

136398/13

In accordance with
Sections 859A and
859J of the Companies
Act 2006

MR01

Particulars of a charge

Laserform

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

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

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

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

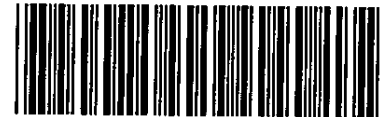
For further information, please
refer to our guidance at
www.companieshouse.gov.uk

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



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

TUESDAY



LD5 25/08/2015 #105
COMPANIES HOUSE

1

Company details

Company number 0 9 6 8 7 6 5 3

Company name in full Thrones 2015-1 plc

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 1 0 8 2 0 1 5

3

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

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

Name Citicorp Trustee Company Limited (and its

successors in title and permitted transferees)

Name

Name

Name

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

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

MR01

Particulars of a charge

4

Brief description

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

Brief description

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"

Please limit the description to the available space

5

Other charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

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

☒ Yes Continue

☐ No Go to Section 7

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

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☐ Yes

☒ No

8

Trustee statement ^①

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

☐

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

9

Signature

Please sign the form here

Signature

Signature

X

Linklaters LLP

X

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

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 Joshua Oei j

Company name Linklaters LLP

Address 1 Silk Street

Please return
via
CH London Courier

Post town

County/Region

Postcode

E C 2 Y 8 H Q

Country

DX Box Number 10 CDE

Telephone 02074564944



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following:

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



Important information

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



How to pay

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

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



Where to send

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

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:

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

For companies registered in Northern Ireland

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9687653

Charge code: 0968 7653 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st August 2015 and created by THRONES 2015-1 PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th August 2015.

L.C.

Given at Companies House, Cardiff on 28th August 2015



Companies House



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

EXECUTION VERSION

Dated 21 August 2015

THRONES 2015-1 PLC
as Issuer

CITICORP TRUSTEE COMPANY LIMITED
as Trustee

and

MARS CAPITAL FINANCE LIMITED
as Legal Title Holder

SECURITY DEED

Certified that, save for material redacted pursuant to
859G of the Companies Act 2006, this copy instrument
is a correct copy of the original instrument.

Linklaters LLP.

Linklaters

Ref L-233403

Linklaters LLP

Certified to be a true
copy of the original
Linklaters LLP
LINKLATERS LLP
Date *25 August 2015*

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This Deed is made on 21 August 2015 between

- (1) THRONES 2015-1 PLC** a public limited company incorporated under the laws of England and Wales with registered number 9687653 and having its registered office at 35 Great St Helen's, London EC3A 6AP (as "**Issuer**"),
- (2) CITICORP TRUSTEE COMPANY LIMITED** (registered number 00235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf E14 5LB, acting pursuant to and in accordance with the Trust Deed, and having the benefit of the protections set out therein (as "**Trustee**"), and
- (3) MARS CAPITAL FINANCE LIMITED** (registered number 5859881) whose registered office is at Ashcombe House, 5 The Crescent, Leatherhead, Surrey KT22 8DY (as "**Legal Title Holder**")

Introduction:

This Deed is supplemental to the Trust Deed which is dated on or about the date of this Deed and made between the Issuer and the Trustee relating to the issue of the Notes, the Subordinated Notes and the Certificates

The parties agree as follows

SECTION A INTERPRETATION

1 Interpretation

Unless otherwise defined in this Deed or the context requires otherwise, words and expressions used in this Deed have the meanings and constructions ascribed to them in the Master Definitions Schedule set out in Schedule 1 to the Incorporated Terms Memorandum set out in Schedule 3 (*Incorporated Terms Memorandum*) hereto. This Deed incorporates by reference (for the provision only) section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 or, where applicable, the Statute of Frauds (Ireland) 1695 and the terms, where relevant, of each of the Transaction Documents.

2 Common Terms

2.1 Incorporation of Common Terms

The Common Terms apply to this Deed and shall be binding on the parties to this Deed as if set out in full in this Deed except that Paragraph 3.3 (*Tax gross-up*) of Part 2 of the Common Terms does not apply to this Deed.

2.2 Conflict with Common Terms

If there is any conflict between the provisions of the Common Terms and the provisions of this Deed, the provisions of this Deed shall prevail, save for where any provisions of this Deed relate to VAT, in which case the VAT provisions of the Common Terms shall prevail and provided that the provisions of Paragraph 7 (*Restriction on Enforcement of Security, Non-Petition and Limited Recourse*) of Part 1 of the Common Terms shall prevail at all times.

2.3 Obligor/Obligee

For the purpose of this Deed, Paragraph 1 (*Further Assurance*) of Part 1 of the Common Terms applies to this Deed as if set out in full in this Deed, and as if the Issuer were the Obligor and the Trustee and any Receiver appointed pursuant to Clause 18 (*Appointment and Removal of Administrator and Receiver*) were an Obligee for the purposes of such Paragraph.

2.4 Governing law and jurisdiction

2.4.1 This Deed and all non-contractual obligations arising out of or in connection with it shall be governed by English law in accordance with Paragraph 1 (*Governing Law*) of Part 3 of the Common Terms, provided always that Clause 4.3 (*Scotland*), Clause 7 and any other terms hereof which are particular to the laws of Scotland shall be governed by and construed in accordance with Scots law and the provisions of Clause 4.2 (*Northern Ireland*) and any other provisions hereof relating to the security taken thereunder shall be governed by and construed in accordance with the laws of Northern Ireland.

2.4.2 Paragraph 2 (*Jurisdiction*) of Part 3 of the Common Terms applies to this Deed as if set out in full in this Deed.

SECTION B UNDERTAKING TO PAY

3 Issuer's Undertaking to Pay

The Issuer undertakes to the Trustee (for its own account and as trustee for the other Secured Creditors) that it shall duly, unconditionally and punctually pay and discharge to each of the Secured Creditors when due all monies and liabilities whatsoever constituting the Secured Amounts

SECTION C

SECURITY AND DECLARATION OF TRUST

4 Creation of Fixed Security

4.1 England and Wales

As continuing security for the payment or discharge of the Secured Amounts, the Issuer with full title guarantee, in favour of the Trustee for the Trustee itself and on trust for the Secured Creditors, hereby

4.1.1 charges by way of first fixed charge the Benefit of the Issuer in each English Mortgage Loan, English Mortgage and other Related Security relating to such English Mortgage Loan, each English Mortgage Document and all English Receivables,

4.1.2 assigns absolutely the Benefit of each Other Right,

4.1.3 charges by way of first fixed charge the Benefit of any bank or other accounts of the Issuer in which the Issuer may at any time have or acquire any Benefit (other than any account in which is deposited the proceeds from its issued share capital), and

4.1.4 assigns absolutely the Benefit of the Issuer under each relevant Transaction Document to which the Issuer is a party (other than the Trust Documents, each Scottish Declaration of Trust, any Scottish Supplemental Charge, and the Placement Agreement)

4.2 Northern Ireland

As continuing security for the payment or discharge of the Secured Amounts, the Issuer as beneficial owner, in favour of the Trustee for the Trustee itself and on trust for the Secured Creditors, hereby charges by way of first fixed charge the Benefit of the Issuer in each Northern Irish Mortgage Loan, Northern Irish Mortgage and other Related Security relating to such Northern Irish Mortgage Loan, each Northern Irish Mortgage Document and all Northern Irish Receivables

4.3 Scotland

4.3.1 As continuing security for the payment or discharge of the Secured Amounts, the Issuer with absolute warrandice, hereby assigns to the Trustee acting as trustee on behalf of the Secured Creditors the Issuer's Benefit in and to the Scottish Trust Property as defined in the Scottish Declaration of Trust (dated on or around the Closing Date) and in and to the said Scottish Declaration of Trust granted pursuant to Clause 5 (*Completion*) of the Mortgage Sale Agreement, surrogating and substituting the Trustee for the Issuer in its full right and place therein and thereto

4.3.2 The Issuer undertakes forthwith upon the execution and delivery of a Scottish Declaration of Trust entered into pursuant to the Mortgage Sale Agreement, to execute and deliver to the Trustee a Scottish Supplemental Charge substantially in the form set out in Schedule 2A (*Scottish Supplemental Charge*) to this Deed. The other parties to this Deed consent to the entering into of such Scottish Supplemental Charge and the Trustee authorises and instructs the Issuer to intimate and give notice to the Legal Title Holder and, if required, the Beneficial

Title Seller, of the assignation in security made thereunder as provided therein
The Legal Title Holder undertakes to execute such Scottish Supplemental Charge
as trustee under each Scottish Declaration of Trust referred to therein

5 Creation of Floating Charge

- 5.1** As continuing security for the payment or discharge of the Secured Amounts, the Issuer (regarding assets located in Northern Ireland or otherwise governed by Northern Irish law) as beneficial owner, (regarding assets located in Scotland or otherwise governed by Scots law) with absolute warrandice and (regarding all other assets) with full title guarantee also hereby charges, in favour of the Trustee for the Trustee itself and on trust for the Secured Creditors, by way of first floating charge the whole of its undertaking and all its property, assets and rights whatsoever and wheresoever present and future including, its uncalled capital
- 5.2** Paragraph 14 of Schedule B1 to the Insolvency Act 1986 and Paragraph 15 of Schedule B1 to the Insolvency (NI) Order 1989 (regarding assets located in Northern Ireland or otherwise governed by Northern Irish law) apply to the floating charge created pursuant to this Clause 5 (*Creation of Floating Charge*)
- 5.3** The floating charge created by Clause 5.1 shall be postponed to any valid fixed charges or securities which remain outstanding and created under or pursuant to this Deed from time to time and any rights of the Issuer to deal with the assets subject to the floating charge, shall be expressly subject to any restrictions placed on dealing with those assets contained in any fixed charge or security over the same

6 Warranty by the Issuer

The Issuer warrants to the Trustee that

- 6.1.1** it has taken all necessary steps to enable it to create the Security in respect of the Charged Property in accordance with this Deed and has taken no action or steps which will or may prejudice its right, title and interest in, to and under the Charged Property,
- 6.1.2** this Deed creates the Security it purports to create (except that the security created under Clause 4.1.3 might be recharacterised as a floating charge) 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 respect of the Issuer,
- 6.1.3** it is entitled either in equity or as beneficiary under the Scottish Declaration of Trust to such of the Charged Property as is purported to be transferred to it pursuant to the Mortgage Sale Agreement,
- 6.1.4** it will, at the date of the purchase of each Mortgage Loan, be entitled to such of the Charged Property as is purported to be transferred to it pursuant to the Mortgage Sale Agreement in respect of such Mortgage Loan, in each case subject to the subsisting rights of redemption of Borrowers, but otherwise free from any Encumbrance, and
- 6.1.5** it has taken all necessary steps to enable it to charge or assign by way of security the Charged Property in accordance with or pursuant to Clause 4 (*Creation of Fixed Security*) and that it has taken no action or steps to prejudice its right, title and interest in and to the Charged Property

7 Undertakings in relation to the Scottish Security

7.1 The Issuer hereby intimates to the Legal Title Holder as trustee under the aforementioned Scottish Declaration of Trust the assignation in security granted by the Issuer under Clause 4.3.1 and the Legal Title Holder, by its execution of this Deed, acknowledges such intimation and confirms that as at the date hereof it has received no intimation of any other dealing with the Scottish Trust Property or any part thereof (other than pursuant to the Transaction Documents)

7.2 The Issuer undertakes to the Trustee and binds and obliges itself in the event of any transfer or assignation of legal title to the Scottish Mortgage Loans and their Related Security or any of them being executed and delivered to the Issuer or its nominee in terms of the Mortgage Sale Agreement forthwith to execute and deliver or to procure the execution and delivery to the Trustee as continuing security for the payment or discharge of the Secured Amounts

7.2.1 a Standard Security or Standard Securities over the Issuer or its nominee's whole right, title and interest as heritable creditor under the Scottish Mortgages relating to such Scottish Mortgage Loans, substantially in the form set out in Schedule 2 (*Form of Scottish Sub-Security*) hereto, and

7.2.2 an assignation in security over the Issuer or its nominee's whole right, title and interest in and to the remainder of the Related Security for such Scottish Mortgage Loans,

and to deliver or procure the delivery to the Trustee simultaneously with the delivery of any such Scottish Sub-Security the relevant transfers or assignations pertaining to such Scottish Mortgage Loans and their Related Security. The Issuer further undertakes to the Trustee to execute and deliver or to procure the execution and delivery of such documents, and in such form, and to take such other steps as are necessary to (i) perfect its legal title to the Scottish Mortgages comprised in the Mortgage Portfolio and (ii) enable the Trustee to perfect a first ranking heritable security over the Scottish Mortgage Loans and their Related Security

7.3 In the event that legal title to the Scottish Mortgage Loans and their Related Security is transferred to the Issuer's nominee, the Issuer shall procure that the Legal Title Holder shall enter into and deliver such deed of assumption and resignation as is necessary to assume that nominee as trustee under the Scottish Declaration of Trust

8 Notice of Security

8.1 Issuer's notices

The Issuer shall, immediately after the date hereof, give notice of the Security to all relevant parties (other than the Borrowers), including the following notices

8.1.1 to the Transaction Account Bank, a Notice of Charge to Transaction Account Bank, and

8.1.2 to each of the other parties to the Transaction Documents, a Notice of Charge to Transaction Parties

8.2 Acknowledgements of notices

The Issuer shall use reasonable endeavours to procure that each Transaction Party which receives a Notice of Charge to Transaction Parties and the Transaction Account Bank acknowledges receipt of such notice in the form required by such notice of charge

9 Redemption and Release

9.1 Release on payment or discharge

Upon proof being given to the satisfaction of the Trustee as to the irrevocable and unconditional payment or discharge of the Secured Amounts, the Trustee will, at the request and cost of the Issuer, release, discharge or reassign the Charged Property to the Issuer

9.2 Release pursuant to Mortgage Sale Agreement, Servicing Agreement or Deed Poll

The Trustee agrees that if it receives notice from the Issuer stating that the Issuer is required to assign or release any Mortgage Loan and its related Mortgage Documents, Related Security and Receivables to

9.2.1 the relevant Seller pursuant to the provisions of the Mortgage Sale Agreement relating to breach of the Asset Warranties, or a Cash Flow Port or to a Further Advance or a Shortfall Account,

9.2.2 the Portfolio Option Holder pursuant to a Class Z4 Portfolio Purchase under the Deed Poll, or

9.2.3 a third party pursuant to a Market Portfolio Purchase under the Market Portfolio Purchase Agreement,

then the Trustee will join with the Issuer, in the manner set out in Clause 9.4 (*Form of release*), in executing such documentation as may be necessary in order to assign the relevant Mortgage Loan and its related Mortgage Documents, Related Security and Receivables in order to release the same from the Security

9.3 No avoidance

No assurance, security or payment which is avoided under any enactment relating to bankruptcy or under Sections 238 to 245 or Section 423 of the Insolvency Act or Articles 202 to 207 or Article 367 of the Insolvency (NI) Order 1989 or any equivalent provision of Scottish common law and no release, settlement or discharge given or made by the Trustee in reliance on any such assurance, security or payment shall prejudice or affect the right of the Trustee to enforce the Security. The Issuer agrees that, notwithstanding any such avoidance, release, settlement or discharge, the Security shall be deemed always to have been and to have remained held by the Trustee as and by way of security for the payment to or to the order of the Trustee of the Secured Amounts

9.4 Form of release

9.4.1 Unless otherwise set out in this Clause 9.4 (*Form of release*), the Security shall be released only upon the execution by or on behalf of the Trustee of either an absolute and unconditional release by way of deed or a receipt, in each case relating to all (and not part only) of the Secured Amounts

9 4 2 If the Trustee receives a notice from the Issuer under

- (a) Clause 9 2 1, the Trustee shall be deemed, subject to receipt by the Issuer of the Repurchase Price, to have released the relevant Charged Property from the Security and shall, upon request of the relevant Seller, execute a deed of release and/or discharge in order to release the relevant Charged Property from the Security, or
- (b) Clause 9 2 2 or 9 2 3, the Trustee shall, subject to receipt by the Issuer of the Portfolio Option Consideration or the consideration payable by a third party to the Issuer in relation to a Market Portfolio Purchase (as the case may be), execute a deed of release and/or discharge in order to release the relevant Charged Property from the Security,

9 4 3 All amounts which the Issuer is permitted to withdraw from the Charged Accounts in accordance with the Payments Priorities and the Cash Management Agreement or which the Collection Account Bank is permitted to withdraw in accordance with the Collection Account Agreement shall be deemed to be released from the Encumbrances constituted by the Security Deed, any such release to take effect immediately upon the relevant withdrawal being made

10 Continuance of Security

The Security and the covenants, undertakings and provisions contained in this Deed shall remain in force as a continuing security to the Trustee, notwithstanding any intermediate payment or satisfaction of any part of the Secured Amounts or any settlement of account or any other act, event or matter whatsoever, and shall secure the Secured Amounts

11 Payments prior to Enforcement

Notwithstanding the Security, the Trustee acknowledges that, until delivery of a Security Protection Notice or an Enforcement Notice

- 11.1** payments becoming due to the Issuer under any of the Transaction Documents, together with all other monies payable to the Issuer pursuant to any other documents or arrangements to which it is a party, may be made to the Issuer in accordance with the provisions of the relevant Transaction Documents or (as the case may be) the documents or arrangements concerned,
- 11.2** the Issuer may, subject to Clause 11 3, exercise its rights, powers and discretions and perform its obligations in relation to the Charged Property and under the Transaction Documents in accordance with the provisions of the Transaction Documents or (as the case may be) such other documents or arrangements, and
- 11.3** amounts standing to the credit of the Charged Accounts from time to time may be withdrawn therefrom by the Issuer but only in accordance with the applicable Pre-Enforcement Payments Priorities or Paragraph 13 (*Payments from Revenue Ledger on any Business Day*) or 14 (*Payments from Principal Ledger on any Business Day*) of Part 3 of Schedule 1 to the Cash Management Agreement

SECTION D

PROTECTION OF SECURITY AND ENFORCEMENT

12 Security Protection Notice

12.1 Delivery of Security Protection Notice

Subject to the provisions of Clause 15 (*Enforcement*) if, at any time while any of the Secured Amounts remain outstanding

12.1.1 an Event of Default or Potential Event of Default in relation to the Notes occurs, or

12.1.2 the Trustee believes that the Charged Property or any part thereof is in danger of being seized or sold under any form of distress, diligence or execution levied, executed or threatened or to be otherwise in jeopardy,

then the Trustee may, in its absolute discretion, deliver to the Issuer a Security Protection Notice in, or substantially in, the form set out in Schedule 1 (*Form of Security Protection Notice*) hereto

12.2 Consequences of delivery of Security Protection Notice

Upon delivery of a Security Protection Notice, except where the Security Protection Notice has been delivered as a result of an Insolvency Event occurring solely due to the Issuer obtaining or taking steps to obtain a moratorium pursuant to Section 1A of the Insolvency Act 1986 or Schedule A1 of the Insolvency (Northern Ireland) Order 1989

12.2.1 the Floating Charge shall, except to the extent not permitted by applicable law, crystallise into a fixed charge or fixed charges as regards any assets specified in the Security Protection Notice, and

12.2.2 by way of further assurance of such fixed charge or fixed charges the Issuer shall promptly execute over such assets a fixed charge or fixed charges or other Encumbrance in favour of the Trustee in such form as the Trustee shall require

12.3 Withdrawal of Security Protection Notice

The Trustee may at any time, unless an Enforcement Notice has been delivered, by notice in writing to the Issuer withdraw a Security Protection Notice

12.4 No withdrawals from Charged Accounts

From and including the date on which the Trustee delivers a Security Protection Notice to the Issuer and unless and until it is withdrawn, no amount may be withdrawn from the Charged Accounts without the prior written consent of the Trustee, provided that, unless an Enforcement Notice has been delivered, the Trustee shall not act under this Clause 12.4 (*No withdrawals from Charged Accounts*) in such a way as to require any payment other than in accordance with the Pre-Enforcement Payments Priorities or Paragraph 13 (*Payments from Revenue Ledger on any Business Day*) or 14 (*Payments from Principal Ledger on any Business Day*) of Part 3 of Schedule 1 to the Cash Management Agreement

13 Enforcement Notice

The parties hereto acknowledge and agree that the circumstances in which the Trustee may or shall deliver an Enforcement Notice and the conditions applicable to delivery of an Enforcement Notice are set out (for the purposes of such times as any Notes remain outstanding) in Note Conditions 12.2 (*Delivery of Enforcement Notice*) and 12.3 (*Conditions to delivery of Enforcement Notice*) respectively, and (for the purposes of such times as no Notes remain outstanding) in Subordinated Note Conditions 11.2 (*Delivery of Enforcement Notice*) and 11.3 (*Conditions to delivery of Enforcement Notice*) and (for the purposes of such time as no Notes or Subordinated Notes remain outstanding) in Certificate Conditions 11.2 (*Delivery of Enforcement Notice*) and 11.3 (*Conditions to delivery of Enforcement Notice*) respectively and in the Trust Deed and the consequences of delivery of an Enforcement Notice are set out in (for the purposes of the such times as any Notes remain outstanding) Note Condition 12.4 (*Consequences of delivery of Enforcement Notice*) and in the Trust Deed

14 Security Enforceable

The whole of the Security shall become enforceable

- 14.1** upon the delivery of an Enforcement Notice, except where the Enforcement Notice has been delivered as a result of an Insolvency Event occurring solely due to the Issuer obtaining or taking steps to obtain a moratorium pursuant to Section 1A of the Insolvency Act 1986 or Schedule A1 of the Insolvency (NI) Order 1989, or
- 14.2** if any person who is entitled to do so presents an application for the appointment of an administrator of the Issuer, gives notice of intention to appoint an administrator of the Issuer or files such notice with the court

15 Enforcement

From the date on which the Security becomes enforceable

- 15.1** if it has not already crystallised, the Floating Charge shall crystallise, except to the extent not permitted by applicable law,
- 15.2** subject to the provisions of the Trust Deed and (for such time as any Notes are outstanding) the Note Conditions, and (for such time as no Notes are outstanding and any Subordinated Notes are outstanding) the Subordinated Note Conditions and (at all other times) the Certificate Conditions, the Trustee may institute such proceedings against the Issuer and/or take such action or step as it may think fit to enforce all or any part of the Security,
- 15.3** amounts may be withdrawn from the Charged Accounts only by or with the consent of the Trustee and shall be applied only in accordance with the Post-Enforcement Payments Priorities,
- 15.4** the Trustee may appoint a Receiver or an administrator in accordance with Clause 18 (*Appointment and Removal of Administrator and Receiver*), and
- 15.5** whether or not it has appointed a Receiver, the Trustee may exercise all or any of the powers, authorities and discretions
- (a) conferred by the Trust Documents on any Receiver,

- (b) conferred by the LPA (as varied or extended by the Trust Documents) on mortgagees, or
- (c) otherwise conferred by law on mortgagees, security holders or receivers

16 Post-Enforcement Payments Priorities

16.1 Post-Enforcement Payments Priorities

After an Enforcement Notice is delivered by the Trustee, all monies held in the Charged Accounts (other than all monies received or recovered by the Trustee which do not constitute Trust Proceeds, which monies shall be paid to or retained by the persons entitled to such monies, except for any Borrower Repayment Amounts, which shall be paid to the Collection Accounts and not from the Transaction Account to Borrowers directly) and all other Trust Proceeds shall (after deduction of all costs and expenses incurred by the Trustee in obtaining receipt or recovery of the Trust Proceeds) shall be held by (or on behalf of or to the order of) the Trustee or, as the case may be, the Receiver upon trust to be applied in payment, in the amounts required, each in the following order of priority

- (a) *pro rata and pari passu*
 - (i) to the Trustee, the Trustee Liabilities,
 - (ii) to the Trustee, all amounts of Trustee Fees due on or prior to the date of payment,
 - (iii) to any Receiver, any out-of-pocket expenses, liabilities, losses, damages, proceedings, claims and demands then due and payable by the Issuer to any Receiver in accordance with the Security Deed or incurred by a Receiver together with interest payable provided in the Trust Deed,
 - (iv) to any Receiver, all remuneration due to the Receiver in accordance with the terms of his appointment on or prior to the date of payment,
- (b) *pro rata and pari passu*
 - (i) to the Collection Account Bank, any Collection Account Bank Liabilities, and
 - (ii) to the Transaction Account Bank, any Transaction Account Bank Liabilities and Transaction Account Bank Fees due on or prior to the date of payment,
- (c) *pro rata and pari passu*
 - (i) to the Agents, the Agents' Fees due on or prior to the date of payment and the Agents' Liabilities,
 - (ii) to the Cash Manager, the Cash Manager Liabilities and the Cash Manager Fees due on or prior to the date of payment,
 - (iii) to the Corporate Services Provider, the Corporate Services Provider Liabilities and the Corporate Services Provider Fees due on or prior to the date of payment,
 - (iv) to the Servicer, the Servicer Fees due on or prior to the date of payment and the Servicer Liabilities,
 - (v) to the Back-Up Servicer, any unpaid Back-Up Servicer Fees and/or Back-Up Servicer Liabilities,

- (vi) fees (other than commitment fees) and expenses accrued due and payable to a successor Servicer (after it has taken over as Servicer) agreed by the Issuer with the successor Servicer in relation to the successor Servicer's obligations under the replacement Servicing Agreement, and
 - (vii) in reimbursement to the Legal Title Holder of any Protective Advances made by it not previously reimbursed to it from amounts standing to the credit of the Servicer Expense Account,
- (d) to the relevant Entitled Persons, all amounts of interest due in respect of the Class A Notes (*pro rata* according to the amount of such interest due to be paid to each such Entitled Person),
 - (e) to the relevant Entitled Persons, all amounts of principal due but unpaid in respect of the Class A Notes (*pro rata* according to the amount of such principal due to be paid to each such Entitled Person),
 - (f) to the relevant Entitled Persons, all amounts of interest due in respect of the Class B Notes (*pro rata* according to the amount of such interest due to be paid to each such Entitled Person),
 - (g) to the relevant Entitled Persons, all amounts of principal due but unpaid in respect of the Class B Notes (*pro rata* according to the amount of such principal due to be paid to each such Entitled Person),
 - (h) to the relevant Entitled Persons, all amounts of interest due in respect of the Class C Notes (*pro rata* according to the amount of such interest due to be paid to each such Entitled Person),
 - (i) to the relevant Entitled Persons, all amounts of principal due but unpaid in respect of the Class C Notes (*pro rata* according to the amount of such principal due to be paid to each such Entitled Person),
 - (j) to the relevant Entitled Persons, all amounts of interest due in respect of the Class D Notes (*pro rata* according to the amount of such interest due to be paid to each such Entitled Person),
 - (k) to the relevant Entitled Persons, all amounts of principal due but unpaid in respect of the Class D Notes (*pro rata* according to the amount of such principal due to be paid to each such Entitled Person),
 - (l) to the relevant Entitled Persons, all amounts of interest due in respect of the Class E Notes (*pro rata* according to the amount of such interest due to be paid to each such Entitled Person),
 - (m) to the relevant Entitled Persons, all amounts of principal due but unpaid in respect of the Class E Notes (*pro rata* according to the amount of such principal due to be paid to each such Entitled Person),
 - (n) *pro rata* and *pari passu* in or towards payment of
 - (i) the Deferred MSA Payment,
 - (ii) the Legal Title Holder Liabilities,
 - (iii) the Market Portfolio Purchase Agent Fees, and

