upon a certificate, believed by it to be genuine, of the Issuer, the Cash Manager, the Servicer or the Seller, the Legal Title Holders or any other person in respect of every matter and circumstance for which a certificate is expressly provided under this Deed or the other Transaction Documents and to call for and rely upon a certificate of the Issuer, the Cash Manager, the Servicer or the Seller, the Legal Title Holders or any other person reasonably believed by it to be genuine as to any other fact or matter *prima facie* within the knowledge of the Issuer or such person as sufficient evidence thereof and the Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss, Liability, costs, damages, expenses or inconvenience that may be caused by it failing to do so,
- (i) the Security Trustee shall not be responsible for acting upon any resolution in writing or resolution purporting to have been passed at any meeting of the Noteholders and/or Certificateholders in respect whereof minutes have been made and purporting to have been signed by the chairman thereof, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Noteholders and/or Certificateholders,

- (j) the Security Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of Notes or the number of Certificates standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system or any successor system) in accordance with its usual procedures and in which the holder of a particular Principal Amount Outstanding of Notes or number of Certificates is clearly identified together with the amount of such holding. The Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic,
- (k) subject to Clause 22.4 (Mandatory Enforcement), the Security Trustee shall, in connection with the exercise by it of any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents
- (i) where it is required to have regard to the interests of the Noteholders of any Class, it shall
- (A) have regard to the general interests of the Noteholders of such Class as a Class and shall not have regard to any interest arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise or performance thereof for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, and
- (B) have regard to the interests of holders of each Class of Notes and Certificates (except where expressly provided otherwise) but where there is a conflict of interests between the holders of one or more Classes of Notes and/or Certificates it shall have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes and/or Certificates ranking in priority to the other relevant Classes of Notes and/or Certificates in the Pre-Enforcement Revenue Priority of Payments,
- (ii) where it is required to have regard to the interests of the Certificateholders of any Class, it shall have regard to the general interests of the Certificateholders of such Class as a Class and shall not have regard to any interest arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise or performance thereof for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Issuer, the Security Trustee or any other person any

indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders,

- (iii) notwithstanding that none of the Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by it and relied upon by the Security Trustee pursuant to this Clause 24 1(k)(iii), the Security Trustee may, among other things, for the purposes of exercising any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents and determining if such exercise will not be materially prejudicial to the interests of the Noteholders (or any Class thereof), have regard to any Rating Agency Confirmation. It is agreed and acknowledged by the Security Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders. In being entitled to take into account any Rating Agency Confirmation, it is agreed and acknowledged by the Security Trustee that such reliance does not impose or extend any actual or contingent liability of the Rating Agencies to the Security Trustee, the Noteholders or any other person or create any legal relations between the Rating Agencies and the Security Trustee, the Noteholders or any other person whether by way of contract or otherwise, and
- (iv) so long as any Notes are outstanding or any Certificates are in issue, have as regard to the interests of Secured Creditors, other than the Noteholders and/or Certificateholders,
- (l) the Security Trustee shall have no responsibility for the maintenance of any rating of the Rated Notes and/or the Class X Certificates by the Rating Agencies or any other person,
- (m) the Security Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Security Trustee assigned by the Security Trustee to administer its corporate trust matters,
- (n) no provision of this Deed or any other Transaction Document shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers or otherwise in connection with this Deed or any other Transaction Document (including forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it,
- (o) notwithstanding anything else contained in these presents or the other Transaction Documents, the Security Trustee may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive or regulation of any agency of any state or which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation,
- (p) the Security Trustee shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be required to disclose to any Secured Creditor any information made available to the Security Trustee by the Issuer or any other person in connection with the trusts of this Deed or the other Transaction Documents and no Secured Creditor shall be entitled to take any action to obtain from the Security Trustee any such information,
- (q) the Security Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Security Trustee may determine, including for the purpose of depositing with a custodian this Deed or any documents relating

to the trusts created hereunder. The Security Trustee shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons,

- (r) unless notified to the contrary, the Security Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to Clause 23 3(l)) that no Notes are held by, for the benefit of, or on behalf of, a Relevant Person,
- (s) the Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note or Certificate purporting to be such and subsequently found to be forged or not authentic,
- (t) the Security Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience occasioned to the Security however caused, whether by an act or omission of the Issuer or any other party to the Transaction Documents or any other person (including any bank, broker, depositary, or other intermediary or any clearing system or operator thereof) acting in accordance with or contrary to the provisions of any Transaction Documents or otherwise and irrespective of whether the Security is held by or to the order of any such persons,
- (u) the Security Trustee shall not be under any obligation to insure any of the Security or any deeds or documents of title or other evidence in respect of the Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience which may be suffered by any person as a result of the lack of or inadequacy of any such insurance,
- (v) the Security Trustee will not be liable for any decline in value nor any loss realised upon any sale or other disposition pursuant to this Deed of, any of the Charged Assets. In particular and without limitation, the Security Trustee shall not be liable for any such decline, loss or Liability directly or indirectly arising from its acting or failing to act as a consequence of an opinion reached by it in good faith based on advice received by it in accordance with this Deed and the Conditions or the Certificates Conditions,
- (w) the Security Trustee shall have no responsibility whatsoever to the Issuer or Secured Creditors as regards any deficiency which might arise because the Security Trustee is subject to any Tax in respect of all or any of the Charged Assets, the income therefrom or the proceeds thereof,
- (x) it is a term of the trust created in these presents, that, except where expressly provided otherwise in the Transaction Documents, any information provided to the Security Trustee under the terms of the Transaction Documents is for information purposes only and the Security Trustee will not and is not expected to routinely review or monitor such information,
- (y) the Security Trustee shall not be responsible for
 - (i) identifying the occurrence of a Insolvency Event in relation to any Legal Title Holder or a Servicer Termination Event and shall assume that no such event has occurred unless notified thereof by the relevant Legal Title Holder in accordance with the provisions of Clause 7 (Undertakings) of the Mortgage Sale Agreement regarding a Insolvency Event in relation to the relevant Legal Title Holder, or by the Servicer pursuant to Clause 20 (Termination) of the Servicing Agreement, regarding a Servicer Termination Event,

- (ii) serving a Servicer Termination Notice, unless notified by the Servicer or the Issuer of the circumstances entitling it to serve such notice, or
 - (iii) analysing the circumstances which have informed the Servicer or the Issuer when notifying the Security Trustee of a Servicer Termination Event,
- (z) in connection with the Security Trustee's entitlement to take action to terminate the appointment of the Servicer, the Security Trustee
 - (i) will not be responsible for carrying out the role of Servicer itself during the time the Issuer is attempting to identify such replacement Servicer or thereafter if the Issuer is unable to find such replacement, and
 - (ii) will not be required to take any action to find a replacement Servicer,
- (aa) the Security Trustee shall be entitled to assume that (i) no event has occurred which is a breach of the Servicer's obligations under the Servicing Agreement and (ii) no event has occurred which would, under the terms of the Servicing Agreement or other Transaction Documents, lead to the replacement of the Servicer, unless it is told otherwise as specified in the Transaction Documents,
- (bb) notwithstanding anything in these presents or any other Transaction Document to the contrary, the Security Trustee shall not do, or be authorised or required to do, anything which might constitute a regulated activity for the purpose of FSMA, unless it is authorised under FSMA to do so,
- (cc) the Security Trustee shall have the discretion at any time
 - (i) to delegate any of the functions which fall to be performed by an authorised person under FSMA to any other agent or person which also has the necessary authorisations and licences, and
 - (ii) to apply for authorisation under FSMA and perform any or all such functions itself if, in its absolute discretion, it considers necessary, desirable or appropriate to do so,
- (dd) nothing in these presents shall require the Security Trustee to assume an obligation of the Issuer arising under any provisions of the listing, prospectus, disclosure or transparency rules (or equivalent rules of any other competent authority besides the Relevant Regulator),
- (ee) any liability of the Security Trustee arising under the Transaction Documents shall be limited to the amount of actual loss suffered (such loss shall be determined as at the date of default of the Security Trustee or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Trustee at the time of entering into the Transaction Documents, or at the time of accepting any relevant instructions, which increase the amount of the loss. In no event shall the Security Trustee be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive or consequential damages, whether or not the Security Trustee has been advised of the possibility of such loss or damages and regardless of whether the claim for damages is made in negligence, for breach of contract or otherwise. This paragraph (ee) shall not apply in the event that a court with jurisdiction determines that the Security Trustee has acted fraudulently, and
- (ff) the Security Trustee shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these

presents or any other Transaction Document (including, without limitation, any consent, approval, modification, waiver or authorisation referred to in Clause 25 5(b), Clause 25 7 (Modification to the Transaction Documents) and Clause 25 8 (Authorisation or Waiver of Breach)), among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any confirmation provided by the Rating Agencies (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Security Trustee and irrespective of the method by which such confirmation is conveyed) that the then current rating by it of the Rated Notes and/or the Class X Certificates would not be downgraded, withdrawn or qualified by such exercise or performance

24.2 Representations and Warranties

The Security Trustee shall not be responsible for any recitals or statements or warranties or representations of any party (other than the Security Trustee) contained herein or in any other Transaction Document or any other document entered into in connection therewith and may assume the accuracy and correctness thereof and shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any such agreement or other document or any trust or security thereby constituted or evidenced. The Security Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Charged Assets or any part thereof from time to time and shall not be required to investigate or make any enquiry into the title of the Issuer to the Charged Assets or any part thereof from time to time whether or not any default or failure is or was known to the Security Trustee or might be, or might have been, discovered upon examination, inquiry or investigation and whether or not capable of remedy. Notwithstanding the generality of the foregoing, each Secured Creditor shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Security Trustee shall not at any time have any responsibility for the same and each Secured Creditor shall not rely on the Security Trustee in respect thereof.

24.3 Perfection

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

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

24.4 Enforceability

The Security Trustee shall not be responsible for the genuineness, validity or effectiveness of any of the Transaction Documents or any other documents entered into in connection therewith or any other document or any obligations or rights created or purported to be created thereby or pursuant thereto or any Security or the priority thereof constituted or purported to be constituted by or pursuant to this Deed or any of the Transaction Documents, nor shall it be responsible or liable to any person

because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court and (without prejudice to the generality of the foregoing) the Security Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for

- (a) the nature, status, creditworthiness or solvency of the Issuer,
- (b) the title, ownership, value, sufficiency, enforceability, unsuitability, inadequacy, unfitness or existence of any Charged Assets or any security (howsoever described) relating thereto as security for the Secured Obligations,
- (c) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of this Deed or any other Transaction Document comprised within the Charged Assets or any other document entered into in connection therewith,
- (d) the registration, recording, filing, protection or perfection of any security relating to this Deed or the other Transaction Documents relating to the Charged Assets or the priority of the security thereby created whether in respect of any initial advance or any subsequent advance or any other sums or liabilities,
- (e) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or any other person or entity who has at any time provided any Transaction Document comprised within the Charged Assets or in any document entered into in connection therewith,
- (f) the performance or observance by the Issuer or any other person of any provisions of this Deed or any other Transaction Document comprised within the Charged Assets or in any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing,
- (g) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with the Charged Assets,
- (h) the title of the Issuer to any of the Charged Assets,
- (i) the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security created or purported to be created by or pursuant to this Deed or other documents entered into in connection therewith,
- (j) the failure to call for delivery of documents of title to or require any transfers, assignments, assignments, legal mortgages, standard securities, charges or other further assurances in relation to any of the assets the subject matter of any of this Deed or any other document, or
- (k) any other matter or thing relating to or in any way connected with this Deed or the Charged Assets or any document entered into in connection therewith whether or not similar to the foregoing

24.5 No Supervision

Subject to the provisions allowing the Security Trustee to appoint agents and delegates, the Security Trustee shall be under no obligation to monitor or supervise the respective functions of the Issuer

Account Bank under the Bank Account Agreement, the Cash Manager under the Cash Management Agreement or the Servicer under the Servicing Agreement or of any other person under or pursuant to any of the other Transaction Documents. In the absence of actual knowledge of a breach of obligation, the Security Trustee shall be entitled to assume that each such person is properly performing and complying with its obligations.

24.6 No Liability

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

24.7 Conclusive and Binding Determinations

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

24.8 Use of Proceeds

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

24.9 Material Prejudice

The Security Trustee may determine whether or not any event, matter or thing is, in its opinion, materially prejudicial to the interests of the Secured Creditors (or any of them) and if the Security Trustee shall certify that any such event, matter or thing is, in its opinion, materially prejudicial or, as the case may be, not materially prejudicial to the interests of the Secured Creditors (or any of them), such certificate shall be conclusive and binding upon the Secured Creditors and the Security Trustee shall not be responsible for any Liability incurred by the Issuer or any Secured Creditor as a result of such determination.

24.10 No Indemnity

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

25. SUPPLEMENTAL PROVISIONS REGARDING THE SECURITY TRUSTEE

25.1 Assumption of No Default

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

exercisable, whether by the Issuer or the Security Trustee, under or in respect of any of the Transaction Documents

25.2 Delegation

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

25.3 Commercial Transactions

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

25.4 Additional Powers

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

25.5 Consent of Security Trustee

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

- (a) if the Transaction Document specifies that the Security Trustee is required to give its consent or approval to that event, matter or thing if certain specified conditions are satisfied in relation to that event, matter or thing, then the Security Trustee shall give its consent or approval to that event, matter or thing upon being satisfied that those specified conditions have been satisfied, and

- (b) in any other case, the Security Trustee may give its consent or approval if to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders and the Certificateholders or, if there are no Notes then outstanding and no Certificates then in issue, all the Secured Creditors

25.6 Interests of Secured Creditors

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

25.7 Modification to the Transaction Documents

- (a) The Security Trustee may (or in the case of (iii) below, shall from time to time and at any time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other person in making or sanctioning any modification
 - (i) to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Security Trustee will not be materially prejudicial to the interests of the Noteholders or the Certificateholders or, if there are no Notes then outstanding and no Certificates then in issue, all the Secured Creditors,
 - (ii) to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Security Trustee, such modification is of a formal, minor or technical nature or to correct a manifest error, or
 - (iii) that would result in the Issuer entering into any new and/or amended bank account agreement or collection account agreement (including where the unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are downgraded below the Account Bank Rating, and the Issuer is required (within 30 calendar days) to arrange for the transfer at its own cost of the Account to an appropriately rated bank or financial institution on similar terms to those set out in the Bank Account Agreement in order to maintain the ratings of the Notes at their then current ratings), provided that the Issuer certifies to the Security Trustee and/or the Note Trustee (upon which the Security Trustee and Note Trustee shall rely without liability) that any such new agreement and/or amendment would not have an adverse effect on the then current rating of the Most Senior Class and provided that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (a) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions and/or the Certificates Conditions
- (b) Any such modification, waiver or authorisation by the Security Trustee, as applicable, in accordance with this Clause 25, the Conditions, the Certificates Conditions or the other Transaction Documents shall be binding on the Noteholders, the Certificateholders and the other Secured Creditors and, unless the Security Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders and the Certificateholders as soon as practicable thereafter in accordance with the

Conditions and the Certificates Conditions, the Rating Agencies (while any Rated Notes remain outstanding) and the Secured Creditors as soon as practicable thereafter

25.8 Authorisation or Waiver of Breach

The Security Trustee may, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors, without prejudice to its right in respect of any further or other breach, from time to time and at any time authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificates Conditions or any of the Transaction Documents by any party thereto, but only if and in so far as in its sole opinion the interests of the Noteholders, or the Certificateholders, or if there are no Notes then outstanding and no Certificates then in issue, all the Secured Creditors will not be materially prejudiced thereby

25.9 Incorporation by Reference

The provisions of Clauses 20, 28, 29, 30 (Substitution) and 37, Schedule 2 (Terms and Conditions of the Notes), Schedule 3 (Terms and Conditions of the Certificates) and Schedule 5 to the Trust Deed shall be deemed to be incorporated *mutatis mutandis* in this Deed but (except as the context otherwise requires) as if references therein to the Note Trustee were to the Security Trustee other than the references therein to an Extraordinary Resolution of the Most Senior Class directing the Note Trustee to give an Enforcement Notice under Condition 11 (*Events of Default*) and/or Certificates Condition 10 (*Events of Default*)

26. REMUNERATION AND INDEMNIFICATION OF THE SECURITY TRUSTEE

26.1 Remuneration

The Issuer shall (subject as hereinafter provided) pay to the Security Trustee annually a fee of such amount and payable on such dates as shall from time to time be agreed in a separate fee letter by the Issuer and the Security Trustee. All such remuneration shall be payable in accordance with the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments. Such remuneration shall accrue from day to day from the date of this Deed and be payable up to and including the date when all of the Secured Obligations have been paid or discharged and the Security Trustee has released, reassigned, retrocessed and/or discharged the Charged Assets as provided in Clause 4.2 (On Payment or Discharge of Secured Obligations)

26.2 Additional Remuneration

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

26.3 VAT

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

26.4 Disputes

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

- (a) (in a case to which Clause 26 1 (Remuneration) applies) upon the amount of any remuneration, or
- (b) (in a case to which Clause 26 2 (Additional Remuneration) applies) upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed or the other Transaction Documents or upon the amount of such additional remuneration,

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

26.5 Expenses

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

26.6 Indemnity

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

The indemnity contained within this Clause 26 6 shall survive the discharge and release of the whole or any part of the Charged Assets from the Security

26.7 Interest

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

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

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

26.8 Stamp Duties

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

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

26.9 Survival

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

26.10 Payments

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

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

27.1 Power of Issuer

The power of appointing a new security trustee shall be vested in the Issuer, provided that such appointment must be approved by an Extraordinary Resolution of the holders of the Most Senior Class A Trust Corporation may be appointed sole security trustee hereof but subject hereto there

shall be at least two security trustees hereof. Any appointment of a new security trustee and any retirement or removal of an existing Security Trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Secured Creditors.

27.2 Power of Security Trustee

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

- (a) if the Security Trustee considers such appointment to be in the interests of the Secured Creditors (or any of them),
- (b) for the purposes of conforming to any legal requirement, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed or any Charged Assets is or is to be located,
- (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, or
- (d) the Security Trustee in its absolute discretion determines that such appointment is necessary or desirable to avoid any potential conflict of interests.

The Issuer hereby irrevocably appoints the Security Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Deed or any of the other Transaction Documents to which the Security Trustee is a party) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Security Trustee by this Deed or any of the other Transaction Documents to which the Security Trustee is a party) and such duties and obligations as shall be conferred or imposed on it by the instrument of appointment. The Security Trustee shall have power in like manner to remove any such person. Such proper remuneration as the Security Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Deed be treated as costs, charges and expenses incurred by the Security Trustee.

27.3 Multiple Trustees

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

28. RETIREMENT OF SECURITY TRUSTEE

Any security trustee for the time being of this Deed may retire at any time upon giving not less than 60 days' prior notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs resulting from such retirement. The holders of the Most Senior Class, may, by Extraordinary Resolution, remove all trustee or trustees (but not some only) for the time being of this Deed and the Trust Deed. The retirement or removal of any security trustee shall not become

effective unless there remains at least one security trustee hereof being a Trust Corporation in office upon such retirement or removal. The Issuer covenants that, in the event of a security trustee (being a sole security trustee or the only Trust Corporation) giving notice under this Clause 28 or being removed as referred to in this Clause 28 (Retirement of Security Trustee), 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, but no such appointment shall take effect unless previously approved by Extraordinary Resolution of the holders of the Most Senior Class.

29. NOTICES

29.1 In writing

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

29.2 Changes

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

29.3 Effectiveness

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

30. LANGUAGE

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

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

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

31. FURTHER PROVISIONS

31.1 Evidence of Indebtedness

In any action, proceedings or claim relating to this Deed or the charges or security contained in this Deed, the Scottish Supplemental Charge or any Scottish Sub-Security, a statement as to any amount

due to any Secured Creditor or of the Secured Obligations or any part thereof or a statement of any amounts which have been notified to the Security Trustee as being amounts due to any Secured Creditor which is certified as being correct by an officer of the Security Trustee or an officer of the relevant Secured Creditor shall, save in the case of manifest error, be conclusive evidence that such amount is in fact due and payable

31.2 Rights Cumulative, Waivers

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

31.3 Partial Invalidity

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

31.4 Severability

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

31.5 Counterparts

This Deed may be executed and delivered in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same deed and any party to this Deed may enter into the same by executing and delivering a counterpart (including by facsimile). For the purposes of Clauses 3.4 (Scottish Sub-Securities), 3.5 (Scottish Trust Security) and 3.10 (Floating Charge) in so far as each relates to Charged Assets located in Scotland or otherwise governed by Scots law, this Deed shall be fully effective and binding on the Issuer upon at least one copy of this Deed having been executed and delivered by the Issuer notwithstanding that any other person expressed to be a party to this Deed has not then executed and delivered this Deed and notwithstanding whether any such other party has executed and delivered or shall hereafter execute and deliver a counterpart of this Deed.

31.6 Further Assurance

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

EXECUTED and DELIVERED as a DEED by
PEPPER (UK) LIMITED
as Servicer:
acting by ~~two~~ Director ~~or~~
~~Director and the Secretary~~

Director

Witness:

~~Director/Secretary~~ Dipti Vekaria
One Bishop's Square
London E1 6AD.

EXECUTED and DELIVERED as a DEED by
ROSE MORTGAGES LIMITED
as Legal Title Holder
acting by two Directors

per pro SFM Directors Limited, as Director

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

EXECUTED and DELIVERED as a DEED by
CHACONIA MORTGAGES LIMITED
as Legal Title Holder
acting by two Directors

per pro SFM Directors Limited, as Director

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

EXECUTED and DELIVERED as a DEED by
TULIP MORTGAGES LIMITED
as Legal Title Holder
acting by two Directors

per pro SFM Directors Limited, as Director

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

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

in the presence of this witness

Witness Signature

Full Name:

Address:

)
)
)
)
)

JAMES HOUNSLOW
Authorised Signatory

)
)
)
)
)

LAURENCE GRIFFITHS
Authorised Signatory

EXECUTED and DELIVERED as a DEED by
STRUCTURED FINANCE MANAGEMENT
LIMITED
as Corporate Services Provider
acting by its authorised signatories

)
)
)
)
)
)
)
)
)
)

EXECUTED and DELIVERED as a DEED by
HOMELoAN MANAGEMENT LIMITED

as Back-up Servicer
acting by a Director

Director

)
)
)
)
)
)
)
)
)
)
)

in the presence of this witness

Witness Signature:

Full Name:

Address:

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

in the presence of this witness

Witness Signature

Full Name

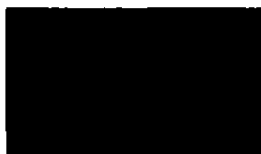
Address

EXECUTED and DELIVERED as a DEED by)
STRUCTURED FINANCE MANAGEMENT)
LIMITED)
as Corporate Services Provider)
acting by its authorised signatories)
)

EXECUTED and DELIVERED as a DEED by)
HOMELoAN MANAGEMENT LIMITED)
)
as Back-up Servicer)
acting by a Director)
)

Director

Jonathan Pattinson



in the presence of this witness

Witness Signature

Full Name

Address

Dominic Daymond
Legal Services Assistant
Gateway House, Gargrave Road
Skipton, N Yorkshire, BD23 2HL

EXECUTED and DELIVERED as a DEED by
COMMERCIAL FIRST GROUP LIMITED
as Parent
acting by its Director

)
)
)
)
)

in the presence of

Witness Signature

Full Name

Diphi Velkova

Address

ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD

SCHEDULE 1

ISSUER POWER OF ATTORNEY

THIS POWER OF ATTORNEY is made on 27 October 2014 by **SLATE NO. 1 PLC** (registered number 09232042), whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Principal**)

WHEREAS

- (1) By virtue of a deed of charge (the **Deed of Charge**) dated on or about 27 October 2014 and made between, among others, the Principal and the Attorney (as defined below) 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, the Scottish Supplemental Charge and any Scottish Sub-Security appoints U S Bank Trustees Limited in its capacity as Security Trustee, and any other person or persons for the time being the security trustee or security trustees of and under the Deed of Charge (the **Attorney**) and any Receiver (including any administrative receiver) and/or administrator (the **Administrator**) appointed from time to time by the Attorney or on its behalf its true and lawful attorney for and in the Principal's name or otherwise jointly and severally to do any act matter or thing which the Attorney, Receiver or Administrator considers in each case bona fide necessary for the protection or preservation of the Attorney's interests and rights in and to the Charged Assets or which ought to be done under the covenants, undertakings and provisions contained in the Deed of Charge (and any document entered into or to be entered into by the Principal pursuant thereto) in any circumstances where the Attorney has become entitled to take the steps referred to in Clauses 9 4 (Power of Sale) to 9 9 (Deficiency or Additional Payment) (inclusive) of the Deed of Charge including any or all of the following
 - (a) to do every act or thing which the Attorney, Receiver or Administrator may deem to be necessary, proper or expedient for fully and effectually vesting, transferring or assigning the Security and/or the Charged Assets or any part thereof (including the execution, delivery, intimation and registration of the Scottish Supplemental Charge or any Scottish Sub-Security) and/or the Principal's estate, right, title, benefit and/or interest therein or thereto in or to the Attorney and its successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Principal could have done, and
 - (b) the power by writing under its hand by an officer of the Attorney or by an officer of any Receiver or Administrator appointed by the Attorney from time to time to appoint a substitute attorney (each a **Substitute**) who shall have power to act on behalf of the Principal as if that Substitute shall have been originally appointed Attorney by this Power of Attorney and/or to revoke any such appointment at any time without assigning any reason therefore
- 2 In favour of the Attorney, any Receiver and/or Administrator and/or Substitute, or a person dealing with any of them and the successors and assigns of such a person, all acts done and documents executed or signed by the Attorney, a Receiver, an Administrator or a Substitute in the purported

exercise of any power conferred by this Power of Attorney shall for all purposes be valid and binding on the Principal and its successors and assigns