- (iv) the Market Portfolio Purchase Agent Liabilities,
- (o) in or towards payment to the Back-Up Servicer (following its appointment as the Servicer) of any indemnity in relation to TUPE under the relevant provisions of its replacement servicing agreement,
- (p) to the Reserve Subordinated Loan Provider, all amounts of interest due but unpaid in respect of the Reserve Subordinated Loan,
- (q) to the Reserve Subordinated Loan Provider, all amounts of principal due but unpaid in respect of the Reserve Subordinated Loan,
- (r) to the relevant Entitled Persons, all amounts of principal due but unpaid in respect of the Class Z1 Notes (*pro rata* according to the amount of such principal due to be paid to each such Entitled Person),
- (s) to the relevant Entitled Persons, all amounts of principal due but unpaid in respect of the Class Z2 Notes (*pro rata* according to the amount of such principal due to be paid to each such Entitled Person),
- (t) to the relevant Entitled Persons, all amounts of principal due but unpaid in respect of the Class Z3 Notes (*pro rata* according to the amount of such principal due to be paid to each such Entitled Person),
- (u) to the relevant Entitled Persons, all amounts of principal due but unpaid in respect of the Class Z4 Notes (*pro rata* according to the amount of such principal due to be paid to each such Entitled Person), and
- (v) to the holders of the Certificates, any and all amounts in respect of the Certificates (*pro rata* according to the amount due to be paid to each such holder of the Certificates)

16.2 Application of monies standing to Reserve Ledgers

After an Enforcement Notice is delivered by the Trustee, all monies standing to the credit of the General Reserve Ledger and the Liquidity Reserve Ledger shall be held by or on behalf of the Trustee upon trust to be applied in payment of the amount required in the order of priority specified at Clause 16.1 (*Post-Enforcement Payments Priorities*)

16.3 Monies not required for Secured Amounts

Any monies held by the Receiver or the Trustee after application of monies received or recovered after delivery of an Enforcement Notice and not required for application in discharge of the Secured Amounts in accordance with Clause 16.1 (*Post-Enforcement Payments Priorities*) shall be paid by the Receiver or the Trustee to the Issuer for application in or towards meeting the obligations of the Issuer, which do not constitute Secured Amounts, as such obligations fall due

SECTION E TRUSTEE'S POWERS

17 Extension and Variation of the LPA

17.1 Extension of powers

From the date of this Deed but subject to Clause 17 2 (*Powers exercised on delivery of Enforcement Notice*), the provisions of (a) the LPA relating to the power of sale and the other powers conferred by Sections 101(1) and (2) of the LPA and (or in the case of Northern Irish Property, Section 19(1) of the Conveyancing and Law of Property Act 1881 (the "**1881 Act**") and Section 4(1) of the Conveyancing Act 1911 (the "**1911 Act**")) (b) the LPA (or in the case of Northern Irish Property the 1881 Act and the 1911 Act) relating to the power of sale in so far as they apply to the Charged Property, are extended to authorise the Trustee upon such terms as the Trustee may think fit (as if the exercise of the statutory power of sale conferred on mortgagees by the LPA shall be free from the restrictions imposed by Sections 101(1) and (2) of the LPA (or in the case of Northern Irish Property, Section 19(1) of the 1881 Act and Section 4(1) of the 1911 Act) which shall not apply to this Deed, but without limiting the Trustee's power to enter into possession of the Charged Property or into receipt of the income therefrom or the Trustee's other rights, subject to compliance with any specific restrictions imposed on the Trustee in these presents in relation to dealing with the Charged Property, to authorise the Trustee at its absolute discretion, subject as aforesaid)

- 17 1 1 to sell, dispose, exchange, licence or otherwise dispose of or otherwise deal with the Charged Property or any interest in the same, and to do so for shares, debentures or any 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 an Encumbrance or a guarantee, or for such other consideration (if any) and upon such terms whatsoever as the Trustee may think fit, and also to grant any option to purchase,
- 17 1 2 with a view to, or in connection with, the management or disposal of the Charged Property to carry out any transaction, scheme or arrangement which the Trustee may in its absolute discretion consider appropriate,
- 17 1 3 to take possession of, get in and collect the Charged Property,
- 17 1 4 to carry on and/or manage and/or concur in managing the business of the Issuer as it thinks fit and to demand, sue for and collect and get in all monies due to the Issuer as it thinks fit,
- 17 1 5 to appoint and engage managers, agents and advisers upon such terms as to remuneration and otherwise and for such periods as it may determine, and to dismiss them,
- 17 1 6 to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Charged Property,
- 17 1 7 to transfer all or any of the Charged Property 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 whether or not an affiliate of the Trustee, the Issuer, the Cash Manager or the Servicer,

- 17 1 8 to call up all or any portion of the uncalled capital (if any) of the Issuer,
- 17 1 9 generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether or not similar to any of the foregoing, in relation to the Charged Property which it may consider expedient as effectually as if it were the absolute, sole legal and beneficial owner of the Charged Property, subject to any restrictions in the Transaction Documents,
- 17 1 10 to pay and discharge, out of the profits and income of the Charged Property 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 any such business or in the exercise of any of the powers conferred by this Clause 17 1 (*Extension of powers*) or otherwise in respect of the Charged Property and all outgoings which it shall think fit to pay and apply the residue of such profits and income in accordance with the Post-Enforcement Payments Priorities,
- 17 1 11 to exercise any of the powers and perform any of the duties conferred on the Issuer by or pursuant to any of the Transaction Documents or any statute, deed or contract,
- 17 1 12 to exercise, or permit any other person to exercise, any rights, powers or privileges of the Issuer in respect of the Charged Property,
- 17 1 13 to disclaim, discharge, abandon, disregard, alter or amend on behalf of the Issuer all or any outstanding contracts of the Issuer except where such amendment is proscribed by the terms of any Transaction Document and allow time for payment of any monies either with or without security,
- 17 1 14 to sanction or confirm anything suffered by the Issuer and concur with the Issuer in any dealing not specifically mentioned above,
- 17 1 15 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, acts or things which it may consider appropriate or incidental or conducive to the exercise of any of the powers referred to above, and
- 17 1 16 to use the name of the Issuer for all or any of the foregoing purposes

17 2 Powers exercised on delivery of Enforcement Notice

The statutory powers of sale and of appointing a receiver which are conferred upon the Trustee, as varied and extended by this Deed, and all other powers shall, in favour of any purchaser, be deemed to arise and be exercisable immediately after the execution of this Deed but shall only be exercised upon and following the delivery of an Enforcement Notice

17 3 Restrictions

The restrictions contained in Section 93 and Section 103 of the LPA (or in the case of Northern Irish Property, Sections 17 and 20 of the 1881 Act) shall not apply to this Deed or to the exercise by the Trustee of its right to consolidate all or any of the Security with any other security in existence at any time or to its power of sale, which powers may be

exercised by the Trustee without notice to the Issuer on or at any time after the delivery of an Enforcement Notice

17.4 Borrowing powers

The Trustee may raise and borrow money on the security of the Charged Property or any part of the Charged Property for the purpose of defraying any monies, costs, charges, losses and expenses paid or incurred by it in relation to this Deed (including the costs of realisation of any or all of the Charged Property and the remuneration of the Trustee) The Trustee may raise and borrow such money at such rate of interest and generally on such terms and conditions as it shall think fit and may secure the repayment of the money so raised or borrowed with interest on the same by mortgaging or otherwise charging the Charged Property or any of it and either in priority to the Security or otherwise and generally in such manner as the Trustee shall think fit and for such purposes may execute and do all such assurances and things as it shall think fit

17.5 Powers additional to LPA and Insolvency Act powers

The powers conferred by this Deed in relation to the Security on the Trustee or on any Receiver of the Charged Property or any part of the Charged Property shall be in addition to and not in substitution for the powers conferred on mortgagees, security holders or receivers under the LPA, the 1881 Act, the 1911 Act, the Insolvency Act, the Insolvency (Northern Ireland) Order 1989 and under Scots law, where applicable and, where there is any ambiguity or conflict between the powers contained in either of such law and those conferred by this Deed, the terms of this Deed shall prevail

17.6 Scottish Trust Property

Each of the Issuer and the Legal Title Holder hereby covenants and agrees and undertakes that if at any time after the Security shall have become enforceable and the Trustee or any Receiver shall so require, they will sell or dispose of, or join together in directing the trustee or trustees under each Scottish Declaration of Trust or any administrator thereof to sell, transfer, assign or dispose of all or any part of the Scottish Trust Property on terms previously approved by the Trustee or any Receiver and/or in causing the trust constituted by the Scottish Declaration of Trust to be wound up or performed and they will take all actions and execute all such documents as may be necessary to effect such sale, transfer, assignation or disposal or winding up or performance and the distribution or transfer of the Scottish Trust Property or any part thereof in accordance with the terms of the Scottish Declaration of Trust, this Deed and the Servicing Agreement The Legal Title Holder and the Issuer hereby acknowledge and consent to the foregoing as trustee and beneficiary respectively in terms of the Scottish Declaration of Trust The Legal Title Holder as trustee under the Scottish Declaration of Trust agrees that in the event that it assumes a new trustee under the trust created by the Scottish Declaration of Trust it shall ensure that such new trustee shall agree to be bound by the provisions of this Clause

SECTION F ADMINISTRATOR AND RECEIVER

18 Appointment and Removal of Administrator and Receiver

18.1 Appointment of an administrator

At any time after the delivery of an Enforcement Notice or if any person who is entitled to do so presents an application for the appointment of an administrator of the Issuer, gives notice of intention to appoint an administrator of the Issuer, or files such a notice with the court, the Trustee may appoint one or more persons to be an administrator of the Issuer

18.2 Appointment of a Receiver

At any time after the delivery of an Enforcement Notice or if any person who is entitled to do so presents an application for the appointment of an administrator of the Issuer, gives notice of intention to appoint an administrator of the Issuer, or files such a notice with the court the Trustee may appoint such person or persons (including an officer or officers of the Trustee) as it thinks fit to be a Receiver or Receivers of the Charged Property or any part thereof to act jointly or jointly and severally as receiver, manager, receiver or manager, administrative receiver, compulsory or interim manager or other similar officer as the Trustee shall determine

18.3 Insolvency Act requirements

The Trustee shall comply with any requirement under the Insolvency Act or (where applicable) the Insolvency (Northern Ireland) Order 1989 that the person appointed to be a Receiver be a licensed insolvency practitioner

18.4 Removal of Receiver

The Trustee may (subject to Section 45 of the Insolvency Act or (where applicable) Article 55 of the Insolvency (Northern Ireland) Order 1989) remove any Receiver whether or not appointing another in his place and the Trustee may also appoint another receiver if the Receiver resigns

18.5 Exclusion of part of Charged Property

The exclusion of any part of the Charged Property from the appointment of any Receiver shall not preclude the Trustee from subsequently extending his appointment (or that of the Receiver replacing him) to that part

18.6 Statutory powers of appointment

The power of appointing a Receiver shall be in addition to all statutory and other powers of appointment of the Trustee under the LPA (or in the case of Northern Irish Property the 1881 Act and the 1911 Act) (as extended by this Deed) or otherwise and such powers shall remain exercisable from time to time by the Trustee in respect of any of the Charged Property

19 Provisions relating to Receiver

19.1 Receiver agent of Issuer

Any Receiver shall, so far as the law permits, be the agent of the Issuer and (subject to applicable law) the Issuer shall be solely responsible for any Receiver's acts and defaults and liable on any contracts or engagements made or entered into by any Receiver, and in no circumstances shall the Trustee or the Secured Creditors be in any way responsible for any Breach of Duty by any Receiver

19.2 Remuneration of Receiver

The remuneration of any Receiver may be fixed by the Trustee (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise) and the restrictions in Section 36 of the Insolvency Act 1986 and (where applicable) Article 46 of the Insolvency (Northern Ireland) Order 1989 shall not apply but such remuneration shall be payable by the Issuer alone and the amount of such remuneration shall form part of the Secured Amounts, shall be secured on the Charged Property under the Security and paid in accordance with the Post-Enforcement Payments Priorities or, if no Enforcement Notice has been issued, in accordance with the Pre-Enforcement Payments Priorities

19.3 Receiver and Trustee's directions

Each Receiver shall in the exercise of his powers, authorities and discretions conform to the regulations and directions from time to time made and given by the Trustee

19.4 Security from Receiver

The Trustee may from time to time and at any time require any Receiver to give security for the due performance of his duties as Receiver and may fix the nature and amount of the security to be so given but the Trustee shall not be bound in any case to require any such security

19.5 Monies payable to Trustee

Except as otherwise directed by the Trustee or as otherwise required by law, all monies from time to time received by any Receiver shall be paid over to the Trustee to be applied by it in accordance with the Post-Enforcement Payments Priorities

19.6 Payments by Trustee to Receiver

The Trustee may pay over to any Receiver any monies constituting part of the Charged Property so that such monies may be applied for the purposes of this Deed by such Receiver and the Trustee may from time to time determine what funds any Receiver shall be at liberty to keep in hand with a view to the performance of his duties as Receiver

19.7 Sections 109(6) and (8) of LPA

Sections 109(6) and (8) of the LPA (relating to the application of monies received by a receiver) (or in the case of Northern Irish Property, Sections 24(6) and (8) of the 1881 Act) shall not apply in relation to any Receiver

19.8 LPA restrictions inapplicable

None of the restrictions imposed by the LPA (or in the case of Northern Irish Property, the 1881 Act and the 1911 Act) in relation to appointment of receivers or as to the giving of notice or otherwise shall apply to this Deed

20 Powers of a Receiver

20.1 Powers of a Receiver

Every Receiver shall (subject to any restrictions in the instrument appointing him) have and be entitled to exercise in relation to the Charged Property in respect of which he is appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the Issuer or in his own name and, in each case, at the cost of the Issuer)

- 20.1.1 all the powers conferred by the LPA on mortgagees or heritable creditors and on mortgagees in possession and on receivers,
- 20.1.2 all powers of an administrative receiver set out in Schedule 1 to the Insolvency Act (whether or not the Receiver is an administrative receiver),
- 20.1.3 all powers set out in Schedule 2 to the Insolvency Act or, in the case of Northern Irish Property, Schedule 1 of the Insolvency (Northern Ireland) Order 1989,
- 20.1.4 all powers and rights of an absolute owner or heritable creditors and power to do or omit to do anything which the Issuer itself could do or omit to do, and
- 20.1.5 power to do all things (including bringing or defending proceedings in the name or on behalf of the Issuer) which seem to the Receiver to be incidental or conducive to
 - (a) any of the functions, powers, authorities or discretions conferred on or vested in him,
 - (b) the exercise of any or all of his rights under this Deed, or
 - (c) the collection or getting in of the Charged Property

20.2 Receiver and Transaction Documents

No Receiver shall have any power to take any action in relation to the Charged Property which the Trustee is prohibited from taking by the terms of any Transaction Document

SECTION G PROTECTIVE PROVISIONS

21 Protection of Third Parties

21.1 Protection of third parties

No purchaser from, or other person dealing with, the Trustee and/or any Receiver shall be concerned to enquire

21.1.1 whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable, or

21.1.2 whether the Secured Amounts remain outstanding, or

21.1.3 whether any event has occurred to authorise the Trustee and/or any Receiver to act, or

21.1.4 as to the propriety or validity of the exercise or purported exercise of any such powers,

and the title of such a purchaser and the position of such other person shall not be impeachable by reference to any of those matters

21.2 Receipt absolute discharge

The receipt of the Trustee or the Receiver shall be an absolute and conclusive discharge to a purchaser or other such person as is referred to in Clause 21.1 (*Protection of third parties*) and shall relieve such purchaser or other person of any obligation to see to the application of any monies paid to or by the direction of the Trustee or the Receiver

21.3 Purchaser defined

In Clauses 21.1 (*Protection of third parties*) and 21.2 (*Receipt absolute discharge*) "purchaser" includes any person acquiring in good faith, for money or money's worth, the benefit of any Encumbrance over, or any other interest or right whatsoever in relation to, the Charged Property

22 Protection of Trustee and Receiver

22.1 Protection of Trustee and Receiver

The Trustee shall not, nor shall any Receiver, attorney or agent of the Trustee, by reason of taking possession of the Charged Property or any part thereof or for any other reason whatsoever and whether as mortgagee or security holder or heritable creditor in possession or on any other basis whatsoever

22.1.1 be liable to account to the Issuer or any other person whatsoever for anything except actual receipts in respect of the Charged Property, or

22.1.2 be liable to the Issuer or any other person whatsoever for any loss or damage arising from realisation of the Charged Property or any part thereof or from any act, default or omission in relation to the Security or any part thereof or from any exercise or non-exercise by it of any power, authority or discretion conferred upon it in relation to the Security or any part thereof or otherwise,

unless such loss or damage shall be caused by its own Breach of Duty

22.2 Entry into possession

Without prejudice to the generality of Clause 22.1 (*Protection of Trustee and Receiver*), entry into possession of the Charged Property or any part thereof shall not render the Trustee or the Receiver liable to account as mortgagee or security holder or heritable creditor in possession or liable for any loss on realisation or for any default or omission for which a mortgagee or security holder or heritable creditor in possession might be liable

22.3 Going out of possession

If and whenever the Trustee or the Receiver enters into possession of the Charged Property, it shall be entitled at any time at its discretion to go out of, give up or otherwise abandon such possession

SECTION H MISCELLANEOUS

23 Other Security

The Security is in addition to, and shall neither be merged in, nor in any way exclude or prejudice or be affected by, any other Encumbrance, right or recourse or other right whatsoever which the Trustee may now or at any time after the date of this Deed hold or have (or would apart from the provisions of this Deed hold or have) as regards the Issuer or any other person in respect of the Secured Amounts

24 Consolidation of Mortgages

The restriction on consolidation of mortgages contained in Section 93 of the LPA (or in the case of Northern Irish Property, Section 17 of the 1881 Act) shall not apply in relation to the security created by this Deed

25 Application to Court

The Trustee may at any time apply to any court of competent jurisdiction for an order that the terms of this Deed be carried into execution under the direction of the court and for the appointment of a Receiver of the Charged Property and for any other order in relation to the administration of the terms of this Deed as the Trustee shall deem fit and the Trustee may assent to or approve any application made to the court by the Secured Creditors and shall be indemnified by the Issuer against all costs, charges and expenses incurred by it in relation to any such application or proceedings

26 Power of Attorney

26 1 Appointment of Attorneys and purposes of appointment

The Issuer appoints the Trustee and any Receiver jointly and severally to be its attorneys (each, an "**Attorney**" and together, the "**Attorneys**") for the following purposes in the Issuer's name, on its behalf and as its act and deed

- 26 1 1 to exercise the Issuer's rights, powers and discretions in respect of the Relevant Transaction Documents, the Mortgage Loans and other Related Security, the Other Rights, the Mortgage Documents and the Receivables,
- 26 1 2 to demand, sue for and receive all monies due or payable under or in respect of the Relevant Transaction Documents, the Mortgage Loans, the Mortgages, the Other Rights, the Mortgage Documents and the Receivables,
- 26 1 3 upon payment of such monies or any part thereof to give good receipt and discharge for the same and to execute such receipts, releases, discharges, retrocessions, surrenders, instruments and deeds as may be requisite or advisable, and
- 26 1 4 to execute, deliver and perfect all documents and do all things that the Attorneys may consider to be necessary or desirable for (a) carrying out any obligations imposed on the Issuer under this Deed or (b) exercising any of the rights conferred on the Attorneys by this Deed or by law (including, after the security constituted by

or pursuant to this Deed has become enforceable, the exercise of any right of a legal or a beneficial owner of the Charged Property)

26.2 Substitution

Each of the Attorneys may appoint one or more persons to act as substitute or substitutes in its place for all or any of the purposes referred to in Clause 26.1 (*Appointment of Attorneys and purposes of appointment*) and may revoke any such appointment at any time

26.3 Delegation

Each of the Attorneys may delegate to one or more person all or any of the powers referred to in Clause 26.1 (*Appointment of Attorneys and purposes of appointment*) on such terms as it thinks fit and may revoke any such delegation at any time

26.4 Ratification

The Issuer undertakes to ratify whatever act, matter or deed the Attorneys or either of them may lawfully do or cause to be done under the authority or purported authority of this Clause 26 (*Power of Attorney*) to the extent that such act, matter or deed is within the power of the Issuer

26.5 Security

The power of attorney contained in this Clause 26 (*Power of Attorney*) is given by way of security to secure the proprietary interests of, and the performance of the obligations of the Issuer to, the Attorneys under this Deed

26.6 Revocation

The power of attorney contained in this Clause 26 (*Power of Attorney*) is irrevocable and accordingly, for so long as the obligations referred to in Clause 26.5 (*Security*) remain undischarged, the power of attorney contained in this Clause 26 (*Power of Attorney*) shall not be revoked

26.6.1 by the Issuer without the consent of each of the Attorneys, or

26.6.2 on the occurrence of an Insolvency Event in respect of the Issuer

26.7 Exercise of Power of Attorney

26.7.1 The power of attorney contained in this Clause 26 (*Power of Attorney*) is capable of being exercised for the purposes stated in Clause 26.1.4 from the date hereof

26.7.2 The power of attorney contained in this Clause 26 (*Power of Attorney*) shall not be capable of being exercised for the purposes stated in Clauses 26.1.1, 26.1.2 and 26.1.3, unless and until a Perfection Event has occurred

27 Effectiveness of Security

27.1 Waiver of defences

The obligations of, and the Security created by, the Issuer under and pursuant to this Deed will not be affected by any act, omission, matter or thing which, but for this Clause 27 (*Effectiveness of Security*), would reduce, release or prejudice any of its obligations under, or the Security created by, this Deed and whether or not known to the Issuer or the Trustee

27.2 Immediate recourse

The Issuer waives any right it may have of first requiring the Trustee (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any other person before claiming from the Issuer under this Deed. This waiver applies irrespective of any law or any provision of this Deed to the contrary.

28 Prior Security Interests

- 28.1** In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Encumbrance against any of the Charged Property or in case of exercise by the Trustee or any Receiver of any power of sale under this Deed, the Trustee may redeem such prior Encumbrance or procure the transfer thereof to itself.
- 28.2** The Trustee may settle and agree the accounts of the prior Encumbrance and any accounts so settled and passed will be conclusive and binding on the Issuer.
- 28.3** All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Issuer to the Trustee on demand together with accrued interest thereafter as well as before judgement or decree at the rate from time to time applicable to unpaid sums specified in the Note Conditions from the time or respective times of the same having been paid or incurred until payment thereof (after as well as before judgement or decree).

29 Compliance with Laws

Notwithstanding anything else herein contained, the Trustee may refrain without liability from doing anything that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to the United States of America, or any jurisdiction forming a part of it, and England and Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

30 Subsequent Security Interests

If the Trustee at any time receives or is deemed to have received notice of any subsequent Encumbrance, assignment, assignation or transfer affecting the Charged Property or any part of the Charged Property which is prohibited by the terms of any Transaction Document, all payments thereafter by or on behalf of the Issuer to the Trustee will (in the absence of any express contrary appropriation by the Issuer) be treated as having been credited to a new account of the Issuer and not as having been applied in reduction of the Secured Amounts at the time that notice was received.

31 Execution

The parties have executed this Deed as a deed and in counterpart and intend to deliver, and do deliver, this Deed and each counterpart thereof on the date stated at the beginning of this Deed, being the date inserted in the testing clause in the space provided for the effective date of this Deed

IN WITNESS WHEREOF these presents are executed in counterpart by the parties as undernoted, with an effective date of 21 August 2015 and with the counterparts delivered by the Issuer, the Trustee and the Legal Title Holder on such date and in such order and after the delivery of the Scottish Declaration of Trust.

EXECUTION PAGES

Executed as a DEED by THRONES
2015-1 PLC

Signature of Director

SFM Directors Limited, as Director

Signature of Director

SFM Directors (No2) Limited, as
Director

in the presence of:

[Redacted]

Witness Signature

BERNARD LUN

Witness Name

[Redacted]

Witness Address

Executed as a DEED by CITICORP
TRUSTEE COMPANY LIMITED
acting by its attorney

}

In the presence of

Signature of witness

Name of witness *Samuel James Addison Giddens*

Address of witness

Executed as a DEED by MARS
CAPITAL FINANCE LIMITED

acting by

Director:

Director/Secretary

In the presence of

[REDACTED]

Witness Signature

BERNARD. L. W. H. . .

Witness Name

.
.
.

[REDACTED]

Witness Address

[REDACTED]

Joshua Odey

[REDACTED]

**SCHEDULE 1
FORM OF SECURITY PROTECTION NOTICE**

**CITICORP TRUSTEE COMPANY LIMITED
Citigroup Centre, Canada Square, Canary Wharf E14 5LB**

[date]

To Thrones 2015-1 PLC

Dear Sirs

**Security Deed dated on or about [•] 2015 between Thrones 2015-1 PLC (the "Issuer"),
Citicorp Trustee Company Limited (the "Trustee") and Mars Capital Finance Limited
(the "Legal Title Holder") (the "Security Deed")**

We wish to notify you of the conversion with immediate effect of the floating charge created by Clause 5 (*Creation of Floating Charge*) of the Security Deed (the "**Floating Charge**") into a fixed charge over all the assets of Thrones 2015-1 PLC which were the subject of the Floating Charge

Yours faithfully,

For and on behalf of
Citicorp Trustee Company Limited

SCHEDULE 2

FORM OF SCOTTISH SUB-SECURITY¹

We, **THRONES 2015-1 PLC**, a public limited company incorporated in England and Wales with registered number 9687653 and having its registered office at 35 Great St Helen's, London EC3A 6AP (hereinafter referred to as the "**Issuer**") CONSIDERING that

- 1 We have entered into a trust deed (hereinafter referred to as the "**Trust Deed**") dated [•] 2015 between us the Issuer and **CITICORP TRUSTEE COMPANY LIMITED**, a company incorporated in England and Wales with limited liability (registered number 235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB (hereinafter referred to as the "**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 and the Security Deed) constituting certain mortgage backed floating and fixed rate notes,
- 2 In security of the performance of the obligations specified therein we have entered into a security deed (hereinafter referred to as the "**Security Deed**") between us the Issuer, the Trustee (as security trustee thereunder) and Mars Capital Finance Limited as the Legal Title Holder dated [•] 2015, and
- 3 In terms of the Security Deed we have agreed to grant this deed

NOW THEREFORE we the Issuer in security of the payment and discharge of all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) constituting or comprised within the Secured Amounts and any variation or alteration thereof and in implement *pro tanto* of Clause 7.2 of the Security Deed HEREBY GRANT a Standard Security in favour of the Trustee (as security trustee under and in terms of the Security Deed) over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 3 of the Schedule annexed and executed as relative hereto in favour of the party specified in Column 2 of the said Schedule for all sums due and to become due over the subjects therein described, [registered/recorded] said respective Standard Securities in the [Land Register under the Title Number specified in the relative entry in Column 5 of the said Schedule/General Register of Sasines in the Register for the County 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 "**Standard Conditions**") and any lawful variation thereof operative for the time being shall apply except where otherwise stated or varied herein And we agree that

- | | |
|----------|--|
| (First) | Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security, |
| (Second) | the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Trust Deed or the Security Deed (the terms of each of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said Standard Conditions, the Trust Deed or the Security Deed (as the case may be) shall, subject to the provisions of the said Act, |

¹ To be amended as applicable if legal title is transferred to the Issuer's nominee instead of to the Issuer

prevail and take effect,

- (Third) upon the service by the Trustee of an Enforcement Notice in accordance with the provisions of the Trust Deed 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 Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the said Act,
- (Fourth) without prejudice to the rights and remedies of the 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 Trustee or any nominee of the Trustee and (b) the 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 Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the 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,
- (Fifth) the security rights and interests created, made or given under this deed shall be held by the Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Security Deed, and
- (Sixth) 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 Schedule set out in Schedule 1 to the Incorporated Terms Memorandum dated [●] and signed for the purpose of identification by each of the Transaction Parties and this deed shall be construed in accordance with the principles of interpretation and constructions set out therein

And we grant warrandice [*insert any exceptions therefrom*] And we further ASSIGN to the 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 3 of the said Schedule and secured by the Principal Securities

IN WITNESS WHEREOF these presents typewritten on this and the [two] preceding page[s] are together with the Schedule annexed hereto executed as follows

SUBSCRIBED for and on behalf of
THRONES 2015-1 PLC

at

on

by

(Director/Secretary/Authorised Signatory -
print name)

(Director/Secretary/Authorised Signatory -
signature)

(Director/Secretary/Authorised Signatory -
print name)

(Director/Secretary/Authorised Signatory -
signature)

before this witness

(Witness - print name)

(Witness - signature)

(Witness - address)

**THIS IS THE SCHEDULE REFERRED TO IN THE FOREGOING STANDARD SECURITY
BY THRONES 2015-1 PLC IN FAVOUR OF CITICORP TRUSTEE COMPANY LIMITED**

1	2	3	4	5	6
Account No.	Originator	Borrowers	Secured Property	Title No./ County	Registration/ Recording Date

THRONES 2015-1 PLC

THRONES 2015-1 PLC

SCHEDULE 2A
FORM OF SCOTTISH SUPPLEMENTAL CHARGE

ASSIGNATION IN SECURITY BY

- (1) **THRONES 2015-1 PLC** (registered number 9687653), 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) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 00235914), a private limited company incorporated under the laws of England and Wales whose registered office is at Citigroup Centre, Canada Square, Canary Wharf E14 5LB, in its capacity as security trustee under and in terms of the Security Deed (the "**Trustee**", which expression shall include its successor or successors as security trustee aforesaid),

WHEREAS.

- (A) this deed is supplemental to a security deed dated [•] 2015 (as the same may be amended, restated, varied or supplemented from time to time, the "**Security Deed**") made between the Issuer, the Trustee and Mars Capital Finance Limited (registered number 5859881), a private limited company incorporated under the laws of England and Wales whose registered office is at Ashcombe House, 5 The Crescent, Leatherhead, Surrey KT22 8DY (referred to hereinafter as the "**Legal Title Holder**"),
- (B) in terms of the Security Deed the Trustee *inter alia* holds the security constituted or to be constituted by or pursuant to the Security Deed for the Secured Creditors,
- (C) a declaration of trust dated [•] (the "**Scottish Declaration of Trust**") has been granted by the Legal Title in favour of the Issuer and delivered, in terms of which certain Scottish Mortgage Loans together with their related Scottish Mortgages and other Related Security relative thereto as more fully specified and defined therein (the "**Scottish Trust Property**") are held in trust by the Legal Title Holder for the Issuer, and
- (D) this deed is made by the Issuer in favour of the Trustee in accordance with and pursuant to clause 4.3 (*Scotland*) of the Security Deed

NOW THEREFORE IT IS DECLARED AND AGREED as follows

- 1 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 Schedule set out in Schedule 1 to the Incorporated Terms Memorandum dated [•] and signed for the purposes of identification by each of the Transaction Parties, and this deed shall be construed in accordance with the principles of interpretation and constructions set out therein
- 2 The Issuer covenants with and undertakes to the Trustee as trustee for the Secured Creditors that it will duly and punctually pay and discharge 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 Amounts in accordance with the terms of the Security Deed 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 9 (*Redemption and Release*) of the Security Deed HEREBY ASSIGNS to and in favour of the Trustee in security for the payment and discharge of the Secured Amounts the Issuer's whole right, title, interest and benefit, present and future, in and to the Scottish Trust Property and in, to and under the Scottish Declaration of Trust, surrogating and substituting the Trustee in its full right and place therein and thereto
- 4 The Issuer hereby undertakes forthwith upon its execution and delivery hereof to intimate (for itself and on behalf of the Trustee) to the Legal Title Holder the assignation made in terms of Clause 3 hereof, substantially in the form of the notice set out in part A of the Schedule annexed hereto and to obtain, on the same date, an acknowledgement from the Legal Title Holder substantially in the form set out in part B of the said Schedule
- 5 The Issuer hereby agrees that all the obligations, undertakings, covenants, rights and powers specified and contained in the Security Deed which relate to the property referred to therein and the security and other rights and powers created thereunder and pursuant thereto shall be deemed to be repeated herein and shall apply *mutatis mutandis* to the property referred to herein and the security and other rights and powers created hereunder and pursuant hereto and that the whole remaining terms of the Security Deed shall, except in so far as inconsistent herewith apply *mutatis mutandis* hereto provided always that this deed shall be without prejudice to the Security Deed and all of the rights, powers, obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this deed
- 6 This deed shall be governed by and construed in accordance with Scots law

IN WITNESS WHEREOF these presents typewritten on this and the preceding page, together with the Schedule hereto, are executed as follows

SUBSCRIBED for and on behalf of
THRONES 2015-1 PLC

at

on

by

Print Name

Authorised Signatory

and

Print Name

Authorised Signatory

in the presence of

Witness Signature

Witness Name

Witness Address

PART A
FORM OF INTIMATION

To **[Legal Title Holder details]**
Attention **[•] ((insert email address))**

We, **THRONES 2015-1 PLC** (registered number []), a public limited company incorporated under the laws of England and Wales, and having our registered office at 35 Great St Helen's, London EC3A 6AP, refer to the assignation in security granted by us in favour of **CITICORP TRUSTEE COMPANY LIMITED** (registered number 00235914), a private limited company incorporated under the laws of England and Wales whose registered office is at Citigroup Centre, Canada Square, Canary Wharf E14 5LB, in its capacity as security trustee (the "**Trustee**") dated of even date herewith, a certified true copy of which is annexed hereto (the "**Scottish Supplemental Charge**")

Unless otherwise defined herein and save where the context otherwise requires, words and expressions in this notice shall have the same meanings respectively as when used in the Scottish Supplemental Charge

We, for ourselves and on behalf of the Trustee, hereby intimate to you as trustee under the Scottish Declaration of Trust dated [•] granted by you in our favour (the "**Scottish Declaration of Trust**") that pursuant to the Scottish Supplemental Charge we have assigned to the Trustee our whole right, title, interest and benefit, present and future, in and to the Scottish Trust Property and in, to and under the Scottish Declaration of Trust

Please acknowledge receipt of this notice and your acceptance of its contents by signing the attached acknowledgement and sending a copy thereof to us marked for the attention of [•] by email to [•], with a copy to the Trustee marked for the attention of [•] by email to [•]

This notice shall be deemed to be delivered and the assignation hereinbefore mentioned shall be intimated to you upon your receipt of this notice or a copy hereof (whether by e-mail, fax or otherwise), whether or not acknowledged hereon or thereon, and whether or not the signed original hereof is also itself physically delivered

Dated this day of 20[•]

for and on behalf of
THRONES 2015-1 PLC

PART B

FORM OF ACKNOWLEDGEMENT

To Thrones 2015-1 plc
 35 Great St Helen's
 London
 EC3A 6AP

Attention [•] ([insert email address])

CC Citicorp Trustee Company Limited
 Citigroup Centre
 Canada Square
 Canary Wharf
 London E14 5LB

Attention [•] ([insert email address])

We, **MARS CAPITAL FINANCE LIMITED** (registered number 5859881), a private limited company incorporated under the laws of England and Wales whose registered office is at Ashcombe House, 5 The Crescent, Leatherhead, Surrey KT22 8DY, refer to the notice dated of even date herewith addressed to us by you in relation to the assignation in security granted by you in favour of **CITICORP TRUSTEE COMPANY LIMITED** (registered number 00235914), a private limited company incorporated under the laws of England and Wales whose registered office is at Citigroup Centre, Canada Square, Canary Wharf E14 5LB, in its capacity as security trustee, dated of even date herewith (the "**Scottish Supplemental Charge**")

Unless otherwise defined herein and save where the context otherwise requires, words and expressions in this notice shall have the same meanings respectively as when used in the Scottish Supplemental Charge

We hereby acknowledge receipt of the said notice and a certified true copy of the Scottish Supplemental Charge and accept the contents thereof

This acknowledgement shall be deemed to be delivered to you upon 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 signed original hereof is also itself physically delivered

Dated this day of 20[.]

for and on behalf of

MARS CAPITAL FINANCE LIMITED

1 Definitions

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

"Acceptance Notice" means the notice substantially in the form set out in Schedule 3 to the Deed Poll,

"Account Bank Required Rating" means

- (a) in respect of Fitch, at least A (long-term) and F1 (low) (short-term), and
- (b) in respect of S&P, at least A (long-term) and A-1 (short-term),

or, in each case, such other rating or ratings as is otherwise acceptable to the relevant Rating Agency from time to time as would maintain the then current rating of the Notes rated by it,

"Account Details" means the details of each of the Accounts which are set out in Schedule 9 (*Account Details*) to this Incorporated Terms Memorandum,

"Accounting Reference Date" means

- (a) in respect of the Issuer, in each year, the date represented and warranted by the Issuer in Paragraph 8 (*Accounting Reference Date*) of Part 1 of Schedule 4 (*Issuer's Representations and Warranties*) to this Incorporated Terms Memorandum, and
- (b) in respect of the Legal Title Holder, 31 March,

"Accounting Reference Period" means, in respect of the Issuer, the period from (and including) an Accounting Reference Date in respect of such person to (but excluding) the next Accounting Reference Date,

"Accounts" means, together or in combination, each of the Collection Accounts, the Servicer Expense Account and the Transaction Account, each an **"Account"**,

"Accounts Final Delivery Date" means, in respect of each of the Sellers and the Issuer, the date which is 180 days after its Accounting Reference Date,

"Affiliate" means, in relation to any party, any subsidiary or parent company of that party and any subsidiary of any such parent company, in each case from time to time,

"Agency Agreement" means the agreement so named dated on or about the Closing Date between the Issuer, the Agents and the Trustee,

"Agent Bank" means Citibank, N A , London Branch in its capacity as agent bank in accordance with the terms of the Agency Agreement,

"Agents" means the Agent Bank, the Paying Agents and the Registrar and **"Agent"** means any one of them,

"Agents' Fees" means the fees due and payable to the Principal Paying Agent for the account of the Agents in accordance with the terms of the Agency Agreement,

"Agents' Liabilities" means any Liabilities due and payable by the Issuer to the Agents in accordance with the terms of the Agency Agreement, in each case together with interest thereon as provided in the Agency Agreement,

"AIFMD" means Regulation (EU) No 61/2011, referred to as the Alternative Investment Fund Managers Directive (as amended from time to time),

"AIFMD Retention Requirements" means Article 17 of the AIFMD, as implemented by Section 5 of the AIFMR, including any guidance published by the European Securities and Markets Authority (or its successors) in relation thereto, provided that any reference to the AIFMD Retention Requirements shall be deemed to include any successor or replacement provisions of Section 5 included in any European Union directive or regulation subsequent to the AIFMD or the AIFMR,

"AIFMR" means Commission Delegated Regulation (EU) No 231/2013, referred to as the Alternative Investment Fund Managers Regulation (as amended from time to time),

"Ancillary Rights" means in relation to any asset, agreement, property or right (each a **"Right"** for the purpose of this definition), all ancillary rights, accretions and supplements to such Right, including any guarantees or indemnities in respect of such Right,

"Applicable Entities" means the Issuer and the Beneficial Title Seller (as originator) for the purposes of the Article 8b Requirements, and **"Applicable Entity"** means any of them,

"Appointee" means any delegate, agent, nominee, custodian, attorney or manager appointed by the Trustee pursuant to the provisions of the Trust Documents,

"Arranger" means, in relation to the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes, Citigroup Global Markets Limited,

"Article 8b Requirements" means the requirements of Article 8b of Regulation (EC) 1060/2009 (as amended) including the corresponding implementing measures from time to time including under articles 3 to 7 of Regulation (EU) 2015/3,

"Asset Warranties" means the asset warranties given by the Beneficial Title Seller to the Issuer in Part 1 of Schedule 1 of the Mortgage Sale Agreement and **"Asset Warranty"** means any of them,

"Asset Warranty Claim" means any claim for a Relevant Breach of Asset Warranty or Legal Title Holder Asset Warranty made by the Issuer against the Beneficial Title Seller or against the Legal Title Holder under the terms of the Mortgage Sale Agreement,

"Auditors" means in respect of the Issuer, KPMG LLP or such other firm of accountants as may be appointed by the Issuer with the prior approval of the Trustee,

"Authorised Signatory" means, in relation to any Transaction Party, any person who is duly authorised and in respect of whom a certificate has been provided to the Trustee signed by a director or another duly authorised person of such Transaction Party setting out the name and signature of such person and confirming such person's authority to act,

"Available Principal Funds" means in relation to an Interest Payment Date, the amount calculated as at the related Calculation Date equal to the amount by which (a) exceeds (b) where

(a) is the aggregate of

- (i) the Principal Receipts received by the Issuer during the related Calculation Period (less any amounts that are Principal Receipts that are not transferred to the Transaction Account pursuant to Clause 8.2 of the Servicing Agreement),
 - (ii) the Revenue Reallocation Amount (if any) to be entered as a credit entry on the Principal Ledger on such Interest Payment Date,
 - (iii) Principal Addition Amounts,
 - (iv) (on the Reserve Release Date) all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund less any Reserve Addition Amount to be recorded as a credit entry on the Principal Ledger on such Interest Payment Date,
 - (v) (upon the occurrence of a Market Portfolio Purchase or a Class Z4 Portfolio Purchase or an exercise of the Issuer Call Option) any Purchase Principal Amount, and
- (b) is any amounts which the Cash Manager debited to the Principal Ledger during the immediately preceding Calculation Period pursuant to Paragraph 14 (*Payments from Principal Ledger on any Business Day*) of Part 3 of Schedule 1 of the Cash Management Agreement,

"Available Redemption Funds" means in relation to an Interest Payment Date, the amount calculated as at the related Calculation Date equal to the amount by which (a) exceeds (b) where

- (a) is the aggregate of the Available Principal Funds for that Calculation Period, and
- (b) is the sum of Principal Reallocation Amounts to be recorded as a credit entry on the Revenue Ledger on such Interest Payment Date,

"Available Revenue Funds" means, in relation to a Calculation Period, the aggregate of

- (a) all Revenue Receipts received by the Issuer during such Calculation Period (less any amounts that are Revenue Receipts that are not transferred to the Transaction Account pursuant to Clause 8.2 of the Servicing Agreement),
- (b) (prior to the Reserve Release Date, the occurrence of a Market Portfolio Purchase or a Class Z4 Portfolio Purchase or an exercise of the Issuer Call Option) the Liquidity Reserve Drawing to be recorded as a credit entry on the Revenue Ledger on the Interest Payment Date following such Calculation Period,
- (c) (prior to the occurrence of a Market Portfolio Purchase or a Class Z4 Portfolio Purchase or an exercise of the Issuer Call Option) the Principal Reallocation Amount (if any) to be recorded as a credit entry on the Revenue Ledger on the Interest Payment Date following such Calculation Period,
- (d) (prior to the Reserve Release Date, the occurrence of a Market Portfolio Purchase or a Class Z4 Portfolio Purchase or an exercise of the Issuer Call Option) the General Reserve Drawing to be recorded as a credit entry on the Revenue Ledger on the Interest Payment Date following such Calculation Period, and
- (e) (upon the occurrence of a Market Portfolio Purchase or a Class Z4 Portfolio Purchase or an exercise of the Issuer Call Option) any Purchase Revenue Amount,

- (f) (on the Reserve Release Date) any Reserve Addition Amount, and
- (g) any interest earned during such Calculation Period on amounts in the Transaction Account and credited to such account,

less the following amounts which the Cash Manager may have debited to the Revenue Ledger during that Calculation Period pursuant to Paragraph 13 (*Payments from Revenue Ledger on any Business Day*) of Part 3 of Schedule 1 of the Cash Management Agreement

- (i) any Borrower Repayment Amount of a revenue nature,
- (ii) any tax payment or any amount due in respect of VAT,
- (iii) any Third Party Expenses,
- (iv) any Agents' Fees and/or Agents' Liabilities,
- (v) any Transaction Account Bank Fees and/or Transaction Account Bank Liabilities,
- (vi) any Servicer Fees and/or Servicer Liabilities,
- (vii) any Corporate Services Provider Fees and/or Corporate Services Provider Liabilities,
- (viii) any Trustee Fees and/or Trustee Liabilities, and
- (ix) any amount necessary to be paid to the Collection Accounts to remedy an overdraft in relation to the Collection Accounts caused by a payment from the Collection Accounts by the Collection Account Bank to satisfy any of its obligations and/or liabilities properly incurred under the Direct Debiting Scheme or in respect of other unpaid sums (including but not limited to cheques and payment reversals) in each case relating to Borrowers under the Mortgage Loans, or to pay any amounts due or owing to the Collection Account Bank,

"Back-Up Servicer" means Homeloan Management Limited in its capacity as back-up servicer in accordance with the terms of the Back-Up Servicing Agreement,

"Back-Up Servicer Fees" means the fees payable to the Back-Up Servicer pursuant to Clauses 7.1 and 7.2 of the Back-Up Servicing Agreement,

"Back-Up Servicer Liabilities" means any Liabilities due and payable by the Issuer to the Back-Up Servicer in accordance with the terms of the Back-Up Servicing Agreement,

"Back-Up Servicing Agreement" means a back-up servicing agreement to be entered into between, among others, the Issuer, the Legal Title Holder and the Back-Up Servicer on or about the Closing Date,

"BACS" means the operator for the time being of the Direct Debiting Scheme, being at the Closing Date, Bankers Automated Clearing Services Limited,

"Beneficial Title Seller" means Dominions Mortgages Limited, a private limited company incorporated under the laws of Ireland (registered number 548184) with its registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland,

"Beneficial Title Seller Closing Certificate" means a certificate so named and dated on or about the Closing Date,

"Beneficial Title Seller Corporate Certificate" means a certificate so named and dated on or about the Closing Date,

"Beneficial Title Seller Covenants" means the covenants of the Beneficial Title Seller set out in Schedule 5 (*Beneficial Title Seller Covenants*) to this Incorporated Terms Memorandum,

"Beneficial Title Seller Incumbency Certificate" means a certificate so named and dated on or about the Closing Date,

"Beneficial Title Seller Power of Attorney" means the power of attorney granted by the Beneficial Title Seller on or about the Closing Date in favour of the Issuer and the Trustee, substantially in the form set out in Part 2 of Schedule 3 of the Mortgage Sale Agreement,

"Beneficial Title Seller Solvency Certificate" means a certificate so named and dated on or about the Closing Date,

"Beneficial Title Seller Warranties" means the representations and warranties set out in Part 1, Part 2 and Part 3 of Schedule 3 (*Beneficial Title Seller's and Legal Title Holder's Representations and Warranties*) to this Incorporated Terms Memorandum,

"Benefit" in respect of any asset, agreement, property or right held, assigned, conveyed, transferred, charged, sold or disposed of by any person shall be construed so as to include

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such asset, agreement, property or right and all Ancillary Rights in respect of such asset, agreement, property or right,
- (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such asset, agreement, property or right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account,
- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such asset, agreement, property or right or its Ancillary Rights,
- (d) the benefit of all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such asset, agreement, property or right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such asset, agreement, property or right or its Ancillary Rights, and
- (e) all items expressed to be held on trust for such person under or comprised in any such asset, agreement, property or right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such asset, agreement, property or right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such asset, agreement, property or right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach,

“Block Voting Instruction” means, in relation to any Meeting, a document in the English language issued by a Paying Agent

- (a) certifying that certain specified Notes, Subordinated Notes or Certificates have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of
 - (i) the conclusion of the Meeting, and
 - (ii) the surrender to such Paying Agent, not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption), of the receipt for the deposited or blocked Notes, Subordinated Notes or Certificates and notification thereof by such Paying Agent to the Issuer and the Trustee,
- (b) certifying that the depositor of such specified Note, Subordinated Note or Certificate or a duly authorised person on its behalf has instructed the relevant Paying Agent that the votes attributable to such specified Note, Subordinated Note or Certificate are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked,
- (c) listing the total number and Class and (if Definitive Notes have been issued) the certificate numbers of such specified Notes, Subordinated Notes or Certificates, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution, and
- (d) authorising a named individual or individuals to vote in respect of the Deposited Notes in accordance with such instructions,

“Board Resolutions” means, as the context may require, in relation to

- (a) the Issuer, the board resolutions dated 17 August 2015 in relation to the Transaction,
- (b) the Beneficial Title Seller, the board resolutions dated 17 August 2015 in relation to the Transaction, and
- (c) the Legal Title Holder, the board resolutions dated 17 August 2015 in relation to the Transaction,

“Book-Entry Interest” means a beneficial interest in a Global Note, recorded by Euroclear or Clearstream, Luxembourg,

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

“Borrower Repayment Amount” means, in respect of a Mortgage Loan, an amount payable by the Issuer and/or the Legal Title Holder (a) to the Borrower under the terms of the relevant Mortgage Documents or by operation of law including (without limitation) amounts overpaid by a Borrower or proceeds of enforcement which exceed the amounts outstanding in respect of the Mortgage Loan (but subject to any right to refuse or withhold payment of such amount or any right of set-off that has arisen by reason of such

Borrower's breach of the terms of such Mortgage Documents) or (b) to any other person in respect of a payment relating to a Mortgage Loan which has not been accepted by the Legal Title Holder or the Servicer,

"Breach of Duty" means

- (a) in relation to any person other than the Trustee and the Cash Manager, a wilful default, fraud, gross negligence or material breach of any agreement or breach of trust by such person, and
- (b) in relation to the Trustee and the Cash Manager, gross negligence, wilful default or fraud by the Trustee or the Cash Manager,

"Business Day" means

- (a) in relation to any day falling prior to the Redenomination Date, a day on which commercial banks and foreign exchange markets settle payments in London, and
- (b) in relation to any day falling on or after the Redenomination Date, a day on which the TARGET2 system is operating,

"Business Day Payments Priorities" means the Business Day Principal Payments Priorities and the Business Day Revenue Payments Priorities,

"Business Day Principal Payments Priorities" means the provisions relating to the payments set out in Paragraph 14 (*Payments from Principal Ledger on any Business Day*) of Part 3 of Schedule 1 to the Cash Management Agreement,

"Business Day Revenue Payments Priorities" means the provisions relating to the order of priority of payments set out in Paragraph 13 (*Payments from Revenue Ledger on any Business Day*) of Part 3 of Schedule 1 to the Cash Management Agreement,

"Buy to Let Loan" means any Mortgage Loan which is not a Regulated Mortgage Contract and which is secured by non owner occupied freehold or leasehold Properties,

"CA Trust Property" means all amounts standing to the credit of each of the Collection Accounts from time to time,

"Calculation Date" means in relation to an Interest Payment Date, the first calendar day of each of March, June, September and December in each year (or, if such day is not a Business Day, the next Business Day), or, in the case of the first Calculation Date, 1 December 2015, and in relation to any Interest Payment Date, the **"related Calculation Date"** means, unless the context otherwise requires, the Calculation Date immediately preceding such Interest Payment Date,

"Calculation Period" means each three month period ending on February, May, August and November in each year (or in respect of the first Calculation Period, the period from and including the Closing Date to and including 30 November 2015) and, in relation to an Interest Payment Date, the **"related Calculation Period"** means, unless the context otherwise requires, the Calculation Period ending immediately prior to the related Calculation Date,

"Cash Flow Agreement" means the agreement so named dated on or about the Closing Date between the Issuer, the Joint Lead Managers, the Trustee, the Legal Title Holder, the Beneficial Title Seller and Citibank, N A , London Branch,

"Cash Flow Port" means, with respect to a Mortgage Loan, the transfer of the Mortgage which secures the repayment of the Mortgage Loan to a property other than the Property in respect of which the initial Mortgage Loan was granted, in circumstances in which a Further Advance will also be made,

"Cash Management Agreement" means the agreement so named dated on or about the Closing Date between the Issuer, the Cash Manager and the Trustee,

"Cash Manager" means Elavon Financial Services Limited, UK Branch in its capacity as cash manager under the Cash Management Agreement,

"Cash Manager Covenants" means the covenants given by the Cash Manager which are set out in Part B of Schedule 2 to the Cash Management Agreement,

"Cash Manager Determination Date" means the business day falling three Business Days prior to the related Interest Payment Date,

"Cash Manager Fees" means the fees due and payable to the Cash Manager in accordance with the terms of the Cash Management Agreement,

"Cash Manager Liabilities" means any Liabilities due and payable by the Issuer to the Cash Manager in accordance with the terms of the Cash Management,

"Cash Manager Records" has the meaning given to it in the Cash Management Agreement,

"Cash Manager Termination Date" means the date specified in a Cash Manager Termination Notice or in a notice delivered pursuant to Clause 17 1 (*Termination by notice*) of the Cash Management Agreement or determined in accordance with Clause 17 2 (*Agreement to terminate on appointment of Successor Cash Manager*) of the Cash Management Agreement,