- 3 The Principal irrevocably and unconditionally undertakes to indemnify the Attorney and each Receiver and/or Administrator and/or Substitute appointed from time to time by the Attorney and their respective estates against all actions, proceedings, claims, costs, expenses and liabilities of every description arising from the exercise, or the purported exercise, of any of the powers conferred by this Power of Attorney, save where the same arises as the result of the fraud, negligence or wilful default of the relevant indemnified party or its officers or employees
- 4 The provisions of Clause 3 shall continue in force after the revocation or termination, howsoever arising, of this Power of Attorney
- 5 The laws of England shall apply to this Power of Attorney and to any non-contractual matters arising out of or in connection with it and the interpretation thereof and to all acts of the Attorney and each Receiver and/or Administrator and/or substitute carried out or purported to be carried out under the terms hereof.
- 6 The Principal hereby agrees at all times hereafter to ratify and confirm whatsoever the said Attorney or its attorney or attorneys or any Receiver or Administrator or substitute shall properly and lawfully do or cause to be done in and concerning the Security Trustee's Security and/or the Charged Assets

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

EXECUTED and DELIVERED as a DEED by)
SLATE NO. 1 PLC)
acting by two Directors)
)
per pro SFM Directors Limited, as Director)
)
per pro SFM Directors (No 2) Limited, as Director)
)

SCHEDULE 2

FORM OF DEED OF CHARGE ACCESSION UNDERTAKING

THIS DEED is made on [●]

BETWEEN

- (1) **CONSILIUM AIRTON LIMITED** (registered number 09222270), a private limited company incorporated under the laws of England and Wales, whose registered office is at Jessop House, Jessop Avenue, Cheltenham, Gloucester GL50 3WG (the **Seller**),
- (2) **ELAVON FINANCIAL SERVICES LIMITED**, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland, acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Cash Manager, Issuer Account Bank, Principal Paying Agent and Agent Bank**),
- (3) **ELAVON FINANCIAL SERVICES LIMITED**, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland (the **Registrar**),
- (4) **PEPPER (UK) LIMITED** (registered number 06749498), a private limited company incorporated under the laws of England and Wales, whose registered office is at 114A Cromwell Road, London SW7 4ES (the **Servicer**),
- (5) **TULIP MORTGAGES LIMITED** (registered number 9242357), a private limited company incorporated under the laws of England and Wales, whose registered office is 35 Great St Helen's, London EC3A 6AP, and **CHACONIA MORTGAGES LIMITED** (registered number 9242348), a private limited company incorporated under the laws of England and Wales, whose registered office is 35 Great St Helen's, London EC3A 6AP and **ROSE MORTGAGES LIMITED** (registered number 9242330), a private limited company incorporated under the laws of England and Wales, whose registered office is 35 Great St Helen's, London EC3A 6AP (the **Legal Title Holders**),
- (6) **SLATE NO. 1 PLC** (registered number 09232042), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Issuer**),
- (7) **U.S. BANK TRUSTEES LIMITED** (registered number 2379632), a private limited company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee and Note Trustee**),
- (8) **STRUCTURED FINANCE MANAGEMENT LIMITED** (registered number 03853947), a private limited company incorporated under the laws of England and Wales whose registered office is at 35 Great St Helen's, London EC3A 6AP (the **Corporate Services Provider**),
- (9) **HOMELoan MANAGEMENT LIMITED** (registered number 2214839) a private limited company incorporated under the laws of England and Wales, whose registered office is at The Bailey, Skipton, North Yorkshire BD23 1DN (the **Back-up Servicer**),
- (10) **COMMERCIAL FIRST GROUP LIMITED**, (registered number 04461471), a private limited company incorporated under the laws of England and Wales, whose registered office is at Jessop

House, Jessop Avenue, Cheltenham, Gloucester GL50 3WG (the **Back-up Servicer Facilitator** and the **Servicing Consultant**), and [●] (in its capacity as [●], the **New Secured Creditor**)

WHEREAS

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

IT IS HEREBY AGREED as follows

1. INTERPRETATION

The master definitions and construction schedule signed between, *inter alios*, the Issuer and the Security Trustee dated on or about [●] (as the same may be amended, varied or supplemented from time to time with the consent of the parties hereto) (the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the Recitals hereto and this Deed shall be construed in accordance with the interpretation provisions set out in Clause 2 (Interpretation and Construction) of the Master Definitions and Construction Schedule

2. REPRESENTATIONS AND WARRANTIES

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

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

3. ACCESSION

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

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

4. SCOPE OF THE DEED OF CHARGE

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

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

5. [AMENDMENT TO THE PRIORITIES OF PAYMENTS]

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

6. APPLICATION

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

7. NOTICES AND DEMANDS

Any notice or communication under or in connection with this Deed, the Deed of Charge or the Master Definitions and Construction Schedule shall be given in the manner and at the times set out in Clause 29 (Notices) of the Deed of Charge or at such other address as the recipient may have notified to the other parties hereto and/or thereto in writing

The address referred to in this Clause 7 (Notices and Demands) for the New Secured Creditor is

[]

For the attention of []

Telephone []

Facsimile. []

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

8. CHOICE OF LAW

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

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

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

Witness Signature

Full Name

Address

EXECUTED and DELIVERED as a DEED by)
CONSILIUM AIRTON LIMITED)
as Seller)
acting by)
)
Director)
)
)
in the presence of this witness)

Witness Signature

Full Name

Address

EXECUTED and DELIVERED as a DEED by

ELAVON FINANCIAL SERVICES LIMITED
ACTING THROUGH ITS UK BRANCH

as Cash Manager, Issuer Account Bank, Principal
Paying Agent and Agent Bank
acting by two duly authorised Attorneys

in the presence of this witness

Witness Signature.

Full Name

Address

EXECUTED and DELIVERED as a DEED by
ELAVON FINANCIAL SERVICES LIMITED

as Registrar
acting by two duly authorised Attorneys

in the presence of this witness

Witness Signature

Full Name

Address

EXECUTED and DELIVERED as a DEED by
PEPPER (UK) LIMITED

as Servicer
acting by two Directors or
a Director and the Secretary

Director

Director/Secretary

EXECUTED and DELIVERED as a DEED by)
CHACONIA MORTGAGES LIMITED)
as Legal Title Holder)
acting by two Directors)
)
)
)
per pro SFM Directors Limited, as Director)
)
)
per pro SFM Directors (No 2) Limited, as Director)

EXECUTED and DELIVERED as a DEED by)
ROSE MORTGAGES LIMITED)
as Legal Title Holder)
acting by two Directors)
)
)
per pro SFM Directors Limited, as Director)
)
)
per pro SFM Directors (No 2) Limited, as Director)
)

EXECUTED and DELIVERED as a DEED by)
TULIP MORTGAGES LIMITED)
as Legal Title Holder)
acting by two Directors)
)
)
)
per pro SFM Directors Limited, as Director)
)
)
per pro SFM Directors (No 2) Limited, as Director)

EXECUTED and DELIVERED as a DEED by)
SLATE NO. 1 PLC)
as Issuer)
acting by two Directors)
)
)
per pro SFM Directors Limited, as Director)
)
)
per pro SFM Directors (No 2) Limited, as Director)

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

)
in the presence of this witness)

Witness Signature

Full Name

Address

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

Director)

)
Director/Secretary)

EXECUTED and DELIVERED as a DEED by)
HOMELoan MANAGEMENT LIMITED)
)
as Back-up Servicer)
acting by)

Director)

in the presence of this witness

Witness Signature

Full Name

Address

SCHEDULE 3

FORM OF SCOTTISH SUB-SECURITY (LAND REGISTER)

WE, **SLATE NO. 1 PLC** (registered number 09232042), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (hereinafter referred to as the **Issuer**) CONSIDERING that

- (a) we have entered into a trust deed (as the same may be amended, restated, novated, varied or supplemented from time to time, the **Trust Deed**) dated 27 October 2014 between us and U S Bank Trustees Limited whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (hereinafter referred to as the **Note Trustee**, which expression shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) constituting certain mortgage-backed floating rate notes and fixed rate notes and certificates,
- (b) in security of the performance of the obligations specified therein to the Note Trustee and others we have entered into a deed of charge (the same may be amended, restated, novated, varied or supplemented from time to time, the **Deed of Charge**) between us, U S Bank Trustees Limited as security trustee thereunder (registered number 02379632) whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee**, which expression shall include such company and all other persons for the time being acting as trustee or trustees under the Deed of Charge or this deed) and others dated 27 October 2014, and
- (c) in terms of the Deed of Charge we have agreed to grant this deed

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

- (First) capitalised terms in this deed (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in the master definitions and construction schedule made between, amongst others, us the Issuer and the Security Trustee dated 27 October 2014 (as the same may be amended, restated, novated, varied or supplemented from time to time with the consent of the parties thereto, the **Master Definitions and Construction Schedule**) and this deed shall be construed in accordance with the principles of interpretation and constructions set out in the Master Definitions and Constructions Schedule,

- (Second) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security,
- (Third) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Deed of Charge (the terms of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said remaining Standard Conditions, the Deed of Charge shall, subject to the provisions of the said Act, prevail and take effect,
- (Fourth) upon the Deed of Charge becoming immediately enforceable, in accordance with the provisions of Clause 9 2 (Enforceable) thereof, we shall (in addition to the circumstances specified in the said Act) be deemed to be in default within the meaning of Condition 9(1)(b) of the Standard Conditions whereupon, and without prejudice to its whole other rights and powers under the said Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the said Act,
- (Fifth) without prejudice to the rights and remedies of the Security Trustee under the said Act or otherwise, in the event of our being in default hereunder (a) we shall on demand grant, execute and deliver a valid assignation of the Principal Securities or any of them in favour of the Security Trustee or any nominee of the Security Trustee and (b) the Security Trustee shall have power to uplift, receive, sue for and discharge all sums and liabilities due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if this deed had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Security Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Security Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise, and
- (Sixth) the security rights and interests created, made or given under or pursuant to this deed shall be held by the Security Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Deed of Charge

And we grant 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, together with the Schedule annexed and executed as relative hereto, are executed as follows

SUBSCRIBED for and on behalf of the said
SLATE NO. 1 PLC

at

on

by

per pro SFM Directors Limited, as Director

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

in the presence of this witness

Witness signature

Full Name

Address .

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

1	2	3	4	5	6
Account Number	Borrowers' Full Names	Originator	Secured Property	Title Number	Date of Registration
per pro SFM Directors Limited, as Director			per pro SFM Directors (No 2) Limited, as Director		

SCHEDULE 4

FORM OF SCOTTISH SUB-SECURITY (SASINE REGISTER)

WE, **SLATE NO. 1 PLC** (registered number 09232042), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (hereinafter referred to as the **Issuer**) CONSIDERING that

- (a) we have entered into a trust deed (as the same may be amended, restated, novated, varied or supplemented from time to time the **Trust Deed**) dated 27 October 2014 between us and U S Bank Trustees Limited whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (hereinafter referred to as the **Note Trustee**, which expression shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Trust Deed or this Deed) constituting certain mortgage-backed floating rate notes and fixed rate notes and certificates,
- (b) in security of the performance of the obligations specified therein to the Note Trustee and others we have entered into a deed of charge (as the same may be amended, restated, novated, varied or supplemented from time to time the **Deed of Charge**) between us, U S Bank Trustees Limited as security trustee (registered number 02379632) thereunder whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee**, which expression shall include such company and all other persons for the time being acting as trustee or trustees under the Deed of Charge or this deed) and others dated 27 October 2014, and
- (c) in terms of the Deed of Charge we have agreed to grant this deed,

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

- (First) capitalised terms in this deed (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in the master definitions and construction schedule made between, amongst others, us the Issuer and the Security Trustee dated 27 October 2014 (as the same may be amended, restated, novated, varied or supplemented from time to time with the consent of the parties thereto, the **Master Definitions and Construction Schedule**) and this deed shall be construed in accordance with the principles of interpretation and constructions set out the Master Definitions and Constructions Schedule

- (Second) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security,
- (Third) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Deed of Charge (the terms of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said remaining Standard Conditions, the Deed of Charge shall, subject to the provisions of the said Act, prevail and take effect,
- (Fourth) upon the Deed of Charge becoming immediately enforceable, in accordance with the provisions of Clause 9 2 (Enforceable) thereof, we shall (in addition to the circumstances specified in the said Act) be deemed to be in default within the meaning of Condition 9(1)(b) of the Standard Conditions, whereupon and without prejudice to its whole other rights and powers under the said Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the said Act,
- (Fifth) without prejudice to the rights and remedies of the Security Trustee under the said Act or otherwise, in the event of our being in default hereunder (a) we shall on demand grant, execute and deliver a valid assignation of the Principal Securities or any of them in favour of the Security Trustee or any nominee of the Security Trustee and (b) the Security Trustee shall have power to uplift, receive, sue for and discharge all sums and liabilities due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if this deed had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Security Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Security Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise, and
- (Sixth) the security rights and interests created, made or given under or pursuant to this deed shall be held by the Security Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Deed of Charge

And we grant 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, together with the Schedule annexed and executed as relative hereto, are executed as follows

SUBSCRIBED for and on behalf of the said
SLATE NO. 1 PLC

at

on

by

per pro SFM Directors Limited, as Director

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

in the presence of this witness

Witness signature

Full Name

Address

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

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

per pro SFM Directors Limited, as Director

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

SCHEDULE 5

FORM OF SCOTTISH SUPPLEMENTAL CHARGE

ASSIGNATION IN SECURITY

BY

- (1) **SLATE NO. 1 PLC** (registered number 09232042), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP (referred to herein as the **Issuer**),

IN FAVOUR OF

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

WHEREAS:

- (A) This deed (the **Scottish Supplemental Charge**) is supplemental to a Deed of Charge dated 27 October 2014 (the **Deed of Charge**) made between, *inter alios*, the Issuer and the Security Trustee,
- (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) By Scottish declaration of trust dated 27 October 2014 (the **Scottish Declaration of Trust**), (i) NRAM PLC (formerly known as Northern Rock PLC and latterly known as Northern Rock (Asset Management) PLC) with registered number 03273685 and whose registered office is Croft Road, Crossflatts, Bingley, West Yorkshire BD16 2UA (**NRAM**), (ii) Mortgage Express with registered number 02405490 and whose registered office is PO Box 88, Croft Road, Crossflatts, Bingley, West Yorkshire BD16 2UA (**MX**), and (iii) Bradford & Bingley PLC with registered number 03938288 and whose registered office is Croft Road, Crossflatts, Bingley, West Yorkshire BD16 2UA (together with NRAM and MX, the **Original Sellers**), declared that they hold on trust for Consilium Airton Limited with registered number 09222270 and whose registered office is Jessop House, Jessop Avenue, Cheltenham, Gloucester GL50 3WG (the **Seller**) and for its successors and assignees certain Scottish Loans together with their related Scottish Mortgages and other Related Security relative thereto as more fully specified and described therein (the **Scottish Trust Property**),
- (D) An assignment dated 27 October 2014 has been granted by the Seller in favour of the Issuer and intimated to the Original Sellers, in terms of which the Seller has assigned its beneficial interest in the Scottish Trust Property under the Scottish Declaration of Trust to the Issuer, and
- (E) This Scottish Supplemental Charge is made by the Issuer in favour of the Security Trustee in accordance with and pursuant to Clause 3 5 (Scottish Trust Security) of the Deed of Charge

NOW THEREFORE IT IS AGREED as follows

- 1 Expressions and words defined the master definitions and construction schedule dated 27 October 2014 made among the Issuer, the Security Trustee and others (as the same may be amended, restated, novated, varied or supplemented from time to time with the consent of the parties thereto, 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 Scottish Supplemental Charge, including the recitals hereto and this Scottish Supplemental Charge shall be construed in accordance with the interpretation provisions set out in 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 HEREBY ASSIGNS to and in favour of the Security Trustee in security for the discharge and payment of the Secured Obligations the Issuer's whole right, title, interest and benefit, present and future, in and to the Scottish Trust Property and in and to the Scottish Declaration of Trust, surrogating and substituting the Security Trustee in its full right and place therein and thereto
- 4 The Issuer undertakes to intimate (for itself and on behalf of the Security Trustee) to each of the Original Sellers immediately following its execution of this Scottish Supplemental Charge, this assignation, such intimation to be substantially in the form appearing at Part 1 of the schedule hereto and to obtain, on the same date, an acknowledgement of such intimation from each of the Original Sellers, such acknowledgement to be substantially in the form appearing at Part 2 of the Schedule hereto
- 5 The Issuer hereby agrees that all the obligations, undertakings, covenants, rights and powers specified and contained in the Deed of Charge which relate to the property referred to in and the security and other rights and powers created under and pursuant to Clause 3 (Security and Declaration of Trust) of the Deed of Charge shall be deemed to be repeated herein and shall apply mutatis mutandis to the property referred to in Clause 3 hereof and the security and other rights and powers created under and pursuant hereto and that the whole remaining terms of the Deed of Charge shall, except in so far as inconsistent herewith apply mutatis mutandis hereto provided always that this Scottish Supplemental Charge shall be without prejudice to the Deed of Charge and all of the rights, powers obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this Scottish Supplemental Charge
- 6 This Scottish Supplemental Charge shall be governed by and construed in accordance with Scots law

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

SUBSCRIBED for and on behalf of the said
SLATE NO. 1 PLC

at

on

by

per pro SFM Directors Limited, as Director

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

in the presence of this witness

Witness Signature

Full Name

Address

This is the schedule referred to in the foregoing Assignment in Security by Slate No 1 PLC in favour of U S Bank Trustees Limited as security trustee

PART 1

FORM OF INTIMATION

To [NRAM PLC
Croft Road, Crossflatts
Bingley, West Yorkshire
BD16 2UA]

[OR]

[Mortgage Express
PO Box 88
Croft Road, Crossflatts
Bingley, West Yorkshire
BD16 2UA]

[OR]

[Bradford & Bingley PLC
Croft Road, Crossflatts
Bingley, West Yorkshire
BD16 2UA]

WE, SLATE NO 1 PLC (registered number 09232042), a public limited company incorporated under the laws of England and Wales and having its registered office at 35 Great St Helen's, London, EC3A 6AP (the **Issuer**) refer to the assignation in security dated the date hereof (a certified copy of which is annexed hereto) granted by us, the Issuer, in favour of U S Bank Trustees Limited (registration number 2379632), a limited liability company incorporated under the laws of England and Wales having its principal office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR as security trustee (the **Security Trustee**) (the **Scottish Supplemental Charge**) Unless the context otherwise requires or unless otherwise defined herein, terms defined in this intimation shall have the same meaning as in the Scottish Supplemental Charge

We, hereby (on behalf of ourselves and the Security Trustee) intimate and give notice to you in your capacity as trustee under the Scottish Declaration of Trust granted in favour of Consilium Airton Limited (the **Seller**) dated 27 October 2014, the beneficial interest under which was assigned to us by the Seller in terms of an assignation dated 27 October 2014, that pursuant to the Scottish Supplemental Charge we have assigned to the Security Trustee our whole right, title and interest, present and future, in and to the Scottish Trust Property as defined in the aforementioned Scottish Declaration of Trust and in and to the Scottish Declaration of Trust

Please acknowledge receipt of this intimation and your acceptance of its contents by signing the attached duplicate acknowledgement and returning it to the Security Trustee with a copy to us

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

Date 27 October 2014

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

for and on behalf of
SLATE NO.1 PLC
per pro SFM Directors (No 2) Limited,
as Director

PART 2

FORM OF ACKNOWLEDGEMENT

[to be attached to intimation]

To U S Bank Trustees Limited
25 Old Broad Street
Fifth Floor
London
EC2N 1AR
(as **Security Trustee**)

CC Slate No 1 PLC
35 Great St Helen's
London
EC31 6AP
(as **Issuer**)

We [NRAM PLC (formerly known as Northern Rock PLC and latterly known as Northern Rock (Asset Management) PLC) with registered number 03273685 and whose registered office is Croft Road, Crossflatts, Bingley, West Yorkshire, BD16 2UA]/[MORTGAGE EXPRESS with registered number 02405490 and whose registered office is PO Box 88, Croft Road, Crossflatts, Bingley, West Yorkshire, BD16 2UA]/[BRADFORD & BINGLEY PLC with registered number 03938288 and whose registered office is Croft Road, Crossflatts, Bingley, West Yorkshire, BD16 2UA] acknowledge receipt of an intimation dated 27 October 2014 (the **Intimation**) and addressed to us by the Issuer in relation to the assignment by the Issuer of its whole right, title and interest in and to the Scottish Trust Property and in and to the Scottish Declaration of Trust pursuant to the Scottish Supplemental Charge as referred to in the Intimation

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

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

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

Date 27 October 2014

for and on behalf of
[NRAM PLC]
[OR]
[MORTGAGE EXPRESS]
[OR]
[BRADFORD & BINGLEY PLC]

SCHEDULE 6

DEFINITIONS

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

1925 Act means the Law of Property Act 1925,

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

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

Account Bank means the Issuer Account Bank,

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

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

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

Actual Excluded Balance means the aggregate of the Loan Purchase Price determined as of the First Cut-Off Date in respect of those Loans which are Excluded Loans on the Reconciliation Date,

Actual Pre-Closing Collections means the Pre-Closing Collections determined on the Reconciliation Date,

Additional Interest has the meaning given to it in Condition 17 (*Subordination by Deferral*) or Certificate Condition 16 (*Subordination by Deferral*), as applicable,

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

Agency Agreement means the agency agreement dated the Closing Date between the Issuer, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee and the Note Trustee,

which sets out the appointment of the Paying Agents, the Registrar and the Agent Bank for the Notes and the Certificates,

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

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

AIFM Regulation means Regulation (EU) No 231/2013, referred to as the Alternative Investment Fund Manager Regulation,

Applicable Laws means

- (a) all applicable laws, rules, regulations, ordinances, directives, statutes, authorisations, permits, licences, notices, instructions and decrees of any relevant government authority or any judgment or judicial practice of any court, any rules of any stock exchange on which the shares of any Party (or its holding company) are listed and any other legally binding requirements of any government authority having jurisdiction with respect to the Mortgage Loans, including, without limitation, MCOB, and
- (b) any publications of any relevant government authority or regulator (including the FCA's guidance, policies and publications relating to the Treating Customers Fairly initiative and good practice and guidance published by the FOS) and any prevailing guidance of the Council of Mortgage Lenders, in each case only to the extent it is legally binding or is good practice to follow and which does not conflict with any of the matters referred to in paragraph (a) of this definition,

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

Arranger means J P Morgan Securities, a public limited company incorporated under the laws of England and Wales, with registered number 02711006, whose registered office is at 25 Bank Street, Canary Wharf, London, E14 5JP,

Arrears means that, in respect of a Loan at the end of any given calendar month, the value of the relevant Arrears Balance (offset to the extent possible by any previous overpayments of capital made by the Borrower) divided by the relevant Monthly Instalment (in each case in respect of that calendar month and, where applicable, as adjusted to take into account any overpayments) is greater than or equal to 1 ,

Arrears Balance has the meaning set out in the Mortgage Portfolio Sale Agreement,

Arrears Fee has the meaning given to it in Clause 7 1 (Servicing Fees) of the Servicing Agreement,

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

Article 405 means Article 405 of the Capital Requirements Regulation,

Article 51 means Article 51 of the AIFM Regulation,

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

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

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

Authorised Denominations means, in respect of each Global Note, denominations of £100,000 and higher integral multiples of £1,000,

Authorised Investments means

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

provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and either

- (i) such investments (A) have a maturity date of 60 days or less and mature before the next following Interest Payment Date or within 60 days, whichever is sooner (and in each case for at least the price paid for the relevant investment), (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 60 days, whichever is sooner, and (C) are rated at least P-1 by Moody's (and A2 (long term) by Moody's if the investments have a long-term rating) -F1+ by Fitch (and AA- by Fitch if the investments have a long-term rating) and A-1 by S&P, or
- (ii) such investments (A) have a maturity date of 90 days or less and mature before the next following Interest Payment Date or within 90 days, whichever is sooner (and in each case for at least the price paid for the relevant investment), (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 90 days, whichever is sooner, and (C) are rated at least P-1 by Moody's (and A2 (long term) by Moody's if the investments have a long term rating, -F1+ by Fitch (and AA- by Fitch if the investments have a long-term rating) and A-1+ by S&P

Authorised Signatory means

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

Authorised Underpayment means the use by a Borrower of certain amounts that it has previously overpaid to fund future underpayments in respect of its Loan up to the aggregate amount of any overpayments previously made (but not yet used to fund an Authorised Underpayment or redrawn in cash by the Borrower) during the lifetime of the Loan, also referred to as a Non-Cash Borrow-back,

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

- (a) all Redemption Receipts or, if in a Determination Period, any Calculated Redemption Receipts, in each case, excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date, (i) received by the Issuer during the immediately preceding Collection Period and (ii) if representing amounts received in respect of any repurchases of Loans and their Related Security that were repurchased by the Seller and/or Commercial First Group Limited pursuant to the Mortgage Sale Agreement other than in respect of the Retention Holder Call Option, received by the Issuer from but excluding the Monthly Pool Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including the immediately preceding Monthly Pool Date or (iii) in respect of the exercise of the Retention Holder Call Option or required market sale of the Portfolio, amounts received from a third party purchaser or amounts received from the Retention Holder as applicable, to effect a redemption in full of the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or other reasons*), Condition 8.4 (*Mandatory Redemption in full pursuant to a Retention Holder Portfolio Purchase or Market Portfolio Purchase*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), two Business Days prior to such Interest Payment Date,
- (b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date,
- (c) on the Final Rated Notes Redemption Date only, all amounts standing to the credit of the Rated Note Reserve Fund Ledger, after first having applied amounts standing to the credit of the Rated Note Reserve Fund as Available Revenue Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date and after amounts have been credited to the Rated Note Reserve Fund in accordance with the Pre-Enforcement Revenue Priority of Payments,
- (d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Redemption Receipts in accordance with Condition 6.9(c) (*Determinations and Reconciliation*), and
- (e) any Balance Adjustment Payments received from the Seller, and
- (f) any Consideration Adjustment Payment debited by the Issuer from the Reconciliation Ledger and required to be applied as Available Redemption Receipts,
- (g) any Remediation Receipts not required to be applied to pay a Borrower in respect of a Loan,

less

- (h) any Consideration Adjustment Payment required to be applied from Available Redemption Receipts and credited to the Reconciliation Ledger