"Cash Manager Termination Event" means any of the events described in Clause 15 (*Cash Manager Termination Events*) of the Cash Management Agreement,

"Cash Manager Termination Notice" means a notice to the Cash Manager from the Issuer or the Trustee delivered in accordance with the terms of Clause 17 1 (*Termination by notice*) of the Cash Management Agreement,

"Cash Manager Warranties" means the representations and warranties given by the Cash Manager which are set out in Part A of Schedule 2 to the Cash Management Agreement,

"CCA" means the Consumer Credit Act 1974,

"CCA Licence" means a Standard Licence within the meaning of, and issued by The Director General of Fair Trading under the powers conferred upon him by, the CCA,

"Central Bank of Ireland" means the Central Bank of Ireland as competent authority under the Prospectus Directive,

"Certificate Conditions" means the terms and conditions to be endorsed on the Certificates in, or substantially in, the form set out in Schedule 6 to the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Certificate Condition shall be construed accordingly,

"Certificate of Solvency" means, in respect of any Transaction Party, a certificate so named and dated on or about the Closing Date,

"Certificate of Title" means the certificate of title prepared for and addressed to an Originator or, as the case may be, a Seller by the Solicitors and all documents and enclosures accompanying the certificate of title as required by the Solicitors' instructions,

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

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

"Chairman" means, in relation to any Meeting, the individual who takes the chair in accordance with Paragraph 6 (*Chairman*) of Schedule 7 to the Trust Deed (*Provisions for Meetings of Noteholders*), Paragraph 5 (*Chairman*) of Schedule 7A to the Trust Deed (*Provisions for Meetings of Subordinated Noteholders*) or Paragraph 5 (*Chairman*) to Schedule 8 of the Trust Deed (*Provisions for Meetings of Certificateholders*) (as the case may be),

"CHAPS" means transfers by way of the Clearing House Automated Payment System or such other system as may replace it,

"Charged Accounts" means the Transaction Account and any bank or other account in which the Issuer may at any time hold any amount and over which the Issuer has created an Encumbrance in favour of the Trustee pursuant to the Security Deed,

"Charged Property" means all the property, rights and assets of the Issuer which are subject to the Security,

"Class A Definitive Notes" means any Class A Notes issued in definitive bearer form in, or substantially in, the form set out in Part 1 of Schedule 3 of the Trust Deed,

"Class A Global Notes" means the Class A Temporary Global Note and the Class A Permanent Global Note,

"Class A Noteholders" means the persons who for the time being are holders of the Class A Notes,

"Class A Notes" means the £144,550,000 Class A Mortgage Backed Floating Rate Notes due March 2050 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Class A Definitive Notes or Class A Global Notes,

"Class A Permanent Global Note" means the permanent global note representing any Class A Note in, or substantially in, the form set out in Schedule 2 of the Trust Deed,

"Class A Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger applicable to the Class A Notes created in accordance with Paragraph 9.3 (*Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 of the Cash Management Agreement,

"Class A Revenue Reallocation Amount" means in relation to any Interest Payment Date, the amount determined as at the related Calculation Date in accordance with the provisions of the Cash Management Agreement, being the lesser of (a) the debit balance on the Class A Principal Deficiency Sub-Ledger as at such Calculation Date and (b) the amount of Available Revenue Funds (excluding any Principal Reallocation Amount and Liquidity Reserve Drawing) available to the Issuer in the Revenue Ledger as at such

Calculation Date after payment of the amounts determined in accordance with items (a) to (e) of the Pre-Enforcement Revenue Payments Priorities,

"Class A Temporary Global Note" means the temporary global note representing any Class A Notes in, or substantially in, the form set out in Schedule 1 of the Trust Deed,

"Class B Definitive Notes" means any Class B Notes issued in definitive bearer form in, or substantially in, the form set out in Part 1 of Schedule 3 of the Trust Deed,

"Class B Global Notes" means the Class B Temporary Global Note and the Class B Permanent Global Note,

"Class B Liquidity Shortfall" means, on an Interest Payment Date prior to the redemption in full of the Class A Notes, the lesser of

- (a) any Interest Amount due and payable in respect of the Class B Notes which would remain unpaid after the application of Available Revenue Funds (without taking into account the amount of any Liquidity Reserve Drawing, General Reserve Drawing or Principal Reallocation Amount), and
- (b) 0.3 per cent of the aggregate Principal Outstanding Balance of the Mortgage Portfolio as at the Cut-Off Date less the aggregate of all Class B Liquidity Shortfalls on all previous Interest Payment Dates,

"Class B Noteholders" means the persons who for the time being are holders of the Class B Notes,

"Class B Notes" means the £30,970,000 Class B Mortgage Backed Floating Rate Notes due March 2050 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Class B Definitive Notes or Class B Global Notes,

"Class B Permanent Global Note" means the permanent global note representing any Class B Note in, or substantially in, the form set out in Schedule 2 of the Trust Deed,

"Class B Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger applicable to the Class B Notes created in accordance with Paragraph 9.3 (*Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 of the Cash Management Agreement,

"Class B Revenue Reallocation Amount" means in relation to any Interest Payment Date, the amount determined as at the related Calculation Date in accordance with the provisions of the Cash Management Agreement, being the lesser of (a) the debit balance on the Class B Principal Deficiency Sub-Ledger as at such Calculation Date and (b) the amount of Available Revenue Funds (excluding any Principal Reallocation Amount and Liquidity Reserve Drawing) available to the Issuer in the Revenue Ledger as at such Calculation Date after payment of the amounts determined in accordance with items (a) to (g) of the Pre-Enforcement Revenue Payments Priorities,

"Class B Temporary Global Note" means the temporary global note representing any Class B Notes in, or substantially in, the form set out in Schedule 1 of the Trust Deed,

"Class C Definitive Notes" means any Class C Notes issued in definitive bearer form in, or substantially in, the form set out in Part 1 of Schedule 3 of the Trust Deed,

"Class C Global Notes" means the Class C Temporary Global Note and the Class C Permanent Global Note,

"Class C Noteholders" means the persons who for the time being are holders of the Class C Notes,

"Class C Notes" means the £22,120,000 Class C Mortgage Backed Floating Rate Notes due March 2050 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Class C Definitive Notes or Class C Global Notes,

"Class C Permanent Global Note" means the permanent global note representing any Class C Note in, or substantially in, the form set out in Schedule 2 of the Trust Deed,

"Class C Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger applicable to the Class C Notes created in accordance with Paragraph 9.3 (*Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 of the Cash Management Agreement,

"Class C Revenue Reallocation Amount" means in relation to any Interest Payment Date, the amount determined as at the related Calculation Date in accordance with the provisions of the Cash Management Agreement, being the lesser of (a) the debit balance on the Class C Principal Deficiency Sub-Ledger as at such Calculation Date and (b) the amount of Available Revenue Funds (excluding any Principal Reallocation Amount and Liquidity Reserve Drawing) available to the Issuer in the Revenue Ledger as at such Calculation Date after payment of the amounts determined in accordance with items (a) to (i) of the Pre-Enforcement Revenue Payments Priorities,

"Class C Temporary Global Note" means the temporary global note representing any Class C Notes in, or substantially in, the form set out in Schedule 1 of the Trust Deed,

"Class D Definitive Notes" means any Class D Notes issued in definitive bearer form in, or substantially in, the form set out in Part 1 of Schedule 3 of the Trust Deed,

"Class D Global Notes" means the Class D Temporary Global Note and the Class D Permanent Global Note,

"Class D Noteholders" means the persons who for the time being are holders of the Class D Notes,

"Class D Notes" means the £22,120,000 Class D Mortgage Backed Floating Rate Notes due March 2050 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Class D Definitive Notes or Class D Global Notes,

"Class D Permanent Global Note" means the permanent global note representing any Class D Note in, or substantially in, the form set out in Schedule 2 of the Trust Deed,

"Class D Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger applicable to the Class D Notes created in accordance with Paragraph 9.3 (*Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 of the Cash Management Agreement,

"Class D Revenue Reallocation Amount" means in relation to any Interest Payment Date, the amount determined as at the related Calculation Date in accordance with the provisions of the Cash Management Agreement, being the lesser of (a) the debit balance

on the Class D Principal Deficiency Sub-Ledger as at such Calculation Date and (b) the amount of Available Revenue Funds (excluding any Principal Reallocation Amount and Liquidity Reserve Drawing) available to the Issuer in the Revenue Ledger as at such Calculation Date after payment of the amounts determined in accordance with items (a) to (k) of the Pre-Enforcement Revenue Payments Priorities,

"Class D Temporary Global Note" means the temporary global note representing any Class D Notes in, or substantially in, the form set out in Schedule 1 of the Trust Deed,

"Class E Definitive Notes" means any Class E Notes issued in definitive bearer form in, or substantially in, the form set out in Part 1 of Schedule 3 of the Trust Deed,

"Class E Global Notes" means the Class E Temporary Global Note and the Class E Permanent Global Note,

"Class E Noteholders" means the persons who for the time being are holders of the Class E Notes,

"Class E Notes" means the £13,270,000 Class E Mortgage Backed Floating Rate Notes due March 2050 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Class E Definitive Notes or Class E Global Notes,

"Class E Permanent Global Note" means the permanent global note representing any Class E Note in, or substantially in, the form set out in Schedule 2 of the Trust Deed,

"Class E Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger applicable to the Class E Notes created in accordance with Paragraph 9.3 (*Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 of the Cash Management Agreement,

"Class E Revenue Reallocation Amount" means in relation to any Interest Payment Date, the amount determined as at the related Calculation Date in accordance with the provisions of the Cash Management Agreement, being the lesser of (a) the debit balance on the Class E Principal Deficiency Sub-Ledger as at such Calculation Date and (b) the amount of Available Revenue Funds (excluding any Principal Reallocation Amount and Liquidity Reserve Drawing) available to the Issuer in the Revenue Ledger as at such Calculation Date after payment of the amounts determined in accordance with items (a) to (m) of the Pre-Enforcement Revenue Payments Priorities,

"Class E Temporary Global Note" means the temporary global note representing any Class E Notes in, or substantially in, the form set out in Schedule 1 of the Trust Deed,

"Class Z1 Definitive Note" means any Class Z1 Note issued in definitive registered form in, or substantially in, the form set out in Part 1A to Schedule 3 of the Trust Deed,

"Class Z1 Noteholders" means the persons who for the time being are holders of the Class Z1 Notes,

"Class Z1 Notes" means the £14,759,000 Class Z1 Mortgage Backed Notes due March 2050 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof,

"Class Z1 Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger applicable to the Class Z1 Notes created in accordance with Paragraph

9 3 (*Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 of the Cash Management Agreement,

"Class Z1 Revenue Reallocation Amount" means in relation to any Interest Payment Date, the amount determined as at the related Calculation Date in accordance with the provisions of the Cash Management Agreement, being the lesser of (a) the debit balance on the Class Z1 Principal Deficiency Sub-Ledger as at such Calculation Date and (b) the amount of Available Revenue Funds (excluding any Principal Reallocation Amount, Liquidity Reserve Drawing and General Reserve Drawing) available to the Issuer in the Revenue Ledger as at such Calculation Date after payment of the amounts determined in accordance with items (a) to (p) of the Pre-Enforcement Revenue Payments Priorities,

"Class Z2 Definitive Note" means any Class Z2 Note issued in definitive registered form in, or substantially in, the form set out in Part 1A to Schedule 3 of the Trust Deed,

"Class Z2 Noteholders" means the persons who for the time being are holders of the Class Z2 Notes,

"Class Z2 Notes" means the £14,759,000 Class Z2 Mortgage Backed Notes due March 2050 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof,

"Class Z2 Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger applicable to the Class Z2 Notes created in accordance with Paragraph 9 3 (*Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 of the Cash Management Agreement,

"Class Z2 Revenue Reallocation Amount" means in relation to any Interest Payment Date, the amount determined as at the related Calculation Date in accordance with the provisions of the Cash Management Agreement, being the lesser of (a) the debit balance on the Class Z2 Principal Deficiency Sub-Ledger as at such Calculation Date and (b) the amount of Available Revenue Funds (excluding any Principal Reallocation Amount, Liquidity Reserve Drawing and General Reserve Drawing) available to the Issuer in the Revenue Ledger as at such Calculation Date after payment of the amounts determined in accordance with items (a) to (q) of the Pre-Enforcement Revenue Payments Priorities,

"Class Z3 Definitive Note" means any Class Z3 Note issued in definitive registered form in, or substantially in, the form set out in Part 1A to Schedule 3 of the Trust Deed,

"Class Z3 Noteholders" means the persons who for the time being are holders of the Class Z3 Notes,

"Class Z3 Notes" means the £17,709,000 Class Z3 Mortgage Backed Notes due March 2050 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof,

"Class Z3 Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger applicable to the Class Z3 Notes created in accordance with Paragraph 9 3 (*Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 of the Cash Management Agreement,

"Class Z3 Revenue Reallocation Amount" means in relation to any Interest Payment Date, the amount determined as at the related Calculation Date in accordance with the provisions of the Cash Management Agreement, being the lesser of (a) the debit balance on the Class Z3 Principal Deficiency Sub-Ledger as at such Calculation Date and (b) the

amount of Available Revenue Funds (excluding any Principal Reallocation Amount, Liquidity Reserve Drawing and General Reserve Drawing) available to the Issuer in the Revenue Ledger as at such Calculation Date after payment of the amounts determined in accordance with items (a) to (r) of the Pre-Enforcement Revenue Payments Priorities,

"Class Z4 Definitive Note" means any Class Z4 Note issued in definitive registered form in, or substantially in, the form set out in Part 1A to Schedule 3 of the Trust Deed,

"Class Z4 Noteholders" means the persons who for the time being are holders of the Class Z4 Notes,

"Class Z4 Notes" means the £14,759,000 Class Z4 Mortgage Backed Notes due March 2050 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereon,

"Class Z4 Portfolio Purchase" means a purchase of all (but not part) of the Mortgage Loans and their Related Security by the Portfolio Option Holder,

"Class Z4 Portfolio Purchase Completion Date" means the completion date of the Class Z4 Portfolio Purchase,

"Class Z4 Principal Deficiency Sub-Ledger" means the sub-ledger of the Principal Deficiency Ledger applicable to the Class Z4 Notes created in accordance with Paragraph 9.3 (*Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 of the Cash Management Agreement,

"Class Z4 Revenue Reallocation Amount" means in relation to any Interest Payment Date, the amount determined as at the related Calculation Date in accordance with the provisions of the Cash Management Agreement, being the lesser of (a) the debit balance on the Class Z4 Principal Deficiency Sub-Ledger as at such Calculation Date and (b) the amount of Available Revenue Funds (excluding any Principal Reallocation Amount, Liquidity Reserve Drawing and General Reserve Drawing) available to the Issuer in the Revenue Ledger as at such Calculation Date after payment of the amounts determined in accordance with items (a) to (s) of the Pre-Enforcement Revenue Payments Priorities,

"Clearing Systems" means Euroclear and Clearstream, Luxembourg,

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

"Closing Certificates", as the context may require, means in relation to

- (a) the Issuer, the Issuer Closing Certificate,
- (b) the Legal Title Holder, the Legal Title Holder Closing Certificate, and
- (c) the Beneficial Title Seller, the Beneficial Title Seller Closing Certificate,

"Closing Conditions Precedent" means the conditions precedent applicable to the Closing Date set out in the relevant sections of the Signing and Closing Memorandum,

"Closing Date" means 21 August 2015 or such other date as the Issuer and the Joint Lead Managers may agree pursuant to the Placement Agreement,

"Closing Transaction Documents" means the Agency Agreement, the Back-Up Servicing Agreement, the Cash Management Agreement, the Collection Account Agreement, the Collection Account Declaration of Trust, the Corporate Services Agreement, the Deed Poll, the Mortgage Sale Agreement, the Scottish Declaration of Trust, the Security Deed, the

Servicing Agreement, the Beneficial Title Seller Power of Attorney, the Legal Title Holder Power of Attorney, the Transaction Account Agreement, the Reserve Subordinated Loan Agreement, the Market Portfolio Purchase Agreement and the Trust Deed,

"CM Services" means services to be provided by the Cash Manager as set out in Schedule 1 (*Services to be provided by the Cash Manager*) to the Cash Management Agreement,

"Collection Accounts" means the Legal Title Holder's accounts so named specified in the Account Details or such other account or accounts as may, with the prior written consent of the Trustee, be the Collection Account(s),

"Collection Account Agreement" means the agreement so named dated on or about the Closing Date between the Legal Title Holder, the Collection Account Bank, the Issuer and the Trustee,

"Collection Account Bank" means Barclays Bank PLC in its capacity as account bank in accordance with the terms of the Collection Account Agreement,

"Collection Account Bank Liabilities" means any Liabilities due and payable by the Issuer to the Collection Account Bank in accordance with the terms of the Collection Account Agreement,

"Collection Account Declaration of Trust" means the declaration of trust so named in relation to the Collection Accounts and the Servicer Expense Account dated on or about the Closing Date,

"Collections" means Principal Collections and Revenue Collections,

"Collections Procedures" means the collections procedures of the Servicer, as amended from time to time with the prior written consent of the parties as required by the Servicing Agreement (except in the case of any amendment (i) which is necessary for the Servicer to comply with any change in any law, rule, regulation or regulatory policy applicable to it or (ii) which is not, in the reasonable opinion of the Servicer (acting as a Prudent Mortgage Servicer), material),

"Common Depository" means a common depository for Euroclear and Clearstream, Luxembourg,

"Common Terms" means the provisions set out in Schedule 2 (*Common Terms*) to this Incorporated Terms Memorandum,

"Companies Acts" has the meaning given to it in Section 2 of the Companies Act 2006,

"Conditions" means the Note Conditions, the Subordinated Note Conditions and the Certificate Conditions,

"Contingency Policies" means the contingency insurance policies provided by

- (a) Royal & Sun Alliance Insurance PLC, AIG Europe Limited and Covea Insurance Plc with policy numbers BGPPOC00080, BGPPOC00083, BGPPOC00009 BGPPOC00121 and BGPPOC00131,
- (b) Arch Insurance Europe Ltd with policy numbers AXH-MARS FUN 03, AXH-MARS FUN 05, AXH-MARS FUN 06, AXH-MARS FUN 07, AXH-MARS FUN 09 and AXH-MARS FUN 21, and

- (c) any other contingency insurance policies provided by a reputable insurer to the Legal Title Holder in respect of the Mortgage Loans, or any replacement policies providing equivalent cover with a reputable insurer,

"Corporate Certificates", as the context may require, means in relation to

- (a) the Issuer, the Issuer Corporate Certificate,
- (b) the Legal Title Holder, the Legal Title Holder Corporate Certificate, and
- (c) the Beneficial Title Seller, the Beneficial Title Seller Corporate Certificate,

"Corporate Services" means the services provided under the Corporate Services Agreement,

"Corporate Services Agreement" means the agreement so named dated on or about the Closing Date between the Corporate Services Provider, the Share Trustee and the Issuer,

"Corporate Services Provider" means Structured Finance Management Limited (registered number 3853947), 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 or such other person or persons for the time being acting as corporate services provider to the Issuer under the Corporate Services Agreement,

"Corporate Services Provider Fee Letter" has the meaning given to it in clause 9 (*Remuneration*) of the Corporate Services Agreement,

"Corporate Services Provider Fees" means the fees due and payable to the Corporate Services Provider and the Share Trustee in accordance with the terms of the Corporate Services Agreement,

"Corporate Services Provider Liabilities" means any Liabilities due and payable by the Issuer to the Corporate Services Provider and the Share Trustee in accordance with the terms of the Corporate Services Agreement,

"Counter Notice" means the notice substantially in the form set out in Schedule 2 to the Deed Poll,

"Couponholders" means the persons who for the time being are holders of the Coupons,

"Coupons" means the interest coupons related to the Class A Definitive Notes, Class B Definitive Notes, Class C Definitive Notes, Class D Definitive Notes or Class E Definitive Notes in, or substantially in, the form set out in Part 3 of Schedule 3 to the Trust Deed and for the time being outstanding or, as the context may require, a specific number of such coupons,

"Covenant to Pay" means the covenants of the Issuer (i) in respect of the Notes and Subordinated Notes contained in Clause 5 (*Covenant to Repay Principal*) of the Trust Deed, (ii) in respect of the Notes and the Certificates contained in Clause 6 (*Covenant to Pay Interest and Residual Payments*) of the Trust Deed and (iii) in respect of the Secured Amounts, contained in Clause 3 (*Issuer's Undertaking to Pay*) of the Security Deed,

"CRA Regulation" means Regulation (EC) No 1060/2009, referred to as the CRA Regulation,

"CRR" means Regulation (EU) No 575/2013, referred to as the Capital Requirements Regulation (as amended from time to time),

"CRR Retention Requirements" means Articles 404-410 (inclusive) of the CRR, Regulation (EU) No 625/2014 and Regulation (EU) No 602/2014, and any Q&A responses or other guidance published in relation thereto by the European Banking Authority (or its successors), provided that any reference to the CRR Retention Requirements shall be deemed to include any successor or replacement provisions of Articles 404-410 included in any European Union directive or regulation,

"Creditor" means any person to whom a payment is to be made under the Payments Priorities,

"CTA 2010" means the Corporation Tax Act 2010,

"Current Balance" means, in relation to any Mortgage Loan as at any date, all sums owing by a Borrower to a Seller under that Mortgage Loan as at that date including, but not limited to any amount which has become due and payable by the Borrower but remains unpaid in respect of the period up to, but not beyond, that date,

"Cut-Off Date" means 6 August 2015,

"Data Controller" means a person who (either alone or jointly in common with other persons) determines the purposes for which and the manner in which any Transaction Personal Data are, or are to be, processed,

"Data Protection Acts" means any applicable data protection legislation existing in the United Kingdom including the DPA,

"Day Count Fraction" means in respect of an Interest Period for the Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes

- (a) prior to the Redenomination Date, the actual number of days in such period divided by 365, or
- (b) on or after the Redenomination Date the actual number of days in such period divided by 360,

"DD Retained Balance" means an amount equal to £15,000,

"Deed Poll" means the portfolio option deed poll dated on or about the Closing Date and executed by the Issuer in favour of the Portfolio Option Holder, from time to time,

"Deferred Interest Amount Arrears" has the meaning given to it in Note Condition 7 10 (*Interest Deferred*),

"Deferred MSA Payment" means an annual payment per annum to the Legal Title Holder equal to 15 basis points multiplied by the Current Balance of the Mortgage Loans as at (in relation to the First Interest Payment Date) the Closing Date or (in relation to subsequent Interest Payment Dates) the last day of the immediately preceding Calculation Period, calculated on a *pro rata* basis for each quarterly payment, for so long as there is no insolvency event in respect of the Legal Title Holder,

"Definitive Certificate" means any Certificate issued in definitive registered form in, or substantially in, the form set out in Part 2 to Schedule 3 of the Trust Deed,

"Definitive Notes" means any Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes issued in definitive bearer form in, or substantially in, the form set out in Part 1 of Schedule 3 of the Trust Deed,

"Definitive Subordinated Notes" means any Class Z1 Notes, Class Z2 Notes, Class Z3 Notes or Class Z4 Notes issued in definitive registered form in, or substantially in, the form set out in Part 1A to Schedule 3 of the Trust Deed,

"Deposited Notes" means Notes that are certified by a Paying Agent to have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system,

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

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

"Dispute" means a dispute arising out of or in connection with any Transaction Document (including a dispute regarding the existence, validity or termination of any Transaction Document or the consequences of its nullity),

"DPA" means the Data Protection Act 1998,

"DPA Registration" means a notification/application for registration made to the Information Commissioner under the DPA,

"Electronic Consent" means, for so long as all the outstanding Notes of a Class are represented by a Temporary Global Note and/or a Permanent Global Note and held within the Clearing Systems, in respect of any resolution proposed by the Issuer or the Trustee, where the terms of the proposed resolution have been notified to the relevant Class of Noteholders through the relevant Clearing Systems, approval of such resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing Systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent of the aggregate Principal Amount Outstanding of the relevant Class of Notes then outstanding,

"Eligible Institution" means

- (a) in respect of the Transaction Account Bank, any bank that is incorporated in the United Kingdom or the United Kingdom branch of a foreign bank, (1) the short-term unsecured and unsubordinated debt obligations of which are rated at least A-1 by S&P and F1 low by Fitch and the long-term unsecured and unsubordinated debt obligations of which are rated at least A by S&P and A by Fitch or (2) if no S&P short-term rating is available the long-term unsecured and unsubordinated debt obligations of which are rated at least A+ by S&P, or
- (b) in respect of the Collection Account Bank, any bank that is incorporated in the United Kingdom or the United Kingdom branch of a foreign bank, (1) the short-term unsecured and unsubordinated debt obligations of which are rated at least A-2 by S&P and F2 by Fitch and the long-term unsecured and unsubordinated debt obligations of which are rated at least BBB by S&P and BBB by Fitch or (2) if no S&P or Fitch short-term rating is available the long-term unsecured and unsubordinated debt obligations of which are rated at least BBB+ by S&P,

provided that

- (i) if the Eligible Institution is a United Kingdom branch of a bank incorporated in the European Union, the foreign currency long term rating of the country in which that bank's head office is located is at least BBB- by S&P, or
- (ii) if the Eligible Institution is a United Kingdom branch of a bank incorporated outside the European Union, (1) the short-term foreign currency rating of the country in which that bank's head office is located is at least A-1 by S&P or (2) if no S&P short-term foreign currency rating is available, the long term foreign currency rating of such country is at least A+ by S&P,

"Eligible Investments" means

- (a) demand or time deposits, certificates of deposit and other short term unsecured debt obligations provided that, in each case, at the time the deposit is made or the certificate or obligation is acquired the then current rating of the unsecured and unguaranteed debt obligations of that institution (or, where the investment in question is guaranteed, of the guaranteeing institution) is AA- or A-1+ by S&P, and at least one of (a) P-1 (short-term) or at least A2 (long-term) (if applicable) from Moody's, and (b) F1+ or AA- from Fitch, or in each case such other ratings as may be required by the Rating Agencies from time to time,
- (b) short term unsecured debt obligations issued by a body corporate provided that the then current rating of the unsecured and unguaranteed debt obligations of that body corporate (or where the debt obligations in question are guaranteed, of the guaranteeing institution) is AA- or A-1+ by S&P, and at least one of (a) P-1 (short-term) or at least A2 (long-term) (if applicable) from Moody's, and (b) F1+ or AA- from Fitch,, or in each case such other ratings as may be required by the Rating Agencies from time to time, or
- (c) money market funds that meet the European Securities and Markets Authority (ESMA) Short-Term Money Market Fund definition, set out in Guideline reference 10-049 of the Committee for European Securities Regulators, provided that such money market funds hold an AAAm money market fund rating from S&P and an equivalent money market fund rating from a recognised credit rating agency such as Moody's or Fitch,

provided that no withholding or deduction for or account of tax will be made on any payments of interest or principal in respect of any such deposit, bond, debenture, note or other investment or security evidencing debt, and provided further that no such instrument will be a volatile instrument (as specified in the Rating Agencies' published criteria) and/or an instrument issued by a mutual fund or similar investment vehicle, and provided further that each such instrument shall mature (or otherwise be capable of being redeemed, terminated or broken (at no additional cost)) on or before the next succeeding Calculation Date so that such funds will be available for withdrawal on such date,