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

- (a) Revenue Receipts or, if in a Determination Period, Calculated Revenue Receipts, in each case, excluding any Reconciliation Amounts to be applied as Available Redemption Receipts on that Interest Payment Date received (i) during the immediately preceding Collection Period, or (ii) if representing amounts received in respect of any repurchases of Loans and their Related Security by the Seller and/or Commercial First Group Limited pursuant to the Mortgage Sale Agreement other than in respect of the Retention Holder Call Option, from but excluding the Monthly Pool Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including the immediately preceding Monthly Pool Date or (iii) in respect of the exercise of the Retention Holder Call Option or required market sale of the Portfolio, amounts received from a third party purchaser or amounts received from the Retention Holder, as applicable, to be applied as Revenue Receipts including accrued interest fees costs and expenses for the Issuer and other amounts to be applied as revenue to effect a redemption in full of the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Mandatory Redemption in full pursuant to a Retention Holder Portfolio Purchase or Market Portfolio Purchase*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), two Business Days prior to such Interest Payment Date,
- (b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Collection Period and income from any Authorised Investments to be received on or prior to the Interest Payment Date
- (c) any amounts standing to the credit of the Rated Note Reserve Fund,
- (d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.9(c) (Determinations and Reconciliation)
- (e) amounts credited to the Deposit Account on the previous Interest Payment Date in accordance with item (s) of the Pre-Enforcement Revenue Priority of Payments, and
- (f) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Redemption Receipts,
- (g) Principal Addition Amounts,
- (h) amounts applied in accordance with item (i) of the Pre-Enforcement Redemption Priority of Payments, and
- (i) any Consideration Adjustment Payments debited by the Issuer from the Reconciliation Ledger and required to be applied as Available Revenue Receipts,

less:

- (j) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to)
- certain costs and expenses charged by the Servicer in respect of its servicing of the Loans (including any amounts (up to, in respect of a Collection Period, the Servicing Fee Cap) in order to pay the fees of the Interim Sub-Servicer under the Interim Sub-Servicing Agreement), other than any Base Fee, Regulatory Responsibility Fee, Arrears Fee, Redemption Fee or Boarding Fee and not otherwise covered by the items below,
 - payments of certain insurance premiums in respect of the Insurance Policies (to the extent referable to the Loans),
 - amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited and such other amounts that have been paid in error or otherwise recalled or such amount as is required by the Collection Account Bank to be credited to a reserve which will set aside an amount for such payments in the collection account of the relevant Legal Title Holder, and
 - any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower,
- (items within (j) being collectively referred to herein as **Third Party Amounts**),
- (k) any tax payments paid or payable by the Issuer during the immediately preceding Collection Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger,
- (l) (taking into account any amount paid by way of Third Party Amounts) amounts to remedy any overdraft in relation to the Collection Accounts of the relevant Legal Title Holder or to pay any amounts due to the Collection Account Bank in respect of the Loans, and
- (m) any Consideration Adjustment Payment required to be applied from Available Revenue Receipts and credited to the Reconciliation Ledger

B&B has the meaning set out in the definition of Originators,

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

BBR Change means the Bank of England Base Rate on the relevant Interest Determination Date, minus the Bank of England Base Rate as of the First Cut-Off Date,

Back-up Servicer means Homeloan Management Limited, a private limited company incorporated under the laws of England and Wales, with registered number 2214839, whose registered office is at The Bailey, Skipton, North Yorkshire BD23 1DN, or such other person as may from time to time be appointed as back-up servicer of the Loans pursuant to the terms of the Back-up Servicing Agreement,

Back-up Servicer Facilitator means Commercial First Mortgages Limited, a private limited company incorporated under the laws of England and Wales, with registered number 04461486, whose registered office is at Jessop House, Jessop Avenue, Cheltenham, Gloucester, GL50 3WG, or such other person as may from time to time be appointed as back-up servicer facilitator pursuant to the terms of the Servicing Agreement,

Back-up Servicing Agreement means the agreement dated on or about the Closing Date between the Back-up Servicer, the Servicer, the Seller, the Issuer and the Security Trustee pursuant to which the Back-up Servicer agrees to replace the Servicer on the terms and subject to the conditions set out therein,

Back-Up Servicing Fee has the meaning given to it in the Back-Up Servicing Agreement,

[REDACTED]

Balance Adjustment Payment has the meaning set out in Clause 7 of the Mortgage Sale Agreement,

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

Base Fee has the meaning given to it in Clause 7 1 (Servicing Fees) of the Servicing Agreement,

Base Fee Floor has the meaning given to it in Clause 7 1 (Servicing Fees) of the Servicing Agreement,

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

Block Insurance Policies means Properties in Possession Cover,

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

Boarding Fee has the meaning given to it in Clause 7 1 (Servicing Fees) of the Servicing Agreement,

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

Borrow-back means, in respect of certain Loans comprising the Portfolio, either of a Cash Borrow-back or a Non-Cash Borrow-back as the context requires,

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

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

Business Continuity Plan means in relation to an entity, the business continuity plan maintained by such entity which would enable it to continue carrying on business following the occurrence of a Force Majeure Event or other exceptional event,

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

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

Calculation Date means the fourth Business Day preceding each Interest Payment Date,

Calculation Period means a calendar month,

Capital Requirements Regulation or CRR means Regulation (EU) No 575/2013,

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

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

Cash Borrow-back means, in respect of a certain Loans comprising the Portfolio, a request from a Borrower to the Seller for a refund of some or all of overpayments previously made in relation to such Loan in cash, provided that

- (a) the aggregate amount of all overpayments not yet used to fund an Authorised Underpayment or otherwise borrowed back in cash by the Borrower from the period commencing with the origination of the Loan to the date of the cash redraw is equal to or greater than £500, and that the amount of such Cash Borrow-back is equal to or greater than £500 (if the aggregate amount of all overpayments for such period is less than £500, any Borrower wishing to make a Cash Borrow-back in these amounts may instead make an Authorised Underpayment of the scheduled monthly payment, but is not entitled to a Cash Borrow-back) and
- (b) the Borrower passes an affordability assessment at the time of requesting a Cash Borrow-back. Any Cash Borrow-back on a Loan will result in the immediate increase in the related Current Balance and will increase the amount of interest payable by the Borrower,

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

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

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

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

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

Central Bank means the Central Bank of Ireland,

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

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

Certificate Payment means each of the Class X Payment, the Class Y Payment and the Class Z Payment, as applicable,

Certificate Payment Termination Date means each of the Class X Certificate Payment Termination Date and the Class Y Certificate Payment Termination Date

Certificates means the Class X Certificates, the Class Y Certificates and the Class Z Certificates issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof,

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

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

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

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

Claim has the meaning given to it in Clause 9.4 (Indemnity) of the Corporate Services Agreement,

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

Class A Margin means in respect of the Class A Notes, 1.00 per cent per annum;

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

Class A Notes means the £1,931,310,000 Class A mortgage backed floating rate notes due on the Final Maturity Date,

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

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

Class B Margin means in respect of the Class B Notes, 1 45 per cent per annum,

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

Class B Notes means the £202,668,000 Class B mortgage backed floating rate notes due on the Final Maturity Date,

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

Class C Margin means in respect of the Class C Notes, 1 85 per cent per annum,

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

Class C Notes means the £101,334,000 Class C mortgage backed floating rate notes due on the Final Maturity Date,

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

Class D Margin means in respect of the Class D Notes, 2 30 per cent per annum,

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

Class D Notes means the £41,726,000 Class D mortgage backed floating rate notes due on the Final Maturity Date,

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

Class E Margin means in respect of the Class E Notes, 3 50 per cent per annum,

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

Class E Notes means the £47,686,000 Class E mortgage backed floating rate notes due on the Final Maturity Date,

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

Class F Margin means in respect of the Class F Notes, 5.00 per cent per annum,

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

Class F Notes means the £59,611,000 Class F mortgage backed floating rate notes due on the Final Maturity Date,

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

Class X Certificates means the 1000 Class X Certificates constituted by the Trust Deed,

Class X Certificate Payment Termination Date means the Interest Payment Date falling in April 2017,

Class X Certificate Termination Amount means, on any date of determination following the delivery of an Enforcement Notice, any amounts due to the Class X Certificateholders in accordance with the Post-Enforcement Priority of Payments,

Class X Certificate Termination Payment means the Class X Certificate Termination Amount,

Class X Early Termination Amount on any date means the sum of all Class X Payments that would be due on any Interest Payment Date from (and including) that date, assuming availability of sufficient funds to the Issuer to pay such amounts in accordance with the Priorities of Payment. For the avoidance of doubt, projected future payments are not discounted for this purpose,

Class X Payment means, on any date of determination prior to the delivery of an Enforcement Notice, amounts due to the Class X Certificateholders in the amounts and on the Interest Payment Dates set out in Certificate Condition 6.2 (*Payments*),

Class Y Certificates means the 1000 Class Y Certificates constituted by the Trust Deed,

Class Y Certificate Payment Termination Date means the Interest Payment Date falling in January 2051,

Class Y Early Termination Amount on any date means the sum of all Class Y payments that would be due on any Interest Payment Date from that date, assuming availability of sufficient funds to the Issuer to pay such amounts in accordance with the Priorities of Payment. For the avoidance of doubt, (i) projected future payments are not discounted for this purpose, and (ii) the Class Y Early Termination Amount includes any Deferred Payments and Additional Interest that may be due in accordance with Certificate Condition 17,

Class Y Payment means, on any date of determination prior to the delivery of an Enforcement Notice, amounts due to the Class Y Certificateholders in the amounts and on the Interest Payment Dates set out in Certificate Condition 6.2 (*Payments*),

Class Y Termination Amount means, on any date of determination following the delivery of an Enforcement Notice, any amounts due to the Class Y Certificateholders in accordance with the Post-Enforcement Priority of Payments,

Class Z Certificates means the 1053 Class Z Certificates constituted by the Trust Deed,

Class Z Payment means, on any date of determination

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

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

Clearing System means Euroclear and/or Clearstream, Luxembourg and includes in respect of any Note and/or Certificate any clearing system on behalf of which such Note and/or Certificate is held or which is the holder or (directly or through a nominee) registered owner of a Note and/or a Certificate, in either case whether alone or jointly with any other Clearing System(s),

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

Closing Date means 27 October 2014,

Code means the US Internal Revenue Code of 1986,

Collection Account means the collection account and any other replacement or additional collection account of each Legal Title Holder in respect of which amounts are received on and from the Transfer Date in respect of the Loans and their Related Security in the Portfolio, over which the relevant Legal Title Holder will declare a trust pursuant to the Collection Account Declaration of Trust,

Collection Account Bank means the institution appointed by each Legal Title Holder pursuant to the Collection Account Declaration of Trust to act on behalf of the relevant Legal Title Holder as Collection Account Bank, or such other person as may from time to time be appointed as Collection Account Bank at which the Collection Accounts are maintained from time to time,

Collection Account Bank Rating means a short-term, unsecured, unguaranteed and unsubordinated debt rating of at least A-2 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term, unsecured, unguaranteed and unsubordinated debt rating of at least BBB or by S&P, or should the Collection Account Bank not benefit from a short-term, unsecured, unguaranteed and unsubordinated debt rating of at least A-2 by S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB+ by S&P, and a short-term unsecured, unguaranteed and unsubordinated debt rating of at least F2 by Fitch and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB+ by Fitch,

Collection Account Declaration of Trust means each Collection Account Declaration of Trust declared by the relevant Legal Title Holder (each in its capacity as a trustee and as Legal Title Holder) and made between, *inter alia*, the Issuer, the relevant Legal Title Holders and the Security Trustee,

Collection Account Trust means the trust declared by each Legal Title Holder in favour of the Issuer absolutely over all amounts standing to the credit to of the Collection Account,

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

Collection Period means the quarterly period commencing on (and including) a Cut-Off Date and ending on (but excluding) the immediately following Cut-Off Date, except that the first Collection Period will commence on (and include) the Closing Date and end on (and exclude) the Cut-Off Date falling in January 2015,

Collections means Revenue Receipts and Redemption Receipts,

Common Depositary means Elavon Financial Services Limited,

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

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

Completion Date means the Closing Date,

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

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

Consideration means (a) a cash consideration payable on the Closing Date subject to the provisions relating to Consideration Adjustment Payment, (b) an amount equal to the balance of the Reconciliation Ledger on the Reconciliation Date payable to the Seller prior to the first Interest Payment Date following the Reconciliation Date, and (c) the issue of the Certificates

Consideration Adjustment Payments or Consideration Adjustment Amount means

- (a) If, the Actual Pre-Closing Collections exceeds the Expected Pre-Closing Collections, the amounts debited from the Reconciliation Ledger or otherwise paid by the Seller and applied as either (i) Available Revenue Receipts or as (ii) Available Redemption Receipts,
- (b) if, the Actual Pre-Closing Collections is less than the Expected Pre-Closing Collections, the amounts of (i) Available Revenue Receipts and (ii) Available Redemption Receipts applied to credit the Reconciliation Ledger,

- (c) if, the Actual Excluded Balance exceeds the Expected Excluded Balance, the amounts debited from the Reconciliation Ledger or otherwise paid by the Seller and applied as (i) Available Redemption Receipts or as (ii) Available Revenue Receipts, and
- (d) if, the Actual Excluded Balance is less than the Expected Excluded Balance, the amounts of (i) Available Redemption Receipts and (ii) Available Revenue Receipts applied to credit the Reconciliation Ledger,

in each case, in accordance with paragraph 5 of Schedule 2 to the Cash Management Agreement,

Contracted Monthly Payment means, in relation to any Loan, the amount in the ordinary course of administration of that Loan due to be paid by the relevant Borrower on each monthly payment date under the Mortgage Conditions, comprising interest and, where applicable, contractual repayments of principal and other sums (as determined in accordance with the terms and conditions of that Loan),

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

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

Corporate Services Provider Fee Cap has the meaning given to it under a fee letter signed between the Issuer, Holding, Legal Title Holders and the Arranger

Corporate Services Provider Fee Letter has the meaning given to it in Clause 1.2 (Definitions and Interpretation) of the Corporate Services Agreement,

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

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

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

such day but is exclusive of any other payments or postings on such date) and any reference to the Current Balance of a loan contained in the Provisional Portfolio shall be construed as if it were a Loan contained in the Portfolio,

Cut-Off Date means the first calendar day of January, April, July and October except that the first Cut-Off Date will be 1 June 2014,

Data Controller means the Issuer or, where relevant, a Legal Title Holder,

Data Processor means the Servicer or the Back-up Servicer, as applicable,

Data Protection Act means the Data Protection Act 1998,

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

Data Tape has the meaning set out in the Mortgage Portfolio Sale Agreement,

Deed of Assumption and Resignation means the deed of assumption and resignation to be entered into by the Original Sellers, the Seller, and the relevant Legal Title Holders on the Transfer Date in the form set out in Schedule 12 to the Mortgage Portfolio Sale Agreement,

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

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

Deferred Interest shall have the meaning given to it in Condition 17 1 (*Interest*),

Deferred Payment shall have the meaning given to it in Certificate Condition 16 (*Subordination by Deferral*),

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

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

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

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



Determination Period has the meaning given to it in Paragraph 13.1 (Estimation) of Schedule 2 (Cash Management and Maintenance of Ledgers) to the Cash Management Agreement,

Direct Debit means a written instruction of a Borrower authorising its bank to honour a request of the relevant Original Seller or the relevant Legal Title Holder, as applicable, to debit a sum of money on specified dates from the account of the Borrower for deposit into an account of the relevant Legal Title Holder or the relevant Original Seller, as applicable,

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

Direct Debit System means the Direct Debiting Scheme or any replacement system used for the automated collection of direct debits from borrowers

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

Disaster means a Force Majeure Event,

Discretionary Rate means the Standard Variable Rates and/or any other discretionary rates applicable to any Discretionary Rate Loans,

DPA means the Data Protection Act ,

DPA Covenants means the covenants given by the Servicer in Clause 17.2 of the Servicing Agreement,

Early Redemption means any redemption arising pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Mandatory Redemption for Taxation or Other Reasons*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Holder Regulatory Change Option*), or Clause 9.1 of the Mortgage Sale Agreement,

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

Early Termination Amount means each of the Class X Early Termination Amount and the Class Y Early Termination Amount,

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 means any one of the following persons who shall be entitled to attend and vote at a meeting

- (a) a bearer of any Voting Certificate, and
- (b) a proxy specified in any Block Voting Instruction

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

Enforced Loan means a Loan in respect of which the Related Security has been enforced and the related Property has been sold,

Enforcement Notice means a notice served by the Note Trustee on the Issuer (with a copy to the Cash Manager, the Security Trustee, the Servicer, the Issuer Account Bank and the Legal Title Holders) that (i) all Classes of Notes are immediately due and repayable at their respective Principal Amount Outstanding, together with accrued (but unpaid) interest and (ii) that any due and unpaid Early Termination Amount in relation to the Class X Certificates and the Class Y Certificates pursuant to the Certificates are immediately payable, as provided in the Trust Deed, pursuant to Condition 11 (*Events of Default*) and Certificates Condition 10 (*Events of Default*) respectively,

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

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

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

Euroclear means Euroclear Bank S A /N V ,

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

Excluded Loan has the meaning attributed to the definition of Excluded Mortgage Loan in the Mortgage Portfolio Sale Agreement,

Expected Excluded Loans means those Loans which are expected to be excluded from the Portfolio as identified on the date of the Mortgage Portfolio Sale Agreement,

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

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

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

Final Maturity Date means the Interest Payment Date falling in January 2051,

Final Redemption Date means the Final Rated Note Redemption Date,

First Optional Redemption Date means the Interest Payment Date falling in October 2019,

Final Rated Notes Redemption Date means the Interest Payment Date in respect of which the Cash Manager determines on the immediately preceding Calculation Date that, following the application on such Interest Payment Date of Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, the sum of the (i) Available Redemption Receipts (other than item (c) of the definition thereof), and (ii) all amounts standing to the credit of the Rated Note Reserve Fund Ledger would be sufficient to redeem in full the Rated Notes and pay the Class X Termination Amount (if any) on such Interest Payment Date, including, as the case may be, as a result of the optional redemption of the Notes pursuant to Condition 8.3 or Condition 8.4 or Condition 8.5

Financial Year means the 12-month period ending on 30 November of each year, provided that the first Financial Year ends on 30 November 2015,

[REDACTED]

Fitch means Fitch Ratings Ltd ,

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

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

Flexible Redraw or Flexible Drawing means a redrawing where the relevant Borrower may request a Cash Borrow-back or a Non-Cash Borrow-back,

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

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

Form of Release or Vacate means the form of the same name required to be executed by the Servicer in relation to the discharge of a Northern Irish Loan,

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

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

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

Further Advance means in relation to a Loan and its Mortgage any advance of further monies in respect thereof on the security of that Mortgage,

General Accounts has the meaning set out in the Mortgage Portfolio Sale Agreement

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

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

Good Industry Practice means the standards of a Prudent Residential Mortgage Servicer,

Guaranteed Obligations means any obligation of the Seller under Clause 8 (Warranties and Repurchase by the Seller and the Parent) of the Mortgage Sale Agreement to repurchase any Loan and its Related Security for the amount specified therein,

HMRC means HM Revenue & Customs,

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

Holdings means Slate No 1 Mortgage Holdings Limited (registered number 09232105), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

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

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

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

provided that for each of the following purposes, namely

- (i) the right to attend and vote at any meeting of the Certificateholders, the passing of an Extraordinary Resolution in writing or an Ordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents through the relevant Clearing System(s) as envisaged by Paragraph 1 (Definitions) of Schedule 5 (Provisions for Meetings of Noteholders and Certificateholders) to the Trust Deed and any direction or request by the Certificateholders,
- (ii) the determination of how many and which Certificates are for the time being outstanding for the purposes of Clause 13 1 (Action, Proceedings and Indemnification) and Schedule 4 (Form of the Global Certificate) to the Trust Deed, Certificates Conditions 10 (*Events of Default*) and 11 (*Enforcement*),

- (iii) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Certificateholders, and
- (iv) the determination by the Security Trustee and the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Certificateholders,

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

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

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

Indemnity Notice has the meaning given to it in Clause 9.4 (Indemnity) of the Corporate Services Agreement,

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

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

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

[REDACTED],

[REDACTED]

Insolvency Act means the Insolvency Act 1986,

Insolvency Event means, in respect of a relevant entity

- (a) an order is made or an effective resolution passed for the winding up of the relevant entity (or it proposes or makes any composition or arrangement with its creditors), or
- (b) the relevant entity stops or threatens to stop payment to its creditors generally or the relevant entity ceases or threatens to cease to carry on its business or substantially the whole of its business, or

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

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

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

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

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

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

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

Interest Payment Date means in respect of an Interest Period, the 24th day of each of January, April, July and October in each year or, if such day is not a Business Day, the immediately following Business Day;

Interest Period means the period from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Investment Company Act means the Investment Company Act 1940,

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

Invocation Fee has the meaning given to it in the Back-Up Servicing Agreement,

Irish Stock Exchange means the Irish Stock Exchange plc,

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

Issuer means Slate No 1 plc (registered number 09232042), a limited liability company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

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

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

Issuer Event of Default means an Event of Default,

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 has the meaning given to it in Paragraph 9 (Application of Available Revenue Receipts prior to the service of an Enforcement Notice) of Schedule 2 (Cash Management and Maintenance of Ledgers) to the Cash Management Agreement,

Issuer Profit Ledger means the ledger maintained by the Cash Manager to record as a credit amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and as a debit any amount used to discharge any tax liability of the Issuer,

Issuer Trust Share means the Issuer's share of the Original Sellers Trust at any relevant time, such share equal all amounts credited to in the Interim Period Collection Account at such time in respect of the Loans and their Related Security comprised in the Portfolio taking into account any amounts previously paid to the Seller in respect of the Loans and their Related Security

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

Land Registers of Northern Ireland means the body responsible for recording details of land in Northern Ireland,

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

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

Lead Manager means J P Morgan Securities plc, a limited liability company incorporated under the laws of England and Wales, with registered number 02711006, whose registered office is at 25 Bank Street, Canary Wharf, London E14 5JP,

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

Legal and Regulatory Obligations has the meaning given to such term in the Servicing Agreement,

Legal Title Holder means each of Chaconia Mortgages Limited, Tulip Mortgages Limited and Rose Mortgages Limited in their capacity as transferee from the Original Sellers of legal title in the Loans and their Related Security comprising the Portfolio on and from the Transfer Date, and when taken together the **Legal Title Holders**,

Legal Title Holder Power of Attorney means the power of attorney delivered by a Legal Title Holder pursuant to the Mortgage Sale Agreement,

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

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

LIBOR means the London Interbank Offered Rate for Sterling deposits,

Liquidity Reserve Amount means on any Interest Payment Date the amount which is standing to the credit of the Rated Note Reserve Fund representing the Liquidity Reserve Fund Required Amount,



Loan or Mortgage Loan means an English Loan, a Northern Irish Loan, a Scottish Loan or any combination of these, as the context requires,

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

Loan Files means the file or files relating to each Loan (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing *inter alia* correspondence between the Borrower and the relevant Originator and including mortgage documentation applicable to each Loan, each letter of offer for that Loan, the Valuation Report (if applicable), any MHA/CP Documentation and, to the extent available, the solicitor's or licensed conveyancer's certificate of title,

Loan Purchase Price means in respect of a Loan and its Related Security, the amount based on the Current Balance of the Loan,

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

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

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

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

LTV means loan to value ratio

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

Market Option has the meaning set out in Schedule 12 to the Mortgage Sale Agreement,

Market Portfolio Purchase means a purchase of the Loans pursuant to the Market Option,

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

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

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

Member State means a state of the European Union,

MHA/CP Documentation means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 and/or (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or the Property secured thereby,

[REDACTED]

[REDACTED],

Minimum Portfolio Sale Price means an amount equal to not less than:

- (a) the aggregate Principal Amount Outstanding of the Rated Notes and the Class F Notes plus accrued and unpaid interest thereon plus the Class X Early Termination Amount and the

Class Y Early Termination Amount calculated as at the Interest Payment Date on which the Market Portfolio Purchase is expected to be completed, plus

- (b) any fees, costs and expenses of the Issuer payable senior to the Rated Notes and the Class F Notes and the Class X Certificates and the Class Y Certificates and the Class Z Certificates in the Pre-Acceleration Revenue Priority of Payments, less
- (c) the amount standing to the credit of the Rated Notes Reserve Fund (calculated as at the Interest Payment Date on which or immediately following the date on which the Market Portfolio Purchase is expected to be completed after such amounts have been applied as Available Revenue Receipts and credited in accordance with the Pre-Enforcement Revenue Priority of Payments),

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

Monthly Instalment means the Contractual Monthly Payment,

Monthly Period means the monthly period commencing on and including the first calendar day of each month and ending on and including the last calendar day of each month (for the avoidance of doubt, the first Monthly Period shall commence on the Closing Date and end on the last calendar day of November 2014),

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

Monthly Subscription has the meaning set out in Schedule 1 to the Mortgage Sale Agreement,

Moody's means Moody's Investors Service Ltd,

Mortgage means

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

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

- (i) the Mortgage Sale Agreement in respect of any English Loan,
- (ii) an assignment of the Seller's interest as beneficiary under the Scottish Trust created by the Scottish Declaration of Trust in respect of any Scottish Loan, or
- (iii) the Mortgage Sale Agreement in respect of any Northern Irish Loan,

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

Mortgage Conditions means in respect of a Loan, all the terms and conditions applicable to such Loan and the relevant general conditions of each Originator, each as varied from time to time by the relevant Loan Agreement, the relevant Mortgage Deed and the Offer Conditions,