"Encumbrance" means

- (a) a mortgage, Standard Security, assignation in security, charge, pledge, lien or other encumbrance securing any obligation of any person,
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person, or

- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect,

"Enforcement Notice" means

- (a) in relation to the Notes, a notice delivered by the Trustee to the Issuer in accordance with Note Condition 12 (*Events of Default*),
- (b) in relation to the Subordinated Notes, a notice delivered by the Trustee to the Issuer in accordance with Subordinated Note Condition 11 (*Events of Default*), or
- (c) in relation to the Certificates, a notice delivered by the Trustee to the Issuer in accordance with Certificate Condition 11 (*Events of Default*),

"Enforcement Procedures" means the exercise of the rights and remedies against a Borrower or in relation to the security for the Borrower's obligations arising from any default by the Borrower under or in connection with his Mortgage Loan or Related Security in accordance with the Collections Procedures of the Servicer,

"English Mortgage" means a first ranking charge by way of legal mortgage over an English Property securing a Mortgage Loan or an English Mortgage Loan and all principal sums, interest, costs and other amounts secured or intended to be secured by that charge,

"English Mortgage Document" means a Mortgage Document entered into in connection with an English Mortgage Loan,

"English Mortgage Loan" means a Mortgage Loan secured by an Encumbrance over an English Property,

"English Property" means a Property located in England and Wales,

"English Receivables" means Receivables arising under an English Mortgage Document,

"Entitled Persons" means

- (a) in relation to payment of interest or principal in respect of a Class of Notes or a Class of Subordinated Notes, the Noteholders or Subordinated Noteholders respectively and (if applicable) Couponholders of the relevant Class, or
- (b) in relation to a Residual Payment, the Certificateholders,

and/or, to the extent that the Principal Paying Agent and/or the Paying Agents have properly paid any such amounts to the Noteholders of such Class, Subordinated Noteholders of such Class or the Certificateholders, as applicable, and have not been paid by the Issuer pursuant to Clause 8.1 (*Issuer to pay Principal Paying Agent*) of the Agency Agreement, the Principal Paying Agent for itself and/or the Paying Agents,

"ESMA" means the European Securities and Markets Authority,

"EU Insolvency Regulations" means the Council Regulation (EC) No 1346/2000 of 29 May 2000 on Insolvency Proceedings,

"euro", "EUR" or "€" means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended,

"Euroclear" means Euroclear Bank S A /N V,

"Euro Commencement Date" means the date on which the United Kingdom becomes a Participating Member State,

"Euro Reference Rate" means, on any Interest Determination Date falling on, after or immediately prior to the Redenomination Date, the rate determined by the Agent Bank by reference to the Euro Screen Rate on such date or if, on such date, the Euro Screen Rate is unavailable

- (a) the Rounded Arithmetic Mean of the offered quotations, as at or about 11 00 a m (Brussels time) on that date, of the Reference Banks to major banks in the Euro-zone interbank market for euro deposits for the Relevant Period in the London interbank market in the Representative Amount, determined by the Agent Bank after request of the principal Euro-zone office of each of the Reference Banks, or
- (b) if, on such date, two or three only of the Reference Banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those Reference Banks providing such quotations, or
- (c) if, on such date, one only or none of the Reference Banks provide such a quotation, the Euro Reserve Reference Rate,

"Euro Reserve Reference Rate" means, on any Interest Determination Date falling on, after or immediately prior to the Redenomination Date

- (a) the Rounded Arithmetic Mean of the rates quoted by major banks in the Euro-zone, selected by the Agent Bank in consultation with the Issuer, at approximately 11 00 a m (Brussels time) on the first day of the relevant Interest Period for loans in euro to major European banks for the Relevant Period and in the Representative Amount, or
- (b) if the Agent Bank certifies that it cannot determine such Rounded Arithmetic Mean as aforesaid, the Euro Reference Rate in effect for the immediately preceding Interest Period,

"Euro Screen Rate" means, in relation to an Interest Determination Date, the rate for euro deposits for the Relevant Period which appears on the Screen as at or about 11 00 a m (Brussels time) on that date,

"Euro-zone" means the region comprising member states of the European Union which adopt the euro in accordance with the Treaty,

"Event of Default" means

- (a) in relation to the Notes, any one of the events specified in Note Condition 12 (*Events of Default*),
- (b) in relation to the Subordinated Notes, any one of the events specified in Subordinated Note Condition 11 (*Events of Default*), and
- (c) in relation to the Certificates, any one of the events specified in Certificate Condition 11 (*Events of Default*),

"Exchange Date" means, in relation to each Temporary Global Note, the first day following the expiry of 40 days after the date of issue of such Note,

"Exchange Event" means in respect of the Notes, if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by

reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so,

"Exercise Date" means the date on which the Issuer has received the Exercise Notice duly executed by the Portfolio Option Holder,

"Exercise Notice" means the notice substantially in the form set out in Schedule 1 to the Deed Poll,

"Extraordinary Resolution" means

- (a) in relation to the Notes, (i) a resolution passed at a Meeting of Noteholders duly convened and held in accordance with the Provisions for Meetings of Noteholders by a majority of not less than three quarters of the votes cast, (ii) a Written Resolution or (iii) an Electronic Consent,
- (b) in relation to the Subordinated Notes, (i) a resolution passed at a Meeting of Subordinated Noteholders duly convened and held in accordance with the Provisions for Meetings of Subordinated Noteholders by a majority of not less than three quarters of the votes cast or (ii) a Written Resolution, or
- (c) in relation to the Certificates, (i) a resolution passed at a Meeting of Certificateholders duly convened and held in accordance with the Provisions for Meetings of Certificateholders by a majority of not less than three quarters of the votes cast or (ii) a Written Resolution,

"FATCA" means the rules of U S Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), any inter-governmental agreement or implementing legislation adopted by another jurisdiction or any agreement with the US Internal Revenue Service in connection with these provisions,

"FATCA Withholding" means any withholding or deduction required pursuant to an agreement described in FATCA or otherwise imposed pursuant to FATCA,

"FCA" means the Financial Conduct Authority and any replacement thereof with powers and authority to regulate and/or supervise persons carrying on Regulated Mortgage Activities and/or act as the United Kingdom competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom,

"FCA Handbook" means the FCA's handbook of rules and guidance as amended from time to time,

"FCA's Principles for Businesses" means FCA's Principles for Businesses as set out in PRIN in the FCA Handbook,

"Final Discharge Date" means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied that all the Secured Amounts and/or all other monies and other liabilities due or owing by the Issuer have been paid or discharged in full,

"Final Maturity Date" means the Interest Payment Date falling in March 2050,

"Financial Statements" means, in respect of any person, audited financial statements of such person for a specified period (including, a balance sheet, profit and loss account (or other form of income statement) and statement of cash flow),

"First Interest Payment Date" means the Interest Payment Date falling in December 2015,

"Fitch" means Fitch Ratings Ltd or any successor to its rating business,

"Floating Charge" means the floating charge created by the Issuer under Clause 5 (*Creation of Floating Charge*) of the Security Deed,

"Force Majeure Event" means an event beyond the reasonable control of the person affected including strike, lock out, labour dispute, act of God, war, riot, civil commotion, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, fire, flood, storm and other circumstances affecting the supply of goods or services,

"Foreign Transaction Party" means a Transaction Party which is incorporated or domiciled in a jurisdiction other than the United Kingdom,

"Form of Proxy" has the meaning given to that term in Schedule 7A or Schedule 8 of the Trust Deed (as applicable),

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

"Further Advance" means, in relation to a Mortgage Loan and its related Mortgage, any advance of further sums, excluding any Protective Advances, to the relevant Borrower on the security of the relevant Mortgage after the date of completion of such Mortgage Loan,

"General Anti-Corruption Laws" means, in relation to a party, all applicable laws, rules and regulations from time to time, as amended, concerning or relating to bribery or corruption in all jurisdictions in which that party conducts business, including but not limited to the UK Bribery Act 2010 and all other applicable anti-bribery and corruption laws (except for the U S Anti-Corruption Laws),

"General Money Laundering Laws" means, in relation to a party, all applicable financial record keeping and reporting requirements and money laundering statutes in all jurisdictions in which that party conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency in such jurisdictions (other than U S Money Laundering Laws),

"General Reserve Drawing" means a drawing from the General Reserve Fund, which, for an Interest Payment Date, shall be the lower of (i) the amount standing to the credit of the General Reserve Fund for that Interest Payment Date and (ii) the amount required to eliminate such Revenue Shortfall for that Interest Payment Date,

"General Reserve Fund" means the credit balance from time to time of the General Reserve Ledger which, on the Closing Date, will be an amount equal to £5,900,328 (being approximately 2 per cent of the aggregate Principal Outstanding Balance of the Mortgage Portfolio as at the Cut-Off Date) funded initially from a drawing on the Reserve Subordinated Loan provided by the Beneficial Title Seller, and thereafter from Available Revenue Funds,

"General Reserve Fund Target Amount" means

- (a) in respect of the Closing Date, 2 per cent of the aggregate Principal Outstanding Balance of the Mortgage Portfolio as at the Cut-Off Date,
- (b) in respect of each Interest Payment Date prior to the redemption of the Notes in full, 2 per cent of the aggregate Principal Outstanding Balance of the Mortgage Portfolio as at the Cut-Off Date, and

- (c) on the Interest Payment Date on which the Notes are redeemed in full or the Reserve Release Date, and on each subsequent Interest Payment Date, an amount equal to zero,

"General Reserve Ledger" means the ledger in the books of the Issuer so named,

"General Sanctions" means, in relation to a party, any sanctions administered by the United Nations, the European Union or Her Majesty's Treasury or any other applicable sanctions applicable under the laws of all jurisdictions in which that party conducts business (other than U S Sanctions),

"Global Notes" means the Permanent Global Notes and the Temporary Global Notes,

"Governmental Authority" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government,

"Incorporated Terms Memorandum" means the document so named which is dated on or about the Closing Date and signed for the purpose of identification by each of the Transaction Parties,

"Independent Director" means a duly appointed member of the board of directors of the relevant entity who was not, at the time of such appointment, or at any time in the preceding five years, a direct or indirect legal or beneficial owner in such entity or any of its affiliates (excluding *de minimis* ownership interests),

"Initial Margin" means

- (a) in respect of the Class A Notes, 1 2000 per cent per annum,
- (b) in respect of the Class B Notes, 1 4000 per cent per annum,
- (c) in respect of the Class C Notes, 1 7000 per cent per annum,
- (d) in respect of the Class D Notes, 2 2500 per cent per annum, and
- (e) in respect of the Class E Notes, 2 9500 per cent per annum,

"Initial Principal Amount" means, in relation to any Note or any Subordinated Note, the Principal Amount Outstanding of such Note or Subordinated Note on the Closing Date on which such Note is issued,

"Insolvency Act" means the Insolvency Act 1986,

"Insolvency Event" in respect of a company means

- (a) such company is unable or admits its inability to pay its debts as they fall due (after taking into account any grace period or permitted deferral), or suspends making payments on any of its debts, or
- (b) (other than for the Issuer) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities, or
- (c) a moratorium is declared in respect of any indebtedness of such company, or
- (d) the commencement of negotiations with one or more creditors of such company with a view to rescheduling any indebtedness of such company other than in connection with any refinancing in the ordinary course of business, or

- (e) any corporate action, legal proceedings or other procedure or step is taken in relation to, and has not been withdrawn or rejected or otherwise remedied within a period of 21 days from the occurrence of such corporate action, legal proceedings or other procedure
 - (i) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any part of the undertaking or assets of such company except, in the case of the Issuer, the application to the court under paragraph 12 or the filing of notice of intention to appoint an administrator under paragraph 26 of Schedule B1 to the Insolvency Act by the Issuer or its directors, or the appointment of an administrative receiver by the Trustee following any such application or notice, or
 - (ii) an encumbrancer (excluding, in relation to the Issuer, the Trustee or any Receiver) taking possession of the whole or any part of the undertaking or assets of such company, or
 - (iii) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of such company, a reorganisation of such company, a conveyance to or assignment for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally other than in connection with any refinancing in the ordinary course of business, or
 - (iv) any distress, diligence, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of such company (excluding, in relation to the Issuer, by the Trustee or any Receiver), or
- (f) any procedure or step is taken, or any event occurs, analogous to those set out in (a) to (e) above, in any jurisdiction,

"Insolvency Official" means, in relation to a company, a liquidator (except, in the case of the Issuer, a liquidator appointed for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Trustee or by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding), provisional liquidator, examiner, administrator, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction,

"Instrumentholders" means the persons who for the time being are holders of the Instruments,

"Instruments" means the Global Notes, the Definitive Notes, the Subordinated Notes, the Certificates and the Coupons and **"Instrument"** means any one of them,

"Insurance Policies" means, together, the Contingency Policies and the Title Insurance Policies,

"Interest Amount" means

- (a) in respect of a Note for the Interest Period beginning on the Closing Date, the Note Interest calculated on the Interest Determination Date falling on the Closing Date,
- (b) in respect of a Note for any subsequent Interest Period, the aggregate of
 - (i) the Note Interest calculated on the related Interest Determination Date, and
 - (ii) the amount of any Deferred Interest Amount Arrears in respect of such Note on the preceding Interest Payment Date, together with accrued interest on such arrears in accordance with Note Condition 7.12 (*Additional Interest*),
- (c) in relation to a Class for the Interest Period beginning on the Closing Date or any subsequent Interest Period, the aggregate amount calculated in accordance with paragraph (a) or (b) respectively above in respect of such Class for such Interest Period,

"Interest Determination Date" means

- (a) prior to the Redenomination Date, each Interest Payment Date or, in the case of the first Interest Period, the Closing Date, and
- (b) on or after the Redenomination Date, each day which is two TARGET2 Settlement Days prior to an Interest Payment Date,

and, in relation to an Interest Period, the **"related Interest Determination Date"** means, on or prior to the Redenomination Date, the Interest Determination Date which falls on the first day of such Interest Period and, after the Redenomination Date, the Interest Determination Date immediately preceding the commencement of such Interest Period,

"Interest Payment Date" means the 18th day of March, June, September and December in each year commencing on the First Interest Payment Date, **provided that** if any such day is not a Business Day, the Interest Payment Date shall be the immediately succeeding Business Day unless it would as a result fall into the next calendar month, in which case it will be brought forward to the immediately preceding Business Day,

"Interest Period" means each period from (and including) an Interest Payment Date (or in respect of the first Interest Period, from the Closing Date) to (but excluding) the next Interest Payment Date (or in respect of the first Interest Period, the First Interest Payment Date) and, in relation to an Interest Determination Date, the **"related Interest Period"** means the Interest Period in which such Interest Determination Date falls or, if such Interest Determination Date does not fall on an Interest Payment Date, the Interest Period next commencing after such Interest Determination Date,

"Interim Seller" means each of Magellan Funding No2 Limited, Cherub Funding Limited, Raphael Mortgages Limited, Intaglio Funding Limited, Emphyrean Mortgages Limited, Seraphina Mortgages Limited, Future Mortgages Limited and Canada Square Operations Limited, and together the **"Interim Sellers"**,

"Investor Presentation Materials" means (i) the investor presentation relating to the Notes prepared by or on behalf of, and approved by, the Beneficial Title Seller for the purposes of investor meetings and (ii) any other marketing materials relating to the Notes approved in writing by, or such other information provided in writing by, the Beneficial Title Seller expressly for use in connection with the issue, offering and sale of the Notes

(excluding credit rating agency pre-sale reports) in connection with the issue, offering and sale of the Notes,

"IP Rights" means

- (a) copyrights, patents, applications for any of those rights, database rights, know how and rights under licence under any of the foregoing rights, and
- (b) rights of the same or similar effect or nature as or to those in paragraph (a) above, in each case in any jurisdiction,

"Issue Price" means

- (a) in respect of the Class A Notes, an amount equal to 97 481 per cent of the aggregate Initial Principal Amount of such Class A Notes on the Closing Date,
- (b) in respect of the Class B Notes, an amount equal to 93 042 per cent of the aggregate Initial Principal Amount of such Class B Notes on the Closing Date,
- (c) in respect of the Class C Notes, an amount equal to 90 237 per cent of the aggregate Initial Principal Amount of such Class C Notes on the Closing Date,
- (d) in respect of the Class D Notes, an amount equal to 89 777 per cent of the aggregate Initial Principal Amount of such Class D Notes on the Closing Date, and
- (e) in respect of the Class E Notes, an amount equal to 87 659 per cent of the aggregate Initial Principal Amount of such Class E Notes on the Closing Date,

"Issuer" means Thrones 2015-1 plc, a public limited company incorporated in England and Wales with registered number 9687653 as issuer of the Notes, the Subordinated Notes and the Certificates,

"Issuer Call Option" means the option granted to the Issuer set out in Note Condition 8 12 (*Issuer Call Option*),

"Issuer Call Option Amount" means, on the Issuer Call Option Completion Date, all available funds of the Issuer less (y) Available Principal Funds (without taking in account any amounts included under limb (a)(v) of the definition of Available Principal Funds) and Available Revenue Funds (without taking into account any amounts included under limb (e) of the definition of Available Revenue Funds) as applied in accordance with the Pre-Enforcement Principal Payments Priorities and the Pre-Enforcement Revenue Payments Priorities and (z) the credit balance of the General Reserve Fund and the Liquidity Reserve Fund,

"Issuer Call Option Completion Date" means the first Interest Payment Date after the notice of exercise of the Issuer Call Option is given by the Issuer under Note Condition 8 12 (*Issuer Call Option*), which must be an Issuer Optional Redemption Date,

"Issuer Closing Certificate" means a certificate so named and dated on or about the Closing Date,

"Issuer Corporate Certificate" means a certificate so named and dated on or about the Closing Date,

"Issuer Covenants" means the covenants of the Issuer set out in Schedule 7 (*Issuer Covenants*) to this Incorporated Terms Memorandum,

"Issuer Incumbency Certificate" means a certificate so named and dated on or about the Closing Date,

"Issuer Jurisdiction" means England and Wales or such other jurisdiction in which the Issuer or any Issuer substitute (as contemplated by Note Condition 21 (*Substitution of Issuer*), Subordinated Note Condition 20 (*Substitution of Issuer*) and Certificate Condition 20 (*Substitution of Issuer*)) is incorporated and/or subject to taxation,

"Issuer Optional Redemption Date" means any of the Interest Payment Dates falling in June 2020, September 2020 and December 2020,

"Issuer Portion" means, at any time, the CA Trust Property less the sum of (a) any amounts standing to the credit of the Collection Accounts which are Borrower Repayment Amounts and (b) to the extent payable directly from sums standing to the credit of the Collection Accounts, any fees payable to the Collection Account Bank,

"Issuer Profit Amount" means an amount retained by the Issuer and to be recognised in the accounts of the Issuer as profit for the relevant accounting year,

"Issuer Profit Ledger" means the ledger in the books of the Issuer so named,

"Issuer Security Power of Attorney" means the power of attorney contained in Clause 26 (*Power of Attorney*) of the Security Deed,

"Issuer Solvency Certificate" means a certificate so named and dated on or about the Closing Date,

"Issuer Warranties" means the representations and warranties of the Issuer set out in Schedule 4 (*Issuer's Representations and Warranties*) to this Incorporated Terms Memorandum,

"Joint Lead Managers" means Citigroup Global Markets Limited (registered number 1763297) (in relation to the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes) and Merrill Lynch International (registered number 2312079) (in relation to the Class D Notes and Class E Notes only) and **"Joint Lead Manager"** means any one of them,

"Land Registry" means, as the context permits, the Land Registry of Northern Ireland and/or the Registry of Deeds of Northern Ireland and/or the Land Registry of England and Wales and/or, where appropriate, the Registers of Scotland,

"Land Registers of Northern Ireland" means the Land Registry of Northern Ireland and/or the Registry of Deeds of Northern Ireland,

"Ledgers" means the Revenue Ledger, the Principal Ledger, the Principal Deficiency Ledger, the General Reserve Ledger, Liquidity Reserve Ledger and the Issuer Profit Ledger and **"Ledger"** means any one of them,

"Legal Title Holder" means Mars Capital Finance Limited (registered number 05859881),

"Legal Title Holder Asset Warranties" means the asset warranties given by the Legal Title Holder to the Issuer in Part 2 of Schedule 1 of the Mortgage Sale Agreement and

"Legal Title Holder Asset Warranty" means any of them,

"Legal Title Holder Closing Certificate" means a certificate so named and dated on or about the Closing Date,

"Legal Title Holder Corporate Certificate" means a certificate so named and dated on or about the Closing Date,

"Legal Title Holder Covenants" means the covenants set forth in Schedule 6 (*Legal Title Holder Covenants*) to this Incorporated Terms Memorandum,

"Legal Title Holder Incumbency Certificate" means a certificate so named and dated on or about the Closing Date,

"Legal Title Holder Liabilities" means any Liabilities properly and reasonably incurred by or on behalf of the Legal Title Holder in accordance with the performance of the Legal Title Holder's functions under the Mortgage Sale Agreement and the Servicing Agreement

"Legal Title Holder Portion" means, at any time, an amount equal to the CA Trust Property less the Issuer Portion,

"Legal Title Holder Power of Attorney" means the power of attorney granted on or about the Closing Date by the Legal Title Holder in favour of the Issuer and the Trustee, substantially in the form in Part 1 of Schedule 3 to the Mortgage Sale Agreement,

"Legal Title Holder Solvency Certificate" means a certificate so named and dated on or about the Closing Date,

"Legal Title Holder Warranties" means the representations and warranties set out in Part 4, Part 5 and Part 6 of Schedule 3 (*Beneficial Title Seller's and Legal Title Holder's Representations and Warranties*) to this Incorporated Terms Memorandum,

"Letter Before Action" means a letter sent by the Servicer to a Borrower containing a final demand and a threat to commence litigation,

"Liabilities" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including proper legal fees and any Taxes and penalties incurred by that person,

"LIBOR" means London Interbank Offered Rate,

"Liquidity Reallocation Amount" means in relation to any Interest Payment Date,

(a) prior to the first Interest Payment Date on which the amount standing to the credit of the Liquidity Reserve Ledger is 6 per cent of the aggregate Principal Outstanding Balance of the Mortgage Portfolio as at the Cut-Off Date, an amount necessary to bring the credit balance of the Liquidity Reserve Ledger up to the Liquidity Reserve Fund Target Amount, after the application of amounts (if any) under item (p) of the Pre-Enforcement Revenue Payments Priorities on that Interest Payment Date, and

(b) thereafter an amount equal to zero,

"Liquidity Reserve Drawing" means a drawing from the Liquidity Reserve Fund, which, for an Interest Payment Date, shall be the lower of (a) the amount standing to the credit of the Liquidity Reserve Ledger and (b) the aggregate of the amount required to eliminate the Senior Revenue Shortfall and (prior to the redemption in full of the Class A Notes) the Class B Liquidity Shortfall,

"Liquidity Reserve Fund" means the credit balance from time to time of the Liquidity Reserve Ledger which, on the Closing Date, will be an amount equal to £11,800,657

(being approximately 4 per cent of the aggregate Principal Outstanding Balance of the Mortgage Portfolio on the Cut-Off Date) funded initially from a drawing on the Reserve Subordinated Loan provided by the Beneficial Title Seller, and thereafter from the Available Revenue Funds and (in certain circumstances) Available Principal Funds,

"Liquidity Reserve Fund Target Amount" means

- (a) in respect of the Closing Date, 4 per cent of the aggregate Principal Outstanding Balance of the Mortgage Portfolio as at the Cut-Off Date,
- (b) on any Interest Payment Date prior to the Reserve Release Date, an amount equal to 6 per cent of the aggregate Principal Outstanding Balance of the Mortgage Portfolio as at the Cut-Off Date, or
- (c) on the Interest Payment Date on which the Notes are redeemed in full or the Reserve Release Date and on each subsequent Interest Payment Date, an amount equal to zero,

"Liquidity Reserve Ledger" means the ledger in the books of the Issuer so named,

"London Banking Day" means a day (other than a Saturday or a Sunday) on which commercial banks are generally open for business (including dealing in foreign exchange and foreign currency deposits) in London,

"LPA" means the Law of Property Act 1925,

"Market Portfolio Purchase" means a purchase of all (but not part) of the Mortgage Loans and their Related Security by a party other than the Portfolio Option Holder,

"Market Portfolio Purchase Agent" means Mars Capital Finance Limited in its capacity as market portfolio purchase agent under the Market Portfolio Purchase Agreement or any replacement market portfolio purchase agent,

"Market Portfolio Purchase Agent Fees" means the fees due and payable to the Market Portfolio Purchase Agent in accordance with the terms of the Market Portfolio Purchase Agreement,

"Market Portfolio Purchase Agent Liabilities" means any Liabilities due and payable by the Issuer to the Market Portfolio Purchase Agent in accordance with the terms of Market Portfolio Purchase Agreement,

"Market Portfolio Purchase Agreement" means the agreement so named dated on or about the Closing Date between the Issuer, the Market Portfolio Purchase Agent and the Trustee,

"Market Portfolio Purchase Completion Date" means the completion date of the Market Portfolio Purchase,

"Market Portfolio Purchase Price" has the meaning given to it in the Market Portfolio Purchase Agreement,

"Master Definitions Schedule" means this Schedule 1 to this Incorporated Terms Memorandum,

"Material Adverse Effect" means, as the context specifies

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents, or

- (b) in respect of a Transaction Party, a material adverse effect on
 - (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of such Transaction Party, or
 - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents, or
 - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents, or
- (c) in the context of the Mortgage Loans, a material adverse effect on the interests of the Issuer or the Trustee in the Mortgage Loans, or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect the Receivables or on the ability of the Trustee to enforce its Security, or
- (d) a material adverse effect on the validity or enforceability of any of the Notes, the Subordinated Notes or the Certificates,

"MCOB" means Mortgage and Home Finance Conduct of Business Sourcebook of the FCA, as amended, supplemented and restated from time to time, as set out in the FCA Handbook,

"Meeting" means a meeting of Noteholders of any Class or Classes or a meeting of Subordinated Noteholders of any Class or Classes or a meeting of Certificateholders (whether originally convened or resumed following an adjournment),

"MHA/CPA 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 Scottish Property to which it relates,

"Minimum Amount" means, prior to the Redenomination Date, one penny and thereafter 0.01 euro,

"Minimum Denomination" means

- (a) prior to the Redenomination Date, £100,000 and, for so long as Euroclear and Clearstream, Luxembourg so permit, any amount in excess thereof in integral multiples of £1,000, and
- (b) on and after the Redenomination Date, €100,000 and, for so long as Euroclear and Clearstream, Luxembourg so permit, any amount in excess thereof in integral multiples of €1,000,

"Monthly Subscription" means, in relation to any Mortgage Loan, the amount in the ordinary course of administration of that Mortgage Loan due to be paid by the relevant Borrower on each scheduled payment date, comprising interest and, where applicable, contractual repayments of principal and other sums, as determined in accordance with the terms and conditions of that Mortgage Loan, without regard for any discounted or additional payment arrangements agreed with the relevant Borrower,

"Moody's" means Moody's Investors Service Limited,

"Mortgage" means, in respect of any Mortgage Loan, each first fixed charge by way of legal mortgage or first legal charge, each other charge by way of legal mortgage or legal charge and each Standard Security which is sold by the Sellers to the Issuer pursuant to

the Mortgage Sale Agreement which secures the repayment of the relevant Mortgage Loan, including the Mortgage Documents applicable to it, and, together, the "**Mortgages**".