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

Mortgage Documents means, in respect of any Loan or Related Mortgage, the Mortgage Deed, the Loan Agreement and the Loan Files

Mortgage Loan means an English Loan, a Northern Irish Loan, a Scottish Loan or either any combination of these, as the context requires

Mortgage Loan Files means the Loan Files,

Mortgage Loan Porting means Porting,

Mortgage Portfolio means the Portfolio,

Mortgage Portfolio Sale Agreement means, a sale and purchase agreement in respect of the Loans and their Related Security dated on or around the Closing Date and made between the Original Sellers and the Seller pursuant to which equitable title or (in respect of Scottish Loans and their Related Security) beneficial title passed to the Seller on the Closing Date and legal title shall pass to the Legal Title Holders on the Transfer Date,

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

Most Senior Class means the Class A Notes and Class X Certificates or, if there are no Class A Notes or Class X Certificates then outstanding, the Class B Notes or, if there are no Class A Notes, Class X Certificates or Class B Notes then outstanding, the Class C Notes or, if there are no Class A Notes, Class X Certificates, Class B Notes or Class C Notes then outstanding, the Class D Notes or, if there are no Class A Notes, Class X Certificates, Class B Notes, Class C Notes or Class D Notes outstanding, the Class E Notes or, if there are no Class A Notes, Class X Certificates, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class Y Certificates or, if there are no Class A Notes, Class X Certificates, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class Y Certificates then outstanding, the Class F Notes or, if there are no Class A Notes, Class X Certificates, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class Y Certificates or Class F Notes then outstanding, the Class Z Certificates,

MX has the meaning set out in the definition of Originators,

Non-Cash Borrow-back means the use by a Borrower of certain amounts that it has previously overpaid to fund future underpayments in respect of its Loan up to the aggregate amount of any overpayments previously made (but not yet used to fund an Authorised Underpayment or redrawn in cash by the Borrower) during the lifetime of the Loan, also referred to as an Authorised Underpayment,

Non-Responsive Rating Agency has the meaning given in Condition 18 (*Non-responsive Rating Agency*),

Northern Ireland Registered Land Transfer means a transfer relating to Mortgages secured over Northern Irish Properties which are registered (or subject to an application for registration) at the Land Registry of Northern Ireland substantially in the form set out in the Mortgage Sale Agreement,

Northern Ireland Unregistered Land Conveyance means a transfer relating to the Mortgages over Northern Irish Properties which do not comprise registered land substantially in the form set out in the Mortgage Sale Agreement,

Northern Irish Loans means the portfolio of Northern Irish residential mortgage loans each secured by a Northern Irish Mortgage and, where applicable other Related Security

Northern Irish Mortgages means a first ranking legal charge secured over a Property located in Northern Ireland,

Northern Irish Property means a 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 an Enforcement Notice,

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

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

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

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

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

Notices Conditions means

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

NRAM has the meaning set out in the definition of Originators,

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

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

Optional Portfolio Purchase means the purchase of the Portfolio by the Seller or the Retention Holder pursuant to Condition 8.3 (*Optional Redemption for Tax or Other Reasons*),

Option Repurchase Price has the meaning set out in Clause 9 of the Mortgage Sale Agreement,

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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

- (a) those Notes which have been redeemed in full and cancelled pursuant to the Conditions,
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest payable thereon) have been duly paid to the Note Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes,
- (c) those Notes which have been cancelled in accordance with Condition 8.8 (*Cancellation on redemption in full*),
- (d) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 10 (*Prescription*),
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 15 (*Replacement of Notes*),

- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Note) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 15 (*Replacement of Notes*), and
- (g) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant Class or for the Notes of the relevant Class in definitive form pursuant to the Conditions,

provided that for each of the following purposes, namely

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

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

Outstanding Principal Balance with respect to a Loan means the aggregate of items (a) and (b) in the definition of Current Balance,

Parent means Commercial First Group Limited acting in its capacity as parent company to the Seller,

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

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

Payment means in respect of the Class X Certificates, the Class X Payment and the Class X Early Termination Amount (if any), and in respect of the Class Y Certificates, the Class Y Payment and

the Class Y Early Termination Amount (if any) and in respect of the Class Z Certificates and the Class Z Payment,

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

Perfection Date has the meaning set out in the Mortgage Portfolio Sale Agreement,

Perfection Event means each of the following events

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

Personal Data means any information of whatever nature satisfying the definition of "personal data" in the Data Protection Act that, by whatever means, is provided to the Data Processor by the Data Controller, is accessed by the Data Processor on the authority of the Data Controller or is otherwise received by the Data Processor on the Data Controller's behalf, for the purposes of the Processing specified in the Servicing Agreement,

Port means the transfer of the Mortgage in respect of a Loan from an existing Property to a new Property where the new Property provides replacement security for the repayment by the Borrower of the relevant Loan whether or not resulting in the creation of a new Loan or not, and **Ports** and **Porting** shall be construed accordingly,

Ported Loan means a Loan that has been the subject of a Port

Portfolio means the Loans and Related Security comprising portfolio and all monies derived therefrom from time to time,

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

Portfolio Reference Date means 31 May 2014,

Post-Enforcement Priority of Payments means the manner and priority of payments in which amounts received or recovered by the Security Trustee or any Receiver appointed by it in connection with the enforcement of the Security (other than those excluded under Clause 7.2 (Post-Enforcement

Priority of Payments) of the Deed of Charge) will be applied following the service of an Enforcement Notice on the Issuer, as set out in Clause 7.2 (Post-Enforcement Priority of Payments) of the Deed of Charge,

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

Pre-Closing Collections means any Redemption Receipts and Revenue Receipts received on the Loans from (and including) the First Cut-Off Date to (but excluding) the Closing Date (net of any Flexible Drawings granted over such period),

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

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

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

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

Principal Amount Outstanding has the meaning set out in Condition 8.6 (*Principal Amount Outstanding*),

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

Principal Outstanding Balance means the Outstanding Principal Balance,

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

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

Processing has the meaning given in the Data Protection Act,

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

- (a) agreed with a Borrower to control or manage actual or anticipated arrears on the Loan,
- (b) in the maturity date of the Loan (unless the maturity date would be extended to a date later than three years before the Final Maturity Date of the Notes in which case such variation will constitute a Product Switch),
- (c) imposed by statute,
- (d) in the rate of interest payable in respect of a Loan (i) as a result of any variation in the Floating Mortgage Rate or (ii) where the terms of the Mortgage change the rate of interest payable by a Borrower on termination of an interest discount for a fixed period of time or the terms of the Loan otherwise change the interest rate payable,
- (e) in the frequency with which the interest payable in respect of the Loan is charged, or
- (f) agreed with a Borrower to change the Loan from an Interest-only Loan to a Repayment Loan,

Properties in Possession Cover or **Properties in Possession Policy** means the block properties in possession insurance policy of the Legal Title Holders and the Issuer, for any possessed Properties,

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

Prospectus means the prospectus dated on or about the Closing Date in relation to the issue of the Notes and approved by the Central Bank,

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

Provisional Portfolio means the Loans and the Excluded Loans included in a provisional portfolio of loans as at the Portfolio Reference Date,

Purchase Price means the consideration payable by the Issuer to the Seller pursuant to Clause 2.1 of the Mortgage Sale Agreement,

Prudent Mortgage Servicer means a leading residential mortgage servicer who is acting prudently in servicing residential mortgage loans and their collateral security in respect of residential property in England, Wales, Scotland or Northern Ireland and which have in all material respects the same or similar characteristics to the Portfolio and are administered to standards, criteria and procedures as ought to have been applied in relation to the Portfolio or, if the relevant context in the Servicing Agreement relates to a specific Loan, as ought to have been applied in relation to such Loan

Rate of Interest has the meaning given in Condition 6.3 (*Rate of Interest*),

Rated Note Reserve Fund means the fund established on the Closing Date, which will be credited with the Rated Note Reserve Fund Required Amount on the Closing Date,

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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

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

Rating Agencies means each of Moody's, Fitch and S&P, as the context so requires,

Rating Agency Confirmation has the meaning given in Condition 18 (*Non-responsive Rating Agency*),

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

Reasonable, Prudent Mortgage Lender means a reasonably prudent residential mortgage lender lending to borrowers in England and Wales, Scotland and Northern Ireland who generally satisfies the lending criteria of sources of residential mortgage capital,

Receiver means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Charged Assets by the Security Trustee pursuant to the Deed of Charge,

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

Reconciliation Date means the date designated by the Seller to the Issuer being 20 Business Days after the Closing Date (or such other date agreed between the Issuer and the Seller), upon which the Seller will provide the Issuer with details of (i) the Actual Pre-Closing Collections and (ii) the Actual Excluded Balance,

Reconciliation Ledger means a Ledger established by the Issuer in the Deposit Account pursuant to the Cash Management Agreement,

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

Redemption Receipts means on any date of determination the sum of (a) principal repayments under the Loans (including payments of arrears of principal and Capitalised Amounts), (b) recoveries of principal from defaulting Borrowers under Loans being enforced, (c) recoveries of principal from defaulting Borrowers under Loans in respect of which enforcement procedures relating to the sale of the property have been completed (including the proceeds of sale of the relevant Property, to the extent such proceeds of sale are deemed to be principal but excluding all amounts received following a sale of the relevant Property), (d) any payment pursuant to any insurance policy in respect of a Property in connection with a Loan in the Portfolio, to the extent such payment is deemed to be principal, (e) the proceeds of the repurchase of any Loan by the Seller or the Retention Holder from the Issuer pursuant to the Mortgage Sale Agreement (but for the avoidance of doubt, excluding amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant repurchase date and (f) any other payment received by the Issuer in the nature of principal, (g) the amount of Expected Pre Closing Collections which relate to principal and the amount of the Expected Excluded Balance up to the Outstanding Principal Balance of the Expected Excluded Loans minus (h) an amount equal to the aggregate of all principal repayments which have been used to purchase or fund any Further Advances, Flexible Redraws or Ported Loans but in an aggregate amount not exceeding such Redemption Receipts

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

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

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

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

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

Registers of Northern Ireland means the Land Registry of Northern Ireland and/or (as the context requires) the Registry of Deeds in Belfast,

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

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

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

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

Regulations has the meaning given in Clause 4.3 (Restrictions on transfer) of the Agency Agreement,

Regulator means a Relevant Regulator,

Regulatory Responsibility Fee has the meaning given to it in Clause 7.1 (Servicing Fees) of the Servicing Agreement,

Related Mortgage means in respect of a Loan the Mortgage granted over the property in respect of such Loan,

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

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including any deed of consent and MHA/CP Documentation) from occupiers and other persons having an interest in or rights in connection with the relevant Property,
- (b) each right of action of each Originator against any person (including any solicitor, licensed conveyancer, qualified conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the relevant Originator to make or offer to make all or part of the relevant Loan, and
- (c) the benefit of (including the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (taken out by or on behalf of the relevant Borrower) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and relevant Loan Files,

Released Loans has the meaning set out in Clause 10 of the Mortgage Sale Agreement,

Relevant Company means any party to any Transaction Document,

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

Relevant Excluded Loans means those loans that give rise to a discrepancy between the Actual Excluded Balance and the Expected Excluded Balance,

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

Relevant Person means the Seller any Affiliate of the Seller, the Parent any Affiliate of the Parent and each Legal Title Holder,

Relevant Regulator means

- (a) in respect of the period before 1 April 2013, the FSA, and
- (b) in respect of the period on or after 1 April 2013
 - (i) the FCA, or
 - (ii) the PRA and the FCA,as applicable,

Relevant Screen means, in respect of a notice to be provided to any Noteholder and/or Certificateholder, a manner of valid publication other than in accordance with the rules and regulations of the Irish Stock Exchange, which may be either or both of,

- (a) publication in the *Financial Times*, or, if such newspaper shall cease to be published or, if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom, and
- (b) publication by the Issuer on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders and Certificateholders,

Relevant Screen Rate has the meaning set out in Condition 6.3,

Remediation Receipts means the amounts payable by the Original Sellers under clause 9 of the Mortgage Portfolio Sale Agreement,

Replacement Noteholders means the holders of the Replacement Notes,

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

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

Revenue Ledger which will record all Revenue Receipts, amounts credited to the Deposit Account in accordance with item (s) of the Pre-Enforcement Revenue Priority of Payments received by the Issuer and the distribution of the Revenue Receipts and the distribution of any other relevant amounts recorded on the Revenue Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or by way of Third Party Amounts,

Revenue Receipts means, on any date of determination, means (a) payments of interest and other fees due from time to time under the Loans (including any Early Repayment Charges and any Arrears of Interest) and other amounts received by the Issuer in respect of the Loans and their Related Security other than net Redemption Receipts, (b) recoveries of interest from defaulting Borrowers under Loans being enforced, (c) recoveries of all amounts relating to interest from defaulting Borrowers under Loans following enforcement and sale of the relevant property, (d) the proceeds of repurchase attributable to Accrued Interest and Arrears of Interest only of any Loan repurchased by the Seller from the Issuer pursuant to the Mortgage Sale Agreement and (e) the amount of Expected Pre Closing Collections which do not relate to principal and the amount of the Expected Excluded Balance in excess of the Outstanding Principal Balance of the Expected Excluded Loans,