"Mortgage Conditions" means, in relation to each Mortgage Loan and the Mortgage relating thereto, the terms and conditions subject to which the Mortgage Loan and Mortgage are made including, for the avoidance of doubt, the terms and conditions incorporated into any letter or letters of offer or agreement to make such Mortgage Loan,

"Mortgage Document" means any agreement (including a Mortgage) in relation to a Mortgage Loan between the relevant lender and a Borrower and **"Mortgage Documents"** means all or some of them as the context may require,

"Mortgage Early Repayment Charges" means early repayment charges payable by Borrowers and calculated on the basis provided in the Mortgage Documents in the event that they repay all or any part of their Mortgage Loan, voluntarily or to the extent recovered following an enforcement event under the Mortgage Loan, at any time before the end of the term of the related Mortgage,

"Mortgage Loan" means a residential or Semi-Commercial mortgage loan (including all advances, any accrued interest and any fees, costs and other amounts owing to any Seller from the Borrower (including all capitalised sums)) which is included in the Mortgage Portfolio,

"Mortgage Loan File" means, in relation to a Mortgage Loan, the customer file (in paper and/or electronic form) maintained by the Legal Title Holder or its agents on its behalf but excluding the Title Deeds,

"Mortgage Portfolio" means the portfolio of Mortgage Loans, the Mortgages, the Related Security and all rights, interest, benefit, income and payments sold to the Issuer by the Sellers on the Closing Date, as listed in Annexure 2 (*The Mortgage Portfolio*) of the Mortgage Sale Agreement, but excluding (for the avoidance of doubt) any Mortgage Loan and its Related Security which is repurchased by the Beneficial Title Seller or purchased by the Legal Title Holder, in each case pursuant to the Mortgage Sale Agreement, and no longer beneficially owned by the Issuer,

"Mortgage Rate" means the interest rate in respect of a Mortgage Loan as determined from time to time,

"Mortgage Records" means the original and/or any copies of the Mortgage Conditions and all documents and records, in whatever form or medium, relating to the Mortgage Loans or any Related Security including all computer tapes and discs specifying, among other things, Borrower details and the amount and dates on which scheduled payments are due and are paid under the Mortgage Loans,

"Mortgage Sale Agreement" means the agreement so named dated on or about the Closing Date between the Issuer, the Sellers and the Trustee,

"Most Senior Class" means the Class A Notes whilst they remain outstanding, thereafter the Class B Notes whilst they remain outstanding, thereafter the Class C Notes whilst they remain outstanding, thereafter the Class D Notes whilst they remain outstanding, thereafter the Class E Notes whilst they remain outstanding, thereafter the Class Z1 Notes while they remain outstanding, thereafter the Class Z2 Notes while they remain outstanding, thereafter the Class Z3 Notes while they remain outstanding, thereafter the Class Z4 Notes while they remain outstanding and thereafter the Certificates,

"No Default Certificate" means a Certificate from the Issuer to the effect that, as at the date of such certificate, to the best of the Issuer's knowledge and belief having made due and careful enquiry, no Event of Default has occurred under the Conditions,

"Non Cash Flow Port" means, with respect to a Mortgage Loan, the transfer of the Mortgage which secures the repayment of the Mortgage Loan to a property other than the Property in respect of which the initial Mortgage Loan was granted, in circumstances in which no Further Advance will be made,

"Northern Irish Mortgage" means a fixed charge or mortgage over a Northern Irish Property securing a Mortgage Loan or a Northern Irish Mortgage Loan and all principal sums, interest, costs and other amounts secured or intended to be secured by that charge or Mortgage,

"Northern Irish Mortgage Document" means a Mortgage Document entered into in connection with a Northern Irish Mortgage Loan,

"Northern Irish Mortgage Loan" means a Mortgage Loan secured by an Encumbrance over a Northern Irish Property,

"Northern Irish Property" means a Property located in Northern Ireland,

"Northern Irish Receivables" means Receivables arising under a Northern Irish Mortgage Document,

"Northern Irish Related Security" means Northern Irish Mortgages and other Related Security relating to Northern Irish Mortgage Loans,

"Note Conditions" means the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in Schedule 5 to the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Note Condition shall be construed accordingly,

"Note Interest" means, in respect of a Note for any Interest Period, the amount of interest determined in respect of such Note for such Interest Period by (i) multiplying (a) the Principal Amount Outstanding of such Note on the Interest Payment Date coinciding with such Interest Determination Date or, after the Redenomination Date, next following such Interest Determination Date by (b) the Note Rate and (ii) multiplying (x) the amount so calculated by (y) the relevant Day Count Fraction and rounding the resultant figure to the nearest Minimum Amount,

"Note Principal Payment" means, on any Interest Payment Date

- (a) in the case of each Class A Note, an amount equal to the lesser of the Available Redemption Funds and the Principal Amount Outstanding of the Class A Notes, each determined as at the related Calculation Date, multiplied by a fraction whose numerator is an amount equal to the Principal Amount Outstanding under that Class A Note and whose denominator is the aggregate Principal Amount Outstanding under all Class A Notes, rounded down to the nearest multiple of the Minimum Amount,
- (b) in the case of each Class B Note, an amount equal to the lesser of the Available Redemption Funds (minus the amount to be applied in redemption of the Class A Notes (if any) on such Interest Payment Date) and the Principal Amount Outstanding of the Class B Notes, each determined as at the related Calculation

Date, multiplied by a fraction whose numerator is an amount equal to the Principal Amount Outstanding under that Class B Note and whose denominator is the aggregate Principal Amount Outstanding under all Class B Notes, rounded down to the nearest multiple of the Minimum Amount,

- (c) in the case of each Class C Note, an amount equal to the lesser of the Available Redemption Funds (minus the aggregate of the amount to be applied in redemption of (i) the Class A Notes (if any), (ii) the Class B Notes (if any) on such Interest Payment Date) and the Principal Amount Outstanding of the Class C Notes, each determined as at the related Calculation Date, multiplied by a fraction whose numerator is an amount equal to the Principal Amount Outstanding under that Class C Note and whose denominator is the aggregate Principal Amount Outstanding under all Class C Notes, rounded down to the nearest multiple of the Minimum Amount,
- (d) in the case of each Class D Note, an amount equal to the lesser of the Available Redemption Funds (minus the aggregate of the amount to be applied in redemption of (i) the Class A Notes (if any), (ii) the Class B Notes (if any) and (iii) the Class C Notes (if any) on such Interest Payment Date) and the Principal Amount Outstanding of the Class D Notes, each determined as at the related Calculation Date, multiplied by a fraction whose numerator is an amount equal to the Principal Amount Outstanding under that Class D Note and whose denominator is the aggregate Principal Amount Outstanding under all Class D Notes, rounded down to the nearest multiple of the Minimum Amount, and
- (e) in the case of each Class E Note, an amount equal to the lesser of the Available Redemption Funds (minus the aggregate of the amount to be applied in redemption of (i) the Class A Notes (if any), (ii) the Class B Notes (if any), (iii) the Class C Notes (if any) and (iv) the Class D Notes (if any) on such Interest Payment Date) and the Principal Amount Outstanding of the Class E Notes, each determined as at the related Calculation Date, multiplied by a fraction whose numerator is an amount equal to the Principal Amount Outstanding under that Class E Note and whose denominator is the aggregate Principal Amount Outstanding under all Class E Notes, rounded down to the nearest multiple of the Minimum Amount,

"Note Proceeds" means, in respect of the issue of the Notes, the gross proceeds of such issue,

"Note Rate" means, in respect of each Class of Notes for each Interest Period, the Reference Rate determined as at the related Interest Determination Date plus for the period from (and including) the Closing Date to (and including) the Optional Redemption Date, the Initial Margin and from (but excluding) the Optional Redemption Date, the Step-Up Margin, in each case for each respective Class of Notes,

"Noteholders" means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders,

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

"Notice" means any notice delivered under or in connection with any Transaction Document,

"Notice of Charge to Transaction Account Bank" means a notice so named and dated on or about the Closing Date,

"Notice of Charge to Transaction Parties" means a notice so named and dated on or about the Closing Date,

"Notices Condition" means

- (a) in relation to the Notes, Note Condition 22 (*Notices*),
- (b) in relation to the Subordinated Notes, Subordinated Note Condition 21 (*Notices*), and
- (c) in relation to the Certificates, Certificate Condition 21 (*Notices*),

as the case may be,

"Notices Details" means, in relation to any party, the provisions set out in Schedule 8 (*Notices Details*) to this Incorporated Terms Memorandum,

"Notional Principal Amount Outstanding" means on any day

- (a) in relation to a Note, the Principal Amount Outstanding of such Note minus an amount equal to the negative balance of the Principal Deficiency Ledger for such Class on that day, as calculated by the Cash Manager in accordance with the provisions of Paragraph 9.4 (*Priority of allocation of debit entries from Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 to the Cash Management Agreement, divided by the number of outstanding Notes in such Class, and
- (b) in relation to a Subordinated Note, the Principal Amount Outstanding of such Subordinated Note minus an amount equal to the negative balance of the Principal Deficiency Ledger for such Class on that day, as calculated by the Cash Manager in accordance with the provisions of Paragraph 9.4 (*Priority of allocation of debit entries from Principal Deficiency sub-Ledgers*) of Part 2 of Schedule 1 to the Cash Management Agreement, divided by the number of outstanding Subordinated Notes in such Class,

"Obligations" means all of the obligations of the Issuer created by or arising under the Notes, the Subordinated Notes, the Certificates and the Transaction Documents,

"Obtained Consents" means

- (a) the approval of the Prospectus by the Central Bank of Ireland,
- (b) application for the Notes to be listed on the official list of the Stock Exchange,
- (c) application for the Notes to be admitted to trading on the Regulated Market of the Stock Exchange,
- (d) the registration of correctly completed Form MR01 and certified copies of the Security Deed with the Registrar of Companies, and
- (e) the necessary notifications under the DPA,

"Official List" means the official list of the Stock Exchange,

"OFT" means the Office of Fair Trading, and any replacement thereof or successor thereto,

"Optional Redemption Date" means the Interest Payment Date falling in June 2020,

"Originator" means Heritable Bank Public Limited Company (in administration), Edeus Mortgage Creators Limited (in liquidation), Victoria Mortgage Funding Limited (dissolved), Mortgages PLC, Mortgages 1 Limited, Wave Lending Limited, Amber Homeloans Limited, Associates Capital Corporation plc (now Citifinancial Europe plc), Citibank Trust Limited (closed), Future Mortgages Limited, Rooftop Mortgages Limited, Southern Pacific Mortgage Limited or the Legal Title Holder (trading as Magellan Homeloans) (as the context requires),

"Other Approved Payment" means any payment required by a Transaction Document (or by any other contract to which the Issuer is a party) or by law to be made by the Issuer and with respect to which the Trustee gives its prior written approval,

"Other Right" means each cause and right of action assigned to the Issuer pursuant to Clause 3.2.3 of the Mortgage Sale Agreement,

"outstanding" means

- (a) in relation to the Notes, all the Notes other than
 - (i) those which have been redeemed in full and cancelled in accordance with the Note Conditions,
 - (ii) those in respect of which the date for redemption, in accordance with the provisions of the Note Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to the Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with the Notices Condition) and remain available for payment in accordance with the Note Conditions,
 - (iii) those which have become void under the Note Conditions,
 - (iv) those mutilated or defaced Notes which have been surrendered or cancelled and those Notes which are alleged to have been lost, stolen or destroyed and in all cases in respect of which replacement Notes have been issued pursuant to the Note Conditions, and
 - (v) any Temporary Global Note, to the extent that it shall have been exchanged for a Permanent Global Note of the same Class or any Permanent Global Note to the extent that it shall have been exchanged for the Definitive Notes of the same Class pursuant to the provisions contained therein and the Note Conditions,

provided that for each of the following purposes, namely

- (A) the right to attend and vote at any meeting of Noteholders and resolve by Extraordinary Resolution,
- (B) the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 16 (*Waiver*), Clause 17 (*Modifications*), Clause 20 (*Proceedings and Actions by the Trustee*), Clause 30 (*Appointment of Trustees*) and Clause 31 (*Notice of a New Trustee*) of the Trust Deed and Note Condition 12 (*Events of Default*), Note Condition 13 (*Enforcement*) and Note Condition 15

(*Meetings of Noteholders, Subordinated Noteholders and Certificateholders*) and the Provisions for Meetings of Noteholders, and

- (C) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer or the Beneficial Title Seller or any holding company of the Beneficial Title Seller, the Issuer or any other subsidiary of such holding company shall (unless and until ceasing to be so held) be deemed not to remain outstanding, provided that if all Notes of a particular Class are held by the Beneficial Title Seller, the Issuer, any holding company of the Beneficial Title Seller or any other subsidiary of such holding company (the "**relevant Class of Notes**") and no other Classes of Notes exist that rank junior or *par passu* to the relevant Class of Notes, the relevant Class of Notes will be deemed to remain outstanding,

- (b) in relation to the Subordinated Notes, all the Subordinated Notes other than
 - (i) those which have been redeemed in full and cancelled in accordance with the Subordinated Note Conditions,
 - (ii) those in respect of which the date for redemption, in accordance with the provisions of the Subordinated Note Conditions, has occurred and for which the redemption monies have been duly paid to the Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Subordinated Noteholders in accordance with the Notices Condition) and remain available for payment in accordance with the Subordinated Note Conditions,
 - (iii) those which have become void under the Subordinated Note Conditions, and
 - (iv) those mutilated or defaced Subordinated Notes which have been surrendered or cancelled and those Subordinated Notes which are alleged to have been lost, stolen or destroyed and in all cases in respect of which replacement Subordinated Notes have been issued pursuant to the Subordinated Note Conditions,

provided that for each of the following purposes, namely

- (A) the right to attend and vote at any meeting of Subordinated Noteholders and resolve by Extraordinary Resolution,
- (B) the determination of how many and which Subordinated Notes are for the time being outstanding for the purposes of Clause 16 (*Waiver*), Clause 17 (*Modifications*), Clause 20 (*Proceedings and Actions by the Trustee*), Clause 30 (*Appointment of Trustees*) and Clause 31 (*Notice of a New Trustee*) of the Trust Deed and Subordinated Note Condition 11 (*Events of Default*), Subordinated Note Condition 12 (*Enforcement*) and Subordinated Note Condition

14 (*Meetings of Subordinated Noteholders*) and the Provisions for Meetings of Subordinated Noteholders, and

- (C) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Subordinated Noteholders or any of them,

those Subordinated Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer or the Beneficial Title Seller or any holding company of the Beneficial Title Seller, the Issuer or any other subsidiary of such holding company shall (unless and until ceasing to be so held) be deemed not to remain outstanding, provided that if all Subordinated Notes of a particular Class are held by the Beneficial Title Seller, the Issuer, any holding company of the Beneficial Title Seller or any other subsidiary of such holding company (the "**relevant Class of Subordinated Notes**") and no other Classes of Subordinated Notes exist that rank junior or *pari passu* to the relevant Class of Subordinated Notes, the relevant Class of Subordinated Notes will be deemed to remain outstanding, and

- (c) in relation to the Certificates, all the Certificates other than
 - (i) those which have become void under the Certificate Conditions, and
 - (ii) those mutilated or defaced Certificates which have been surrendered or cancelled and those Certificates which are alleged to have been lost, stolen or destroyed and in all cases in respect of which replacement Certificates have been issued pursuant to the Certificate Conditions,

provided that for each of the following purposes, namely

- (A) the right to attend and vote at any meeting of Certificateholders and resolve by Extraordinary Resolution,
- (B) the determination of how many and which Certificates are for the time being outstanding for the purposes of Clause 16 (*Waiver*), Clause 17 (*Modifications*), Clause 20 (*Proceedings and Actions by the Trustee*), Clause 30 (*Appointment of Trustees*) and Clause 31 (*Notice of a New Trustee*) of the Trust Deed and Certificate Condition 11 (*Events of Default*), Certificate Condition 12 (*Enforcement*) and Certificate Condition 14 (*Meetings of Certificateholders*) and the Provisions for Meetings of Certificateholders, and
- (C) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Certificateholders or any of them,

those Certificates (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer or the Beneficial Title Seller or any holding company of the Beneficial Title Seller or any other subsidiary of such holding company shall (unless and until ceasing to be so held) be deemed not to remain outstanding, provided that if all Certificates are held by the Beneficial Title Seller, any holding company of the Beneficial Title Seller or any other subsidiary of such holding

company (the **"relevant Certificates"**), the relevant Certificates will be deemed to remain outstanding,

"Participant" means an accountholder with Euroclear or Clearstream, Luxembourg,

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

"Paying Agents" means the paying agents named in the Agency Agreement together with any successor or additional paying agents appointed from time to time in connection with the Notes, the Subordinated Notes and the Certificates under the Agency Agreement,

"Paying Transaction Party" means, where any Transaction Party is under an obligation created by a Transaction Document to make a payment to a Receiving Transaction Party, the Transaction Party who is to make such payment,

"Payments Priorities" means the Pre-Enforcement Payments Priorities and the Post-Enforcement Payments Priorities,

"Perfection Event" means the occurrence of any of the following

- (a) the service of an Enforcement Notice by the Trustee, or
- (b) the Legal Title Holder being required, by an order of a court of competent jurisdiction, or by a change in law occurring after the Closing Date, or by a regulatory authority, to perfect the transfer of legal title to the Mortgage Loans and Related Security in favour of the Issuer, or
- (c) the Security or any material part (in the opinion of the Trustee) of the Security being in jeopardy and it being necessary to perfect the transfer of legal title to the Mortgage Loans and their Related Security in favour of the Issuer in order to materially reduce such jeopardy, or
- (d) the occurrence of an Insolvency Event in relation to the Legal Title Holder,

"Permanent Global Notes" means the Class A Permanent Global Note, the Class B Permanent Global Note, the Class C Permanent Global Note, the Class D Permanent Global Note and the Class E Permanent Global Note,

"Permitted Encumbrance" means any Encumbrance permitted to be created in accordance with a Transaction Document,

"Permitted Variation" has the meaning given to it in Clause 10 (*Warranties*) of the Mortgage Sale Agreement,

"Placement Agreement" means the agreement so named dated on or about the Signing Date between the Issuer, the Beneficial Title Seller, the Legal Title Holder and the Joint Lead Managers,

"Port" means any Cash Flow Port and/or any Non Cash Flow Port,

"Portfolio Option" means the option granted to the Portfolio Option Holder documented in the Deed Poll,

"Portfolio Option Consideration" means an amount which shall be the higher of (i) the aggregate market value of the Mortgage Portfolio as at the Class Z4 Portfolio Purchase Completion Date, and (ii) an amount equal to the aggregate Principal Amount Outstanding of the Notes as at the Class Z4 Portfolio Purchase Completion Date plus an amount not

less than the amount required to satisfy items (a) to (m) (excluding items (f), (h), (j) and (l)) and (u)(ii) of the Pre-Enforcement Revenue Payments Priorities on the Interest Payment Date immediately following the Class Z4 Portfolio Purchase Completion Date, less (y) Available Principal Funds (without taking into account any amounts included under limb (a)(v) of the definition of Available Principal Funds) and Available Revenue Funds (without taking into account any amounts included under limb (e) of the definition of Available Revenue Funds) as applied in accordance with the Pre-Enforcement Principal Payments Priorities and the Pre-Enforcement Revenue Payments Priorities on the Interest Payment Date immediately following the Class Z4 Portfolio Purchase Completion Date and (z) the credit balance of the General Reserve Fund and the Liquidity Reserve Fund,

"Portfolio Option Holder" means the holder of the highest number of Class Z4 Notes,

"Portfolio Option Loans" means the Mortgage Loans and the Related Security in the Mortgage Portfolio (excluding the Mortgage Loans which have been redeemed or released from the Mortgage Portfolio or repurchased by the Beneficial Title Seller or purchased by the Legal Title Holder since the Closing Date),

"Portfolio Potential Purchaser" means a potential purchaser of the Whole Beneficial Title and/or the Whole Legal Title of the Mortgage Loans nominated in the Exercise Notice by the Portfolio Option Holder,

"Portfolio Purchase Available Funds" means

- (a) on the Interest Payment Date on or immediately following the Market Portfolio Purchase Completion Date, the Market Portfolio Purchase Price (net of VAT and all other applicable taxes and stamp duty and similar transfer taxes) plus any amounts standing the credit of the General Reserve Fund and the Liquidity Reserve Fund,
- (b) on the Interest Payment Date immediately following the Class Z4 Portfolio Purchase Completion Date, the Portfolio Option Consideration (net of VAT and all other applicable taxes and stamp duty and similar transfer taxes) plus any amounts standing the credit of the General Reserve Fund and the Liquidity Reserve Fund, or
- (c) on the Interest Payment Date which is the Issuer Call Option Completion Date, the Issuer Call Option Amount (net of VAT and all other applicable taxes and stamp duty and similar transfer taxes) plus any amounts standing the credit of the General Reserve Fund and the Liquidity Reserve Fund,

"Portfolio Purchase Expenses Shortfall Amount" means

- (a) in relation to a Market Portfolio Purchase, the greater of zero and
 - (i) the amount required to satisfy items (a) to (m) (excluding items (f), (h), (j) and (l)), and (u)(ii), (u)(iii) and (u)(iv) of the Pre-Enforcement Revenue Payments Priorities on the Interest Payment Date on or immediately following the Market Portfolio Purchase Completion Date, which would remain unpaid after the application of Available Revenue Funds (without taking into account the amount of any Purchase Revenue Amount), less
 - (ii) any amounts standing the credit of the General Reserve Fund and the Liquidity Reserve Fund,
- (b) in relation to a Class Z4 Portfolio Purchase, the greater of zero and

- (i) the amount required to satisfy items (a) to (m) (excluding items (f), (h), (j) and (l)) and (u)(ii) of the Pre-Enforcement Revenue Payments Priorities on the Interest Payment Date immediately following the Class Z4 Portfolio Purchase Completion Date, which would remain unpaid after the application of Available Revenue Funds (without taking into account the amount of any Purchase Revenue Amount), *less*
 - (ii) any amounts standing the credit of the General Reserve Fund and the Liquidity Reserve Fund,
- (c) in relation to an exercise of the Issuer Call Option, the greater of zero and
 - (i) the amount required to satisfy items (a) to (m) (excluding items (f), (h), (j) and (l)) and (u)(ii) of the Pre-Enforcement Revenue Payments Priorities on the Issuer Call Option Completion Date, which would remain unpaid after the application of Available Revenue Funds (without taking into account the amount of any Purchase Revenue Amount), *less*
 - (ii) any amounts standing the credit of the General Reserve Fund and the Liquidity Reserve Fund,

“Portfolio Purchase Reserve Principal Top-Up Amount” means

- (a) in relation to a Market Portfolio Purchase, the greater of zero and
 - (i) the aggregate Principal Amount Outstanding of the Notes as at the Market Portfolio Purchase Completion Date, *less*
 - (ii) the Market Portfolio Purchase Price (net of VAT and all other applicable taxes and stamp duty and similar transfer taxes),
- (b) in relation to a Class Z4 Portfolio Purchase, the greater of zero and
 - (i) the aggregate Principal Amount Outstanding of the Notes as at the Class Z4 Portfolio Purchase Completion Date, *less*
 - (ii) the Portfolio Option Consideration (net of VAT and all other applicable taxes and stamp duty and similar transfer taxes),
- (c) in relation to an exercise of the Issuer Call Option, the greater of zero and
 - (i) the aggregate Principal Amount Outstanding of the Notes and the Subordinated Notes as at the Issuer Call Option Completion Date, *less*
 - (ii) the Issuer Call Option Amount (net of VAT and all other applicable taxes and stamp duty and similar transfer taxes),

“Post-Enforcement Payments Priorities” means the provisions relating to the order of priority of payments from the Transaction Account, set out in Clause 16 (*Post-Enforcement Payments Priorities*) of the Security Deed,

“Potential Event of Default” means any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default,

“PRA” means the Prudential Regulation Authority and any replacement thereof with powers and authority to regulate or supervise persons carrying on, or funding persons carrying on, Regulated Mortgage Activities,

"Pre-Enforcement Payments Priorities" means the Pre-Enforcement Principal Payments Priorities and the Pre-Enforcement Revenue Payments Priorities,

"Pre-Enforcement Principal Payments Priorities" means the provisions relating to the order of priority of payments from the Principal Ledger set out in Paragraph 16 (*Payments from Principal Ledger on an Interest Payment Date*) of Part 3 of Schedule 1 to the Cash Management Agreement,

"Pre-Enforcement Revenue Payments Priorities" means the provisions relating to the order of priority of payments from the Revenue Ledger set out in Paragraph 15 (*Payments from Revenue Ledger on an Interest Payment Date*) of Part 3 of Schedule 1 to the Cash Management Agreement,

"Preliminary Prospectus" means each prospectus issued by the Issuer in preliminary form on 3 August 2015 and on 12 August 2015,

"Principal Addition Amount" means, in relation to an Interest Payment Date to which item (w) of the Pre-Enforcement Revenue Payments Priorities applies, the amount by which the Available Revenue Funds exceed the aggregate of the amounts required to satisfy items (a) to (v) of the Pre-Enforcement Revenue Payments Priorities on that Interest Payment Date,

"Principal Amount Outstanding" means, on any day

(a) in relation to the Notes

- (i) in relation to a Note, the principal amount of that Note on the Closing Date less the aggregate amount of any principal payments in respect of that Note which have become due and payable (and have been paid) on or prior to that day,
- (ii) in relation to a Class, the aggregate of the amount in paragraph (i) above in respect of all Notes outstanding in such Class, and
- (iii) in relation to all the Notes outstanding at any time, the aggregate of the amount in paragraph (i) above in respect of all Notes outstanding,