Risk Retention Regulatory Change Event means any change in or adoption of any new law, rule or regulation which as a matter of English law has a binding effect on the Retention Holder or the Seller after the Closing Date which would impose a positive obligation on either of them to subscribe for the Notes over and above those required to be maintained in the Risk Retention Undertaking,

Risk Retention Regulatory Change Option means the option of the Retention Holder in the Mortgage Sale Agreement to acquire all but not some of the Portfolio following a Risk Retention Regulatory Change Event,

Risk Retention Undertaking means the undertaking by the Retention Holder to (i) the Lead Manager and the Arranger in the Subscription Agreement and (ii) to the Issuer and the Security Trustee in the Mortgage Sale Agreement to

- (a) retain by the Retention Holder acting through its wholly owned subsidiary a material net economic interest of not less than 5 per cent in the securitisation in accordance with Article 405 of the CRR and Article 51 of the AIFM Regulation, and
- (b) comply with the disclosure obligations described in Article 409 of the CRR by confirming the Seller's risk retention as contemplated by Article 405 of the CRR and Article 51 of the AIFM Regulation through the provision of the information in this Prospectus, disclosure in the monthly investor reports (as prepared by the Cash Manager) and procuring provision to the Lead Manager and the Arranger and the Issuer access to any reasonable and relevant additional data and information referred to in Article 409 of the CRR (subject to all applicable laws) **S&P** means Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited,

Sasine Transfer means in relation to Properties situated in Scotland title to which is, or is required to be, recorded in the General Register of Sasines, each assignation of the relevant Scottish Loans and their related Scottish Mortgages substantially in the appropriate form set out in Part 3 (Legal Title Holder Sasine Transfer) or Part 4 (Issuer Sasine Transfer) of Schedule 3 (Scottish Transfers) to the Mortgage Sale Agreement (with such modification as may be required from time to time) and delivered pursuant to (as appropriate) Clause 6 5(b) or Clause 8 13(e) thereof,

Scottish Declaration of Trust means the Scots law governed declaration of trust granted by the Original Sellers in favour of the Seller on the Closing Date in respect of the Scottish Loans and Related Security in the Portfolio in the form set out in Schedule 7 to the Mortgage Portfolio Sale Agreement,

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

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

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

Scottish Supplemental Charge means an assignation in security of the Issuer's interest in the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the Scottish Trust assigned by the Seller to the Issuer pursuant to the Scottish Trust Transfer),

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

Scottish Trust means the trust created by the Scottish Declaration of Trust,

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

Scottish Trust Transfer means the assignation by the Seller of its interest as beneficiary under the Scottish Trust in favour of the Issuer granted pursuant to Clause 3 1 of the Mortgage Sale Agreement in the form set out in Schedule 4 thereto,

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

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

Securities Act means the United States Securities Act of 1933,

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

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

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

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

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

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

Seller Permitted Transactions means

- (a) the sale of the Certificates and the Class F Notes,
- (b) the issuance of ordinary shares to the Parent and the declaration of dividends in respect thereof,
- (c) the borrowing and repayment of any financial indebtedness from any Affiliate provided that any such indebtedness is undertaken on a full recourse basis and provided further that any such indebtedness is guaranteed by the Parent,
- (d) the provision of or obtaining any guarantee of any liability or the creation of any encumbrance or other security interest to an Affiliate in respect of any borrowing or indebtedness within paragraph (iii) above,
- (e) entry into of the Mortgage Portfolio Sale Agreement, or

- (f) entry into any contracts with any providers of services necessary to preserve its corporate existence, make required regulatory and legal filings, prepare its accounts and undertake activities ancillary thereto,

Seller Power of Attorney means the power of attorney delivered by the Seller pursuant to the Mortgage Sale Agreement,

Senior Back-Up Servicing Fee means the lesser of (a) the Back-Up Servicing Fee and (b) the Back-Up Servicing Fee Cap, payable by the Issuer on a senior basis in accordance with the applicable Priority of Payments quarterly in arrear on each Interest Payment Date,

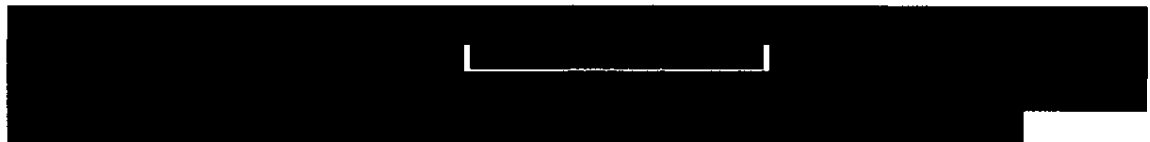
Senior Expenses Deficit means, on any Interest Payment Date, any shortfall in Available Revenue Receipts (and for this purpose, without regard to any Principal Addition Amounts) available to meet items (a) to (f) (inclusive) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment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

Service Specification means the specification set out in Schedule 4 (Primary Service Specification) to the Servicing Agreement,

Servicer means Pepper (UK) Limited, a private limited company incorporated under the laws of England and Wales, with registered number 06548489, whose registered office is at 114A Cromwell Road, London, SW7 4ES, or such other person as may from time to time be appointed as servicer of the Loans pursuant to the Servicing Agreement,

Servicer Covenants means the covenants of the Servicer set out in Clause 18 of the Servicing Agreement,

Servicer Expenses has the meaning set out in Clause 6.1 (*Recovery of fees, costs and expenses on dates other than the Interest Payment Dates*) of the Servicing Agreement,



Servicer Power of Attorney means the power of attorney from the Issuer and the Legal Title Holders provided pursuant to Clause 14 (Power of Attorney) of the Servicing Agreement,

Servicer Records means the records and files held by the Servicer in relation to the Portfolio,

Servicer Report means a report to be provided by the Servicer no later than on the fourth Business Day of each month (or if the 24th calendar day of the relevant month is not a Business Day, the immediately following Business Day) from and including January 2015 in accordance with the terms of the Servicing Agreement and detailing, *inter alia*, the information relating to the Portfolio necessary to produce the Investor Report,

Servicer Termination Notice means a notice served by the Issuer or the Security Trustee, as applicable, pursuant to Clause 19.1 (Termination Events) of the Servicing Agreement. **Servicer Termination Event** means any of the events occurring in relation to the Servicer listed in Clause 19.1 (Termination Events) of the Servicing Agreement,

Servicer Warranties means each of the following representations and warranties to be made by the Servicer on the Closing Date or, in respect of any replacement or substitute servicer the date on which such servicer is appointed

- (a) it is a company limited by shares duly incorporated and validly existing under the laws of England and Wales,
- (b) it has the requisite corporate capacity to enter into the Transaction Documents and to perform its obligations under it, and that it has taken all necessary corporate and other actions to authorise it to do so,
- (c) the execution and performance of the Transaction Documents does not and will not contravene any law, regulation or rule applicable to the Servicer and its constitutional documents or any contract to which it is a party or by which it is bound,
- (d) it holds all requisite authorisations from the FCA and any other relevant authority to carry out its duties as Servicer under the Transaction Documents,
- (e) there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Servicer is aware including any claims against any of its subsidiaries or against any of its or its subsidiaries' directors) which will have a material adverse effect on the Servicer, any of its subsidiaries or its ability to perform its obligations under the Transaction Documents, and
- (f) no Insolvency Event has occurred with respect to the Servicer,

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

Servicing Fees has the meaning given to it in Clause 7.1 (Servicing Fees) of the Servicing Agreement,

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

[REDACTED]

[REDACTED]

Servicing Consultant Termination Event means any of the events occurring in relation to the Servicing Consultant listed in Clause 19.1 (Termination Events) of the Servicing Agreement,

Servicing Redemption Fee means a fee due and payable to the Servicer by the Issuer in the manner set out in Clause 7.1 (Servicing Fees) of the Servicing Agreement (subject to the applicable Priority of Payments) in respect of administration of the redemption of the Loans and their Related Security from time to time from the Closing Date,

Servicing Policy means the Servicer's servicing, arrears and enforcement policy applied by the Servicer from time to time in respect of the Loans and their Related Security comprising the Portfolio which are beneficially owned by the Issuer on and from the Closing Date and from the Transfer Date legal title in which is owned by the Legal Title Holders,

Servicing Standard means during the Interim Period, the standards set out in Clause 3 1 (General – Interim Servicing Period) and during the Full Servicing Period the standard set out in Clause 3 2 (General – Full Servicing Period) in each case of the Servicing Agreement,

Share Trust Deed means the declaration of trust dated 6 October 2014 pursuant to which the Share Trustee holds the beneficial interest in the share of Holdings on trust for discretionary purposes,

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

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 assignment of the relevant Scottish Loans and their related Scottish Mortgages substantially in the appropriate form set out in Part 1 (Legal Title Holder SLR Transfer) or Part 2 (Issuer SLR Transfer) of Schedule 3 (Scottish Transfers) to the Mortgage Sale Agreement (with such modifications as may be required from time to time) and delivered pursuant to (as appropriate) Clause 6 5(b) or Clause 8 13(d) thereof,

Sole Book Runner means J P Morgan Securities, a public limited company incorporated under the laws of England and Wales, with registered number 02711006, whose registered office is at 25 Bank Street, Canary Wharf, London, E14 5JP,

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

Standard Documentation means the standard documentation of the Originators being the documents which were used by the relevant Originator at the relevant time in connection with its activities as a residential mortgage lender, a copy of which will be delivered to the Seller pursuant to the Mortgage Portfolio Sale Agreement and delivered by the Seller to the Issuer under the Mortgage Sale Agreement,

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

Standard Variable Rate or SVR means the relevant Original Seller's or following the Transfer Date the Legal Title Holder's standard variable rate from time to time in force as set by the relevant Servicer in accordance with the relevant Mortgage Conditions and all Applicable Laws,

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

Subordinated Back-Up Servicing Fee means in any Calculation Period the amount by which the back-up servicing fees due in that Calculation Period exceed the Back-Up Servicing Fee Cap for that Calculation Period,

Subordinated Corporate Service Provider Fee means the amount by which the corporate services provider fees due exceed the Corporate Services Provider Fee Cap,

Subordinated Servicing Fees means in any Calculation Period the amount by which the servicing fees due in that Calculation Period exceed the Servicing Fee Cap for that Calculation Period;

[REDACTED]

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

Successor Servicer means any replacement or successor servicer appointed by the Issuer to service the Loans,

SVR LIBOR Margin means the difference between the Original SVR as at the First Cut-Off Date minus Three Month LIBOR at the First Cut-Off Date,

Taxes means all present and future taxes, levies, imposts, duties, fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and **Tax** and **Taxation** shall be construed accordingly,

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

Three Month LIBOR means LIBOR for three month sterling deposits,

Third Party Amounts has the meaning given to that term in the definition of Available Revenue Receipts,

Third Party Buildings Policies means in relation to a Loan, the buildings insurance policies (if any) in relation to the relevant Property which have been taken out either in the joint names of the Borrower and the relevant Originator or with the interest of the relevant Originator (as mortgagee or heritable creditor) endorsed or otherwise noted thereon or, in the case of leasehold property the buildings insurance policy of the relevant landlord, with the interests of the relevant Originator (as mortgagee or heritable creditor) endorsed or otherwise noted thereon,

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

Title Indemnity Policy means any title indemnity policy in the name of the Legal Title Holder or the Issuer which relates to the Loans,

Transaction means the transactions contemplated by the Transaction Documents,

Transaction Account means the Deposit Account,

Transaction Documents means the Servicing Agreement, the Agency Agreement, the Bank Account Agreement, the Back-up Servicing Agreement, each Collection Account Declaration of Trust, the Cash Management Agreement, the Corporate Services Agreement, the Deed of Charge, the Scottish Declaration of Trust, the Scottish Trust Transfer, the Deed of Assumption and Resignation, the Scottish Supplemental Charge, the Share Trust Deed, the Issuer Power of Attorney, this Master Definitions and Construction Schedule, the Mortgage Sale Agreement, each Legal Title Holder Power of Attorney, the Seller Power of Attorney, the Trust Deed, the Interim Sub-Servicing 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 and/or the Certificates,

Transaction Personal Data means any Personal Data in relation to a Borrower which is in the possession of the Servicer,,

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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

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

Trustee means, on any date of determination on and from the Transfer Date, each Legal Title Holder in relation to its respective Collection Account Declaration of Trust, in each case as trustee of its Collection Account Trust,

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

UK Government Securities means Sterling gilt-edged securities and/or Sterling treasury bills,

Unauthorised Underpayment means any underpayment made by a Borrower (a) which cannot be funded by prior overpayments and (b) where the Borrower is not entitled to a payment holiday, and shall be treated by the Servicer as Arrears,

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

United States means the United States of America,

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

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

Valuation Report means the valuation report or reports for mortgage purposes, in the form of one of the pro forma contained in the Standard Documentation, obtained by the relevant Originator from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to the relevant Originator and which has been approved by the relevant officers of the relevant Originator,

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

VATA means the Value Added Tax Act 1994, and

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