(b) in relation to the Subordinated Notes

- (i) in relation to a Subordinated Note, the principal amount of that Subordinated Note on the Closing Date less the aggregate amount of any principal payments in respect of that Subordinated Note which have become due and payable (and have been paid) on or prior to that day,
- (ii) in relation to a Class, the aggregate of the amount in paragraph (i) above in respect of all Subordinated Notes outstanding in such Class, and
- (iii) in relation to all the Subordinated Notes outstanding at any time, the aggregate of the amount in paragraph (i) above in respect of all Subordinated Notes outstanding, and

(c) in relation to the Certificates, the number of Certificates outstanding,

"Principal Collections" means all Principal Receipts received by the Issuer,

"Principal Deficiency Ledger" means the ledger in the books of the Issuer so named,

"Principal Ledger" means the ledger in the books of the Issuer so named,

"Principal Loss" means, in relation to any Mortgage Loan on an Interest Payment Date, the amount (if any) determined in good faith by the Servicer on the related Calculation Date in respect of the related Calculation Period as being

- (a) the amount of a principal nature due in respect of such Mortgage Loan after the earlier of (a) completion of Enforcement Procedures over the related Property or (b) the sale (whether by way of voluntary sale by the mortgagor or following enforcement by or on behalf of the Borrower) of the related Property, or
- (b) any loss to the Issuer as a result of an exercise of any set-off by any Borrower in respect of its Mortgage Loan,

"Principal Outstanding Balance" means

- (a) in relation to any Mortgage Loan and on any day, the aggregate of
 - (i) the original principal amount advanced to any relevant Borrower pursuant to the related Mortgage Documents together with any further advance of principal, in each case inclusive of fees charged that are added to that Mortgage Loan in connection with the origination of such Mortgage Loan, made to such Borrower pursuant to the related Mortgage Documents, plus
 - (ii) any interest or fees in respect of that Mortgage Loan (other than in connection with the origination of such Mortgage Loan) which are unpaid by the relevant Borrower and have been capitalised, minus
 - (iii) any repayments or reduction of the amounts specified in (i) and (ii) above,but after completion of any Enforcement Procedures in relation to a Mortgage Loan, the Principal Outstanding Balance of such Mortgage Loan will be deemed to be zero, and
- (b) in relation to the Mortgage Portfolio and any day, the aggregate of the Principal Outstanding Balances in respect of the Mortgage Loans contained in that Mortgage Portfolio,

"Principal Paying Agent" means Citibank, N A , London Branch in its capacity as principal paying agent in accordance with the terms of the Agency Agreement,

"Principal Reallocation Amount" means, in relation to any Interest Payment Date, the aggregate amount determined on the related Calculation Date, in accordance with the provisions of Paragraph 16 (*Payments from Principal Ledger on an Interest Payment Date*) of Part 3 of Schedule 1 to the Cash Management Agreement, as being the amount (if any) of Available Principal Funds (excluding any Revenue Reallocation Amount to be credited to the Principal Ledger on such Interest Payment Date) which are to be utilised by the Issuer to reduce or eliminate any Senior Revenue Shortfall on such Interest Payment Date after the making of any Liquidity Reserve Drawing and General Reserve Drawing on such Interest Payment Date,

"Principal Receipts" or **"Principal Receivables"** means, in relation to a Calculation Period, the amount calculated as at the related Calculation Date equal to the aggregate of (without double counting)

- (a) all amounts representing principal repayments under the Mortgage Loans and their Related Security (including capitalised interest, costs, expenses and arrears),

received or recovered in respect of the Mortgage Loans and their Related Security during such Calculation Period,

- (b) all Recoveries representing principal repayments under the Mortgage Loans (including capitalised interest, expenses and arrears) recovered upon enforcement of the Related Security during such Calculation Period,
- (c) the net proceeds of the disposal by the Issuer of one or more Mortgage Loans during such Calculation Period (other than the Market Portfolio Purchase Price or Portfolio Option Consideration) to the extent such proceeds constitute principal, and
- (d) all insurance related proceeds received or recovered during such Calculation Period in respect of the Mortgage Loans in the Mortgage Portfolio and their Related Security to which the Issuer is beneficially entitled to the extent applied towards sums of the type referred to in paragraph (a) or (b) above,

"Proceedings" means any legal proceedings relating to a Dispute,

"Process Service Agent" means, in respect of the Beneficial Title Seller, TMF Corporate Services Limited or any replacement process agent appointed by the Beneficial Title Seller in relation to the Transaction Documents, and in respect of any other Foreign Transaction Party, any process agent appointed by any Foreign Transaction Party in relation to the Transaction Documents,

"Process Service Agent Address" means, in relation to each Foreign Transaction Party, the address of the Process Service Agent set opposite the name of each such Foreign Transaction Party in the Process Service Agent details set out in Schedule 8 (*Notices Details*) to this Incorporated Terms Memorandum,

"Property" means, in relation to a Mortgage Loan and its related Mortgage, the freehold or leasehold property or (if located in Scotland) the heritable or long lease property charged as security for the repayment of such Mortgage Loan,

"Prospectus" means the prospectus dated on or about the Signing Date prepared in connection with the issue by the Issuer of the Notes,

"Prospectus Directive" means Directive 2003/71/EC (as amended from time to time),

"Protective Advances" means, with regard to any Mortgage Loan or its Related Security or the Mortgage Portfolio as a whole, any duly documented payment

- (a) which was incurred following the Cut-Off Date,
- (b) which was made by or on behalf of the Legal Title Holder, and
- (c) which was made for the purpose of preserving the value of (A) such Mortgage Loan or its Related Security or any collateral security for such Mortgage Loan or its Related Security, including (without limitation) litigation costs, field agent visit fees, LPA receiver appointment fees, payments to freeholders or managing agents of leasehold properties in respect of unpaid ground rents and service charges in order to prevent forfeiture of the relevant lease, insurance, repairs and maintenance costs of repossessed properties and any other third party fees and expenses associated with managing, valuing, disposing or consulting with respect to any Mortgage Loan or its Related Security, or (B) the Mortgage Portfolio as a whole,

"Provisional Cut-Off Date" means 30 June 2015,

"Provisions for Meetings of Certificateholders" means the provisions contained in Schedule 8 of the Trust Deed,

"Provisions for Meetings of Noteholders" means the provisions contained in Schedule 7 of the Trust Deed,

"Provisions for Meeting of Subordinated Noteholders" means the provisions contained in Schedule 7A of the Trust Deed,

"Proxy" means

- (a) in relation to a Meeting of Noteholders, a person appointed to vote under a Block Voting Instruction other than
 - (i) any person whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting, and
 - (ii) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed,
- (b) in relation to a Meeting of Subordinated Noteholders or a Meeting of Certificateholders, any person appointed to act on a Subordinated Noteholder or Certificateholder's behalf pursuant to a validly executed and delivered Form of Proxy,

"Prudent Mortgage Lender" means a reasonably prudent mortgage lender acting in a manner consistent with that of an experienced lender of residential mortgage loans lending to borrowers in England, Wales, Scotland and Northern Ireland (including, but not limited to, corporate entities, the self-employed, independent contractors, and/or individuals who may have experienced previous credit problems including individuals who generally may not satisfy the lending criteria of other residential mortgage lenders providing first-ranking residential mortgage loans in England, Wales, Scotland and Northern Ireland),

"Prudent Mortgage Servicer" means a leading regulated mortgage servicer acting prudently in administering mortgage facilities to, and in compliance with all laws applicable to it in connection with mortgage loans made to borrowers in England, Wales, Scotland and Northern Ireland (including, but not limited to, corporate entities, the self-employed, independent contractors, and/or individuals who may have experienced previous credit problems including individuals who generally may not satisfy the lending criteria of other residential mortgage lenders providing first-ranking residential mortgage loans in England, Wales, Scotland and Northern Ireland),

"Purchase Consideration" has the meaning given to it in the Mortgage Sale Agreement,

"Purchase Price" means £221,175,339 00,

"Purchase Principal Amount" means

- (a) on the Interest Payment Date on or immediately following the Market Portfolio Purchase Completion Date, part of the Portfolio Purchase Available Funds in an amount equal to (A) the Market Portfolio Purchase Price (net of VAT and all other applicable taxes and stamp duty and similar transfer taxes) plus (B) the Portfolio

Purchase Reserve Principal Top-Up Amount minus (C) the Portfolio Purchase Expenses Shortfall Amount, or

- (b) on the Interest Payment Date immediately following the Class Z4 Portfolio Purchase Completion Date, part of the Portfolio Purchase Available Funds in an amount equal to the aggregate of (A) the Portfolio Option Consideration (net of VAT and all other applicable taxes and stamp duty and similar transfer taxes) and (B) the Portfolio Purchase Reserve Principal Top-Up Amount minus (C) the Portfolio Purchase Expenses Shortfall Amount, or
- (c) on the Issuer Call Option Completion Date, part of the Portfolio Purchase Available Funds in an amount equal to the aggregate of (A) the Issuer Call Option Amount (net of VAT and all other applicable taxes and stamp duty and similar transfer taxes) and (B) the Portfolio Purchase Reserve Principal Top-Up Amount minus (C) the Portfolio Purchase Expenses Shortfall Amount,

"Purchase Revenue Amount" means the Portfolio Purchase Available Funds less the Purchase Principal Amount,

"Quarterly Investor Report" means the investor report prepared by the Cash Manager in such form as may be agreed between the Joint Lead Managers, the Servicer and the Cash Manager, in respect of the related Calculation Period,

"Rating" means the rating of each Class of Notes given by each of the Rating Agencies and **"Ratings"** means all of such Ratings,

"Rating Agencies" means Fitch and S&P and **"Rating Agency"** means any of them,

"Realisation" means, in relation to any Charged Property, the deriving, to the fullest extent practicable, of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by a Borrower in accordance with the provisions of the Transaction Documents,

"Receivables" means the Principal Receivables and the Revenue Receivables,

"Receiver" means any receiver, manager, administrative receiver or administrator appointed in respect of the Issuer by the Trustee in accordance with Clause 18.2 (*Appointment of a Receiver*) of the Security Deed,

"Receiver Liabilities" means any Liabilities due and payable by the Issuer to any Receiver in accordance with the Security Deed together with interest accrued due as provided in the Trust Deed,

"Receiving Transaction Party" means, where any Transaction Party is under an obligation created by a Transaction Document to make payment to another Transaction Party, the Transaction Party which is to receive such payment,

"Record Date" means

- (a) in respect of any payment, the close of business on the Business Day prior to the relevant date for payment, and
- (b) in respect of a Meeting of Subordinated Noteholders or a Meeting of Certificateholders, such date determined in accordance with Paragraph 2.4 of the Provisions of Meetings for Subordinated Noteholders or Paragraph 2.4 of the

Provisions of Meetings for Certificateholders in Schedule 7A and Schedule 8 of the Trust Deed respectively,

"Recoveries" means any payments received in respect of a Mortgage Loan after the Servicer has completed the Enforcement Procedures (including enforcement of security) in respect of such Mortgage Loan,

"Redenomination Date" means an Interest Payment Date falling on or after the Euro Commencement Date on which the Issuer intends to (or does) redenominate the currency of the Notes into euro,

"Reference Banks" means, prior to the Redenomination Date, the principal London office of four major banks in the London interbank market and after the Redenomination Date, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in either case, selected by the Agent Bank in consultation with the Issuer at the relevant time,

"Reference Rate" means, on any (save for the final) Interest Determination Date prior to the Redenomination Date, the Sterling Reference Rate and, for the final Interest Determination Date prior to the Redenomination Date and, after the Euro Commencement Date, the Euro Reference Rate,

"Register" means the register on which the names and addresses of the holders of the Subordinated Notes and the Certificates and the particulars of the Subordinated Notes and the Certificates shall be entered and kept by the Issuer at the Specified Office of the Registrar pursuant to the Agency Agreement,

"Registers of Scotland" means the Land Register of Scotland and/or the General Register of Sasines,

"Registerable Transaction Documents" means the Security Deed, this Incorporated Terms Memorandum and the Prospectus,

"Registered Transfer" means a transfer by the Legal Title Holder of English Mortgages relating to English Properties substantially in the form set out in Part 1 of Schedule 5 to the Mortgage Sale Agreement,

"Registrar" means the party responsible for maintaining the Register, which at the Closing Date is Citigroup Global Markets Deutschland AG acting in such capacity pursuant to the Agency Agreement,

"Regulated Activities Order" means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended (S I 2001 No 544),

"Regulated Market" means a market which complies with the requirements set out in Article 4 1(14) of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments,

"Regulated Mortgage Activity" means each and any of the activities falling within articles 25A, 53A, 61 and 64 of the Regulated Activities Order to the extent that it is a regulated activity for the purposes of the FSMA,

"Regulated Mortgage Contract" has the meaning given to it in article 61(3)(a) of the Regulated Activities Order,

"Regulated Mortgage Loan" means any Mortgage Loan which is required to comply with the CCA,

"Regulatory Direction" means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person is accustomed to comply,

"Related Security" means, in relation to a Mortgage Loan, the Mortgage or Mortgages relating thereto and all other collateral security for, and rights in respect of, such Mortgage Loan which is held on trust for, or assigned or transferred to, the Beneficial Title Seller,

"Relevant" means

- (a) when used in relation to the execution of or the entering into of a Transaction Document and in conjunction with a reference to any Transaction Party, a Transaction Document which such Transaction Party is required to execute or enter into or has executed or entered into, and
- (b) when used in respect of the Transaction Documents generally and in conjunction with a reference to any particular Transaction Party, the Transaction Documents to which such Transaction Party is a party together with the Transaction Documents that contain provisions that otherwise bind or confer rights upon such Transaction Party,

and references to **"Relevant Transaction Documents"** and cognate expressions shall be construed accordingly,

"Relevant Breach" means, in relation to a Mortgage Loan, a breach of an Asset Warranty and/or Legal Title Holder Asset Warranty which materially adversely affects either

- (a) the value of that Mortgage Loan, or
- (b) the value of the Property secured by the related Mortgage and therefore materially adversely affects the value of the Mortgage Loan, or
- (c) the rights available to a mortgagee or a heritable creditor in respect of the repayment of that Mortgage Loan (including, without limitation, the enforceability of rights against third parties) and therefore materially adversely affects the value of the Mortgage Loan, or
- (d) the amount likely to be received upon a sale or likely to be financed against the security of that Mortgage Loan,

"Relevant Date" means, in respect of any payment in relation to the Notes, the Subordinated Notes or the Certificates, whichever is the later of

- (a) the date on which the payment in question first becomes due, and
- (b) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with the Notices Condition,

"Relevant Information" means any written information provided by the Issuer or a Seller, as the case may be, to the Joint Lead Managers in connection with the preparation of the Preliminary Prospectus, the Prospectus or any presentation by the Joint Lead Managers to the Rating Agencies or investors,

"Relevant Period" means, in relation to an Interest Determination Date, the length in months of the related Interest Period,

"Relevant Screen" means a page of the Reuters service or of the Bloomberg service, or of any other medium for the electronic display of data as may be previously approved in writing by the Trustee and as has been notified to the Noteholders or the Certificateholders, as the case may be, in accordance with the applicable Notices Condition,

"Relevant Software" means all the computer software used by the Servicer in the performance of the Services,

"Replacement Instruments" means any Instruments which have been authenticated and delivered by the Principal Paying Agent under the terms of the Agency Agreement, as a replacement for any which have been mutilated or defaced or which are alleged to have been destroyed and **"Replacement Instrument"** means any one of them,

"Replacement Servicing Agreement" means the replacement servicing agreement in the form set out in Schedule 2 of the Back-Up Servicing Agreement,

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time,

"Repurchase Price" has the meaning given to it in Clause 11.8.2 of the Mortgage Sale Agreement,

"Required Filings" means in respect of the Issuer

- (a) the filing of the Prospectus with the Stock Exchange,
- (b) the registration of a correctly completed Form MR01 together with a certified copy of the Security Deed with the Registrar of Companies in accordance with Section 859A of the Companies Act 2006, and
- (c) the necessary notifications under the DPA,

each in accordance with any relevant Requirement of Law or any Regulatory Direction,

"Required Paying Agent" means any Paying Agent (which may be the Principal Paying Agent) which is the sole remaining Paying Agent with its Specified Office in any city where a stock exchange on which the Notes are listed requires there to be a Paying Agent,

"Required Profit Amount" means an amount of up to £1,500 on each Interest Payment Date, making a total of up to £6,000 for each accounting year,

"Requirement of Law" in respect of any person shall mean

- (a) any law, treaty, rule, requirement or regulation,
- (b) a notice by or an order of any court having jurisdiction,
- (c) a mandatory requirement of any regulatory authority having jurisdiction, or
- (d) a determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply,

"Reserve Addition Amount" means, on the Reserve Release Date, the lesser of

- (a) the amount by which (y) the aggregate of the Available Principal Funds calculated in respect of that related Calculation Date (without taking into account any amounts included under limb (a)(iv) of the definition of Available Principal Funds) and the

aggregate amount standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund, exceeds (z) the aggregate of the amounts required to satisfy items (a) to (g) of the Pre-Enforcement Principal Payments Priorities on that Interest Payment Date, and

- (b) the aggregate amount standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund (immediately before the inclusion of the General Reserve Fund and the Liquidity Reserve Fund as Available Principal Funds),

"Reserve Release Date" means the first Interest Payment Date on which the aggregate of the amounts standing to the credit balance of the General Reserve Ledger and the Liquidity Reserve Ledger (after recording the debit entry of any Liquidity Reserve Drawing and General Reserve Drawing to be made on that Interest Payment Date) is greater than or equal to the Principal Amount Outstanding of the Notes as at that Interest Payment Date after the application of Available Principal Funds (ignoring for this purpose item (a)(iv) of that definition),

"Reserve Subordinated Loan" means the loan granted by the Reserve Subordinated Loan Provider to the Issuer under the Reserve Subordinated Loan Agreement,

"Reserve Subordinated Loan Agreement" means the agreement so named dated on or about the Closing Date between the Issuer, the Reserve Subordinated Loan Provider and the Trustee,

"Reserve Subordinated Loan Provider" means Dominions Mortgages Limited, a private limited liability company incorporated under the laws of Ireland with its registered office at 3rd Floor, Kilmore House, Park Lane, Spencer, Dock, Dublin 1, Ireland (registered number 548184),

"Reserved Matter" means any proposal

- (a) to change any date fixed for payment of principal or interest (including, for the avoidance of doubt, the Final Maturity Date) or any other amount in respect of the Notes or Subordinated Notes of any Class or the Certificates, to change the amount of principal or interest or any other amount due on any date in respect of the Notes or Subordinated Notes of any Class or the Certificates or to alter the method of calculating the amount of any payment in respect of the Notes or Subordinated Notes of any Class or the Certificates on redemption or maturity,
- (b) (except in accordance with Note Condition 21 (*Substitution of Issuer*), Subordinated Note Condition 20 (*Substitution of Issuer*), Certificate Condition 20 (*Substitution of Issuer*) and Clause 18 (*Substitution*) of the Trust Deed) to effect the exchange, conversion or substitution of the Notes or Subordinated Notes of any Class or the Certificates for, or the conversion of such Notes, Subordinated Notes or Certificates into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed,
- (c) to change the currency in which amounts due in respect of the Notes or Subordinated Notes of any Class or the Certificates are payable (other than pursuant to redenomination into euro),
- (d) to release any Security, other than as expressly contemplated in the Transaction Documents, other than for fair market value having regard to prevailing market conditions,

- (e) to alter the Payments Priorities or any other amounts in respect of the Notes or Subordinated Notes of any Class or the Certificates,
- (f) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution,
- (g) to restrict the transferability of any Note, Subordinated Note or Certificate, or
- (h) to amend this definition,

“Residual Payment” means

- (a) prior to the delivery of an Enforcement Notice, for an Interest Payment Date, the amount by which Available Revenue Funds exceed the amounts required to satisfy items (a) to (y) of the Pre-Enforcement Revenue Payments Priorities 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 Payments Priorities, the amount by which amounts available for payment in accordance with the Post-Enforcement Payments Priorities exceed the amounts required to satisfy items (a) to (u) of the Post-Enforcement Payments Priorities on that date,

“Residual Payment Amount” means, for a Certificate on any date on which amounts are to be applied in accordance with the relevant Payments Priorities, the Residual Payment for that date, divided by 100,

“Restricted Action” means any action to

- (a) amend, terminate or cancel any of the Mortgage Loans or their Related Security (including, without limitation, the relevant Mortgage Conditions),
- (b) enter into or offer to enter into any discounted pay-off or other negotiated settlement with a Borrower in respect of a Mortgage Loan to agree settlement of amounts due at a discount,
- (c) agree to a transfer of equity between Borrowers,
- (d) make or agree to any Protective Advance or any other further advance or to the porting of any portable Mortgage Loan,
- (e) release or discharge any Mortgage or other Related Security other than upon full repayment or upon repossession,
- (f) waive a material breach of the underlying Mortgage Loan including, without limitation and for the avoidance of doubt, the non-payment of ground rent and the issuance of a forfeiture notice,
- (g) waive any arrears or shortfall in payment,
- (h) defer or re-schedule any payment outside of the delegated authorities in the Collections Procedures,
- (i) capitalise any arrears,
- (j) issue any Letter Before Action in connection with any Mortgage Loan,
- (k) instruct solicitors in relation to any action in connection with any Mortgage Loan,

- (l) issue any warrant of possession in connection with any Mortgage Loan or take any other steps for repossession or enforcement in connection with any Mortgage Loan,
- (m) take any decision upon receipt of confirmation of any court hearing in respect of the enforcement of any Mortgage Loan or upon receipt of confirmation of the appointment of receivers in relation to any Mortgage Loan (all such decisions to be taken by the Legal Title Holder only),
- (n) take any decision upon receipt of a date of eviction in relation to any Mortgage Loan (all such decisions to be taken by the Legal Title Holder only),
- (o) carry out an act not provided for in, or contemplated by, the Collections Procedures, which the Servicer considers (acting as a Prudent Mortgage Servicer) would materially prejudice (i) the value of any Property, (ii) the mortgagee's security, or (iii) the mortgagee's ability to enforce the Mortgage or Related Security,
- (p) agree the price at which a disposal of a Property is to be made,
- (q) change the amount of fees, charges and/or interest payable (other than any change as a result of a change in LIBOR or the Bank of England base rate, provided the change is made in accordance with the Mortgage Conditions),
- (r) charge any early repayment charges in connection with any Mortgage Loan,
- (s) process any item, matter or request whatsoever which falls outside of the standards, policies, procedures and service levels contained in the Collections Procedures which the Servicer considers (acting as a Prudent Mortgage Servicer) would be reasonably likely to materially impact upon the likelihood of recovering any Mortgage Loan in full,
- (t) decide the approach that should be adopted in respect of a Mortgage Loan relating to a deceased Borrower,
- (u) accept Borrower repayment proposals made following the issue of possession or repossession procedures prior to a hearing date in respect of such Borrower,
- (v) enforce a court order in respect of any Borrower,
- (w) make any repayment proposals or apply for an application hearing following an instruction to a panel solicitor to enforce a court order,
- (x) agree the approach to be taken in respect of a Mortgage Loan identified as a high vulnerability case by the Servicer,
- (y) agree the approach to be taken, including the decision to appoint any receiver, in respect of any let Property where the Mortgage Loan is in arrears and no instalment or arrangement payments are being made,
- (z) waive or settle, or agree to waive or settle, any claim against a valuer or solicitor or any other third party in respect of a Mortgage Loan, or
- (aa) issue a consent for the letting of a property (other than to a Borrower in respect of a Buy to Let Loan in accordance with the Collections Procedures),

"Retention Requirements" means the CRR Retention Requirements, the AIFMD Retention Requirements and the Solvency II Retention Requirements,

"Retiring Cash Manager" means the Cash Manager or any successor whose appointment is terminated pursuant to the Cash Management Agreement other than by termination at the Final Discharge Date,

"Revenue Collections" means all Revenue Receipts received by the Issuer,

"Revenue Ledger" means the ledger in the books of the Issuer so named,

"Revenue Reallocation Amount" means any of a Class A Revenue Reallocation Amount, Class B Revenue Reallocation Amount, Class C Revenue Reallocation Amount, Class D Revenue Reallocation Amount, Class E Revenue Reallocation Amount, Class Z1 Revenue Reallocation Amount, Class Z2 Revenue Reallocation Amount, Class Z3 Revenue Reallocation Amount or Class Z4 Revenue Reallocation Amount,

"Revenue Receipts" or **"Revenue Receivables"** means, in relation to a Calculation Period, the aggregate (without double counting) of

- (a) all amounts representing interest, fees and charges received or recovered in respect of the Mortgage Loans and their Related Security during such Calculation Period,
- (b) any Recoveries received during such Calculation Period other than such as are referred to under paragraph (b) of the definition of "Principal Receipts",
- (c) the net proceeds of disposal of any Mortgage Loan or the related Property (other than the Market Portfolio Purchase Price or Portfolio Option Consideration) or any amounts recovered from third parties received by the Issuer during such Calculation Period to the extent such proceeds are not attributable to principal,
- (d) all insurance related proceeds received or recovered during such Calculation Period in respect of the Mortgage Loans and their Related Security to which the Issuer is beneficially entitled to the extent applied towards sums of the type referred to in paragraph (a) or (b) above,
- (e) any sums received or recovered in connection with an Asset Warranty Claim during such Calculation Period,
- (f) any amounts representing income from Eligible Investments credited to the Transaction Account during the immediately preceding Calculation Period, and
- (g) any interest on the credit balance of the Collection Accounts from time to time and credited to the Collection Accounts during such Calculation Period,

"Revenue Shortfall" means, as at any Interest Payment Date, an amount equal to (a) minus (b) where

- (a) is the amount of the Available Revenue Funds calculated in respect of the related Calculation Period, but
 - (i) (for the purposes of calculating a Liquidity Reserve Drawing) without taking into account the amount of any Liquidity Reserve Drawing, General Reserve Drawing or Principal Reallocation Amount, to be recorded as a credit entry on the Revenue Ledger on such Interest Payment Date,
 - (ii) (for the purposes of calculating a General Reserve Drawing) taking into account any Liquidity Reserve Drawing but without taking into account the amount of any General Reserve Drawing or Principal Reallocation Amount

to be recorded as a credit entry on the Revenue Ledger on such Interest Payment Date,

- (iii) (for the purposes of calculating a Principal Reallocation Amount) taking into account the amount of any Liquidity Reserve Drawing and General Reserve Drawing but without taking into account the amount of any Principal Reallocation Amount to be recorded as a credit entry on the Revenue Ledger on such Interest Payment Date, and
- (b) is the aggregate of the amounts required by the Issuer to pay or to provide in full on such Interest Payment Date for the items falling in
 - (i) (for the purposes of calculating a Liquidity Reserve Drawing) items (a) to (d) of the Pre-Enforcement Revenue Payments Priorities and (y) prior to redemption in full of the Class A Notes, any Interest Amount due and payable in respect of the Class A Notes, or otherwise (z) any Interest Amount due and payable in respect of the Most Senior Class of Notes,
 - (ii) (for the purposes of calculating a General Reserve Drawing) items (a) to (n) of the Pre-Enforcement Revenue Payments Priorities, and
 - (iii) (for the purposes of calculating a Principal Reallocation Amount)
 - (I) prior to the redemption in full of the Class A Notes, (A) items (a) to (e) of the Pre-Enforcement Revenue Payments Priorities, and (B) item (g) of the Pre-Enforcement Revenue Payments Priorities, provided that, if the Class A Notes remain outstanding, item (g) of the Pre-Enforcement Revenue Payments Priorities shall only be taken into account for the purposes of calculating a Principal Reallocation Amount if the debit balance on the Class B Principal Deficiency Sub-Ledger is less than or equal to 80 per cent of the Principal Amount Outstanding of the Class B Notes on the relevant Interest Payment Date,
 - (II) following the redemption in full of the Class A Notes, items (a) to (d) of the Pre-Enforcement Revenue Payments Priorities and any Interest Amount due and payable in respect of the Most Senior Class of Notes,

provided that no Revenue Shortfall will arise if the amount of (a) minus (b) is equal to or greater than zero, in which case (i) a Liquidity Reserve Drawing or a General Reserve Drawing shall not be made and (ii) no Principal Reallocation Amount will be applied in accordance with the Pre-Enforcement Revenue Payments Priorities,

"Reverse Charge" means, in relation to the United Kingdom, the charge imposed by section 8(1) of VATA (or any equivalent provision applicable in any other jurisdiction),

"Rights" means, in relation to a Mortgage Loan, all right, title, interest, benefit and obligations of any Seller in and to the relevant Mortgage Loan and its Related Security held for the benefit of the Issuer pursuant to the Mortgage Sale Agreement,

"Rounded Arithmetic Mean" means the arithmetic mean (rounded, if necessary, to the nearest 0 0001 per cent, 0 00005 per cent being rounded upwards),

"S&P" means Standard & Poor's Credit Market Services Europe Limited,

"Scottish Declaration of Trust" means each declaration of trust made pursuant to the Mortgage Sale Agreement by means of which the Scottish Mortgage Loans (together with the Scottish Related Security) are held on trust by the Legal Title Holder for the Issuer, substantially in the form set out in Schedule 10 of the Mortgage Sale Agreement entitled "Form of Scottish Declaration of Trust",

"Scottish Mortgage" means a Standard Security over a Scottish Property securing a Scottish Mortgage Loan and all principal sums, interest, costs and other amounts secured or intended to be secured by that Standard Security,

"Scottish Mortgage Loan" means a Mortgage Loan secured by an Encumbrance over a Scottish Property,

"Scottish Property" means a Property located in Scotland,

"Scottish Related Security" means the Scottish Mortgages and their Related Security relating to Scottish Mortgage Loans,

"Scottish Sub-Security" means the Standard Security granted pursuant to the Security Deed, substantially in the form of Schedule 2 to the Security Deed,

"Scottish Supplemental Charge" means a supplemental Scots law assignation in security granted pursuant to the Security Deed, substantially in the form set out in Schedule 2A of the Security Deed,

"Scottish Transfer" means each SLR Transfer and each Sasine Transfer (as defined in the Mortgage Sale Agreement),

"Scottish Trust Property" has the meaning given to that term in each Scottish Declaration of Trust,

"Scottish Trust Security" means the assignation in security granted by the Issuer in favour of the Trustee in relation to the relevant Scottish Trust Property, under and pursuant to Clause 4.3.1 of the Security Deed,

"Screen" means, in relation to Sterling, the display as quoted on the Reuters page LIBOR01 and, in relation to euro, the display as quoted on the Reuters page EURIBOR01, or

- (a) such other page as may replace Reuters page LIBOR01 or, as the case may be, Reuters page EURIBOR01 on that service for the purpose of displaying such information, or
- (b) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Trustee) as may replace such screen,

"SEA Trust Property" means all amounts standing to the credit of the Servicer Expense Account from time to time,

"Secured Amounts" means the aggregate of all monies and Liabilities which from time to time are or may become due, owing or payable by the Issuer to each, some or any of the Secured Creditors under the Notes, the Subordinated Notes, the Certificates or the Transaction Documents,

"Secured Creditors" means (i) the Trustee in its own capacity and as trustee on behalf of those persons listed as entitled to payment in Clause 16 (*Post-Enforcement Payments Priorities*) of the Security Deed and (ii) each such person so listed,

"Securities Act" means the United States Securities Act of 1933, as amended,

"Security" means the security created in favour of the Trustee pursuant to the Security Deed,

"Security Deed" means the deed so named dated on or about the Closing Date between the Issuer, the Legal Title Holder and the Trustee (including any security documents supplemental thereto),

"Security Protection Notice" means a notice in, or substantially in, the form of Schedule 1 to the Security Deed,

"Seller Covenants" means the covenants of the Beneficial Title Seller set out in Schedule 5 (*Beneficial Title Seller Covenants*) to this Incorporated Terms Memorandum and the covenants of the Legal Title Holder set out in Schedule 6 (*Legal Title Holder Covenants*) to this Incorporated Terms Memorandum,

"Seller Group" means, in relation to a Seller, the holding company of such Seller and the subsidiaries of such holding company for the time being,

"Seller Solvency Certificate" means the Beneficial Title Seller Solvency Certificate and the Legal Title Holder Solvency Certificate,

"Seller Warranties" means the representations and warranties set out in Schedule 3 (*Beneficial Title Seller's and Legal Title Holder's Representations and Warranties*) to this Incorporated Terms Memorandum,

"Sellers" means the Beneficial Title Seller and the Legal Title Holder,

"Semi-Commercial" with respect to a property means a property which is used for predominantly residential, but also for commercial purposes, and with respect to a mortgage loan means a mortgage loan which is secured by a Mortgage over such a property,

"Senior Revenue Shortfall" means a Revenue Shortfall for the purposes of calculating a Liquidity Reserve Drawing or a Principal Reallocation Amount,

"Servicer" means Mars Capital Finance Limited in its capacity as servicer in accordance with the terms of the Servicing Agreement or any replacement servicer,

"Servicer Covenant" means a covenant of the Servicer contained in Clause 13 (*Covenants of the Servicer*) of the Servicing Agreement and **"Servicer Covenants"** means all of those covenants,

"Servicer Daily Report" means a report in the form set out in Schedule 1 (*Servicer Daily Report*) of the Servicing Agreement (or in such other form as may be agreed between the parties to the Servicing Agreement),

"Servicer Expense Account" means the account so named and specified in the Account Details and which is held in the name of the Legal Title Holder at the Collection Account Bank,

"Servicer Expense Required Amount" means an amount equal to £50,000,

"Servicer Fees" means the fees, costs and expenses due and payable by the Issuer to the Servicer in accordance with the Servicing Agreement,

"Servicer Group" means the Servicer and its subsidiaries for the time being,

"Servicer Liabilities" means any and all of

- (a) amounts due to the Servicer in connection with the enforcement of any Mortgage Loan and/or the protection or enforcement of the Trustee's rights and remedies in relation to such enforcement in the immediately preceding Calculation Period, and
- (b) any other Liabilities properly and reasonably incurred by or on behalf of the Servicer in connection with the performance of the Servicer's functions under the Servicing Agreement (including without limitation, any costs, expenses and charges payable by the Issuer to the Servicer in accordance with the Servicing Agreement but excluding any amounts already paid to the Servicer from the Servicer Expense Account in satisfaction of such costs, expenses and charges),

"Servicer Monthly Report" means a report in the form set out in Schedule 2 (*Servicer Monthly Report*) of the Servicing Agreement (or in such other form as may be agreed between the parties to the Servicing Agreement),

"Servicer Monthly Reporting Date" means the sixth Business Day of each calendar month,

"Servicer Quarterly Report" means a report in the form set out in Schedule 3 (*Servicer Quarterly Report*) of the Servicing Agreement (or in such other form as may be agreed between the parties to the Servicing Agreement),

"Servicer Quarterly Reporting Date" means, in relation to each Calculation Period, the Business Day falling seven Business Days prior to the related Interest Payment Date,

"Servicer Records" means the original and/or any copies of all documents and records, in whatever form or medium, relating to the Services including all computer tapes, files and discs relating to the Services,

"Servicer Reports" means the Servicer Daily Report, Servicer Monthly Report, Servicer Quarterly Report, the bank reconciliations of the Collection Accounts with Collections (in the form set out in Schedule 4 (*Bank Reconciliations of the Collections Account with Collections Report*) of the Servicing Agreement), the daily electronic data feed referred to in Clause 10.3.3(v) (*Servicer Reports*) of the Servicing Agreement and the monthly data tape referred to in Clause 10.3.4 (*Servicer Reports*) of the Servicing Agreement, or such other reports which are provided by the Back-Up Servicer upon its appointment as Servicer,

"Servicer Termination Date" means the date specified in a Servicer Termination Notice or in a notice delivered pursuant to Clause 23.1 (*Servicer Termination Events*) of the Servicing Agreement or determined in accordance with Clause 23.3 (*Termination*) of the Servicing Agreement,

"Servicer Termination Event" means any of the events specified in Clause 23.1 (*Servicer Termination Events*) of the Servicing Agreement,

"Servicer Termination Notice" means a notice to the Servicer from the Issuer or the Trustee delivered in accordance with the terms of Clause 23.3 (*Termination*) of the Servicing Agreement,

"Servicer Warranties" means the representations and warranties given by the Servicer in Clause 22.1 (*Representations and Warranties of the Servicer*) of the Servicing Agreement and **"Servicer Warranty"** means any of them,

"Services" means the services to be provided by the Servicer as set out in Clause 4.2 (*Services*) of the Servicing Agreement,

"Servicing Agreement" means the agreement so named dated on or about the Closing Date between the Issuer, the Servicer, the Legal Title Holder and the Trustee,

"Share Trust Deed" means the deed so named dated 28 July 2015 and executed by the Share Trustee, as amended and/or restated from time to time,

"Share Trustee" means SFM Corporate Services Limited as share trustee of one share in the Issuer or the trustee or trustees for the time being of the Share Trust Deed,

"Shortfall Account" means a Mortgage Loan which the Beneficial Title Seller can, following completion of any Enforcement Procedures in relation to such Mortgage Loan, elect to repurchase from the Issuer as set out in the Mortgage Sale Agreement,

"Signing and Closing Memorandum" means the memorandum so named signed for the purpose of identification by each of the Issuer, the Beneficial Title Seller, the Legal Title Holder, the Trustee, the Joint Lead Managers on or before the Signing Date to confirm their agreement with its terms,

"Signing Date" means on or about 18 August 2015,

"Signing Transaction Documents" means the Prospectus and the Placement Agreement,

"Solicitor" means a person who is qualified to act as a solicitor by Section 1 of the Solicitors Act 1974 (or any equivalent legislation under other jurisdictions),

"Solvency Certificates", as the context may require, means in relation to

- (a) the Issuer, a certificate so named and dated on or about the Closing Date,
- (b) the Legal Title Holder, a certificate so named and dated on or about the Closing Date, and
- (c) the Beneficial Title Seller, a certificate so named and dated on or about the Closing Date,

"Solvency II Regulation" means Delegated Regulation (EU) 2015/35, referred to as the Solvency II Regulation (as amended from time to time),

"Solvency II Retention Requirements" means the requirements in Article 254 of the Solvency II Regulation, provided that any reference to the Solvency II Retention Requirements shall be deemed to include any successor or replacement provisions of Article 254 included in any European Union directive or regulation,

"Specified Office" means, in relation to any Agent

- (a) the office specified against its name in the Notices Details, or
- (b) such other office as such Agent may specify in accordance with Clause 14.8 (*Changes in Specified Offices*) of the Agency Agreement,

"Specified Party" means any of the Servicer, the Back-Up Servicer, the Cash Manager, the Legal Title Holder, the Corporate Services Provider, the Agents, the Collection Account Bank, the Transaction Account Bank, and the Share Trustee,

"SPV Criteria" means the criteria established from time to time by the Rating Agencies for a single purpose company in the Issuer Jurisdiction,

"Standard Documentation" means the documentation included in Annexure 1 (*Standard Documentation*) of the Mortgage Sale Agreement which have been used by the relevant Originator from time to time in connection with its activities as lender and on which each Mortgage Loan and its Related Security comprised in the Mortgage Portfolio has been granted or is outstanding,

"Standard Security" means a heritable security created by a standard security over any interest in land in Scotland in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970,

"Step-Up Margin" means

- (a) in respect of the Class A Notes, 2 1000 per cent per annum,
- (b) in respect of the Class B Notes, 2 4500 per cent per annum,
- (c) in respect of the Class C Notes, 2 9750 per cent per annum,
- (d) in respect of the Class D Notes, 3 9375 per cent per annum, and
- (e) in respect of the Class E Notes, 5 1625 per cent per annum,

"Sterling" and **"£"** denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland,

"Sterling Reference Rate" means, on any Interest Determination Date falling more than two Business Days prior to the Redenomination Date, the rate determined by the Agent Bank by reference to the Sterling Screen Rate on such date or if, on such date, the Sterling Screen Rate is unavailable

- (a) the Rounded Arithmetic Mean of the offered quotations as at or about 11 00 a m (London time) on that date of the Reference Banks to major banks for Sterling deposits for the Relevant Period in the London interbank market in the Representative Amount determined by the Agent Bank after request of the principal London office of each of the Reference Banks,
- (b) if, on such date, two or three only of the Reference Banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those Reference Banks providing such quotations, or
- (c) if, on such date, one only or none of the Reference Banks provide such a quotation, the Sterling Reserve Reference Rate,

"Sterling Reserve Reference Rate" means, on any Interest Determination Date falling more than two Business Days prior to the Redenomination Date

- (a) the Rounded Arithmetic Mean of the rates at which deposits in Sterling are offered in the London interbank market at approximately 11 00 a m (London time) on the Interest Determination Date by the principal London office of each of four major

banks selected by the Agent Bank in consultation with the Issuer for Sterling loans for the Relevant Period in the Representative Amount to major European banks, or

- (b) if the Agent Bank certifies that it cannot determine such Rounded Arithmetic Mean as aforesaid, the Sterling Reference Rate in effect for the Interest Period ending on the Business Day immediately preceding the related Interest Determination Date,

"Sterling Screen Rate" means

- (a) in relation to the first Interest Determination Date, the linear interpolation (by reference to the first Interest Period) of the offered quotation for Sterling deposits for a period of three months and for a period of six months, and
- (b) for any other Interest Determination Dates, the offered quotations for Sterling deposits for the Relevant Period,

in each case, which appears on the Screen as at or about 11 00 a m (London time) on that date,

"Stock Exchange" means The Irish Stock Exchange p l c ,

"Subordinated Note Conditions" means the terms and conditions to be endorsed on the Subordinated Notes in, or substantially in, the form set out in Schedule 5A of the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Subordinated Note Condition shall be construed accordingly,

"Subordinated Noteholders" means the Class Z1 Noteholders, the Class Z2 Noteholders, the Class Z3 Noteholders and the Class Z4 Noteholders,

"Subordinated Notes" means the Class Z1 Notes, the Class Z2 Notes, the Class Z3 Notes and the Class Z4 Notes,

"Subordinated Note Principal Payment" means, on any Interest Payment Date

- (a) in the case of each Class Z1 Note, an amount equal to the lesser of (y) the amount by which Available Principal Funds exceed the amounts required to satisfy items (a) to (g) of the Pre-Enforcement Principal Payments Priorities and (z) the Principal Amount Outstanding of the Class Z1 Notes on that Interest Payment Date, multiplied by a fraction whose numerator is an amount equal to the Principal Amount Outstanding under that Class Z1 Note and whose denominator is the aggregate Principal Amount Outstanding under all Class Z1 Notes, rounded down to the nearest multiple of the Minimum Amount,
- (b) in the case of each Class Z2 Note, an amount equal to the lesser of (y) the amount by which Available Principal Funds exceed the amounts required to satisfy items (a) to (h) of the Pre-Enforcement Principal Payments Priorities and (z) the Principal Amount Outstanding of the Class Z2 Notes on that Interest Payment Date, multiplied by a fraction whose numerator is an amount equal to the Principal Amount Outstanding under that Class Z2 Note and whose denominator is the aggregate Principal Amount Outstanding under all Class Z2 Notes, rounded down to the nearest multiple of the Minimum Amount,
- (c) in the case of each Class Z3 Note, an amount equal to the lesser of (y) the amount by which Available Principal Funds exceed the amounts required to satisfy items (a) to (i) of the Pre-Enforcement Principal Payments Priorities and (z) the Principal

Amount Outstanding of the Class Z3 Notes on that Interest Payment Date, multiplied by a fraction whose numerator is an amount equal to the Principal Amount Outstanding under that Class Z3 Note and whose denominator is the aggregate Principal Amount Outstanding under all Class Z3 Notes, rounded down to the nearest multiple of the Minimum Amount, and

- (d) in the case of each Class Z4 Note, an amount equal to the lesser of (y) the amount by which Available Principal Funds exceed the amounts required to satisfy items (a) to (j) of the Pre-Enforcement Principal Payments Priorities and (z) the Principal Amount Outstanding of the Class Z4 Notes on that Interest Payment Date, multiplied by a fraction whose numerator is an amount equal to the Principal Amount Outstanding under that Class Z4 Note and whose denominator is the aggregate Principal Amount Outstanding under all Class Z4 Notes, rounded down to the nearest multiple of the Minimum Amount,

"Sub contractor" means any sub contractor, sub agent, delegate or representative,

"Substituted Obligor" means a single purpose company incorporated in any jurisdiction that meets the SPV Criteria,

"Successor Cash Manager" means an entity identified in accordance with Clause 20 (*Identification of Successor Cash Manager*) of the Cash Management Agreement and appointed in accordance with Clause 21 (*Appointment of Successor Cash Manager*) of the Cash Management Agreement to perform the CM Services,

"Successor Servicer" means an entity identified and appointed in accordance with Clause 23 (*Termination Events Remedies*) of the Servicing Agreement to perform the Services in place of the Servicer,

"Successor Trustee" means an entity appointed in accordance with Clause 31 (*Notice of a New Trustee*) of the Trust Deed to act as successor trustee under the Trust Deed,

"Systems" means any computer hardware or software or related IP Rights,

"TARGET2 Settlement Day" means any day on which the TARGET2 system is open for the settlement of payments in euro,

"TARGET2 system" means the Trans European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007,

"Tax" shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed or levied by or on behalf of (or pursuant to any agreement with) any Tax Authority and **"Taxes"**, **"taxation"**, **"taxable"** and comparable expressions shall be construed accordingly,

"Tax Authority" means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function (including, without limitation, Her Majesty's Revenue and Customs),

"Tax Credit" means any credit received by a Transaction Party from a Tax Authority in respect of any Tax paid by such Transaction Party,

"Tax Deduction" means any deduction or withholding on account of Tax,

"Tax Payment" means any payment for or on account of Tax,

"TCF" means the FCA's treating customers fairly initiative,

"Temporary Global Notes" means the Class A Temporary Global Note, the Class B Temporary Global Note, the Class C Temporary Global Note, the Class D Temporary Global Note and the Class E Temporary Global Note,

"Third Party Expenses" means any amounts due and payable by the Issuer to third parties (not being Secured Creditors) including any Liabilities payable in connection with

- (a) the purchase by the Issuer of the Mortgage Loans,
- (b) any filing or registration of any Transaction Documents,
- (c) any provision for and payment of the Issuer's liability to any Tax Authority for any Tax (to the extent that such Liability or potential Liability cannot be paid out of the amounts credited to the Issuer Profit Ledger),
- (d) any Requirement of Law or any Regulatory Direction,
- (e) any legal or audit or other professional advisory fees (including Rating Agency fees),
- (f) any directors' fees or emoluments,
- (g) any advertising, publication, communication and printing expenses including postage, telephone and telex charges,
- (h) the admission of the Notes to the Official List or to trading on the Regulated Market of the Stock Exchange, and
- (i) any other amounts then due and payable to third parties and incurred without breach by the Issuer of the provisions of the Transaction Documents,

"Title Deeds" means, in relation to a Mortgage Loan, the agreement or agreements for such Mortgage Loan, the deed constituting the relevant Mortgage and the documents of title to the relevant Property and to the relevant Related Security,

"Title Insurance Policies" means any title insurance policies provided by a reputable insurer to the Legal Title Holder in respect of the Mortgage Loans, or any replacement policies providing equivalent cover with a reputable insurer,

"Transaction" means each of the transactions in the series of transactions contemplated by the Transaction Documents,

"Transaction Account" means the sterling account so named specified in the Account Details or such other account or accounts as may, with the prior written consent of the Trustee, be designated by the Issuer as such account,

"Transaction Account Agreement" means the agreement so named dated on or about the Closing Date between the Issuer, the Cash Manager, the Transaction Account Bank and the Trustee,

"Transaction Account Bank" means Citibank, N A , London Branch in its capacity as account bank in accordance with the terms of the Transaction Account Agreement,

"Transaction Account Bank Fees" means the fees, costs and expenses of the Transaction Account Bank for the operation of the Transaction Account as determined in accordance with the Transaction Account Agreement,

"Transaction Account Bank Liabilities" means any Liabilities due and payable to the Transaction Account Bank in accordance with the terms of the Transaction Account Agreement,

"Transaction Account Mandate" means the resolutions, instructions and signature authorities relating to the Transaction Account in the form of the document set out in Schedule 3 to the Transaction Account Agreement,

"Transaction Documents" means the Signing Transaction Documents, the Closing Transaction Documents and any document designated as such by the Issuer and the Trustee,

"Transaction Party" means any person who is a party to a Transaction Document and **"Transaction Parties"** means some or all of them,

"Transaction Personal Data" means data which relates to a living Borrower or any other living individual who can be identified

- (a) from such data, or
- (b) from such data and other information which is in the possession of, or is likely to be in the possession of, the Data Controller,

and where such data are subject to processing (as defined by the DPA) in connection with any Transaction, including data in connection with the administration of any Mortgage Loan,

"Treaty" means the Treaty on the Functioning of the European Union,

"Trust Corporation" means a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation,

"Trust Deed" means the deed so named dated on or about the Closing Date between the Issuer and the Trustee,

"Trust Documents" means the Trust Deed and the Security Deed and (unless the context requires otherwise) includes any deed or other document executed in accordance with or pursuant to the provisions of the Trust Deed or (as applicable) the Security Deed and expressed to be supplemental to the Trust Deed or the Security Deed (as applicable),

"Trust Proceeds" means all recoveries, receipts and benefits received by the Trustee by virtue of the Trust Property save for monies or other assets which it is entitled to retain for its own account or which are earmarked for receipt by a third party other than as part of the Trust Property,

"Trust Property" means the Covenant to Pay, the Issuer Covenants, the Seller Covenants, the Issuer Warranties, the Seller Warranties, the Security, all proceeds of the Security and any other rights conferred on the Trustee on behalf of the Secured Creditors under the Transaction Documents,

"Trustee" means Citicorp Trustee Company Limited in its capacity as trustee under the Trust Deed,

"Trustee Acts" means both the Trustee Act 1925 and the Trustee Act 2000 of England and Wales,

"Trustee Fees" means the fees payable by the Issuer to the Trustee, together with interest payable thereon in accordance with the terms of the Trust Deed,

"Trustee Liabilities" means any Liabilities due and payable by the Issuer to the Trustee in accordance with the terms of the Trust Deed together with interest payable thereon in accordance with the terms of the Trust Deed,

"TUPE" means Transfer of Undertakings (Protection of Employment) Regulations 2006,

"U S Anti-Corruption Laws" means, in relation to a party, all laws, rules and regulations from time to time in the United States, as amended, concerning or relating to bribery or corruption, including but not limited to the U S Foreign Corrupt Practices Act of 1977 and all other anti-bribery and corruption laws applicable under the laws of the United States,

"U.S Money Laundering Laws" means, in relation to a party, all applicable financial record keeping and reporting requirements and money laundering statutes in the United States, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any agency of the US government,

"U S Sanctions" means any sanctions administered by the Office of Foreign Assets Control of the U S Department of Treasury, the U S State Department or any other agency of the U S government,

"UCTA" means the Unfair Contract Terms Act 1977,

"UK VAT Group" means a group for the purposes of the UK VAT Grouping Legislation,

"UK VAT Grouping Legislation" means (a) sections 43 to 43D (inclusive) of VATA and (b) the Value Added Tax (Groups eligibility) Order 2004 (SI 2004/1931),

"UNCITRAL Regulations" means the Cross-Border Insolvency Regulations 2006, SI2006/1030,

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

"Variable Rate Loan" means a Mortgage Loan to the extent that and for such period that it is subject to a rate of interest which may at any time be varied in accordance with the Mortgage Conditions,

"VAT" means

- (a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the United Kingdom, value added tax imposed by VATA and legislation and regulations supplemental thereto), and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in (a) above, or elsewhere,

"VATA" means the Value Added Tax Act 1994,

"Voter" means, in relation to any Meeting, the bearer of a Voting Certificate, a Proxy or the bearer of a Definitive Note, Subordinated Note or Certificate who produces such Definitive Note, Subordinated Note or Certificate at such Meeting or an agent (as that term is defined in Schedule 7A or Schedule 8 of the Trust Deed (as applicable)),

"Voting Certificate" means, in relation to any Meeting of Noteholders, a certificate in the English language issued by a Paying Agent and dated in which it is stated

- (a) that the Deposited Notes will not be released until the earlier of
 - (i) the conclusion of the Meeting, and
 - (ii) the surrender of such certificate to such Paying Agent, and
- (b) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Deposited Notes,

"Whole Beneficial Title" means the beneficial title to and the beneficial interest in all the Portfolio Option Loans,

"Whole Legal Title" means the legal title to all the Portfolio Option Loans to be transferred by the Issuer or the holder of the legal title to the Portfolio Option Holder or a party nominated by the Portfolio Option Holder and who in each case serves all relevant notices in order to effectively vest legal title in the Portfolio Option Loans and the Related Security in the said nominee,

"Written Resolution" means

- (a) in the case of a Class of Notes, a resolution in writing signed by or on behalf of holders of not less than 75 per cent of the Principal Amount Outstanding of the relevant Class of Notes for the time being outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for Meetings of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes of such Class,
- (b) in the case of a Class of Subordinated Notes, a resolution in writing signed by or on behalf of holders of not less than 75 per cent of the Principal Amount Outstanding of the relevant Class of Subordinated Notes for the time being outstanding, who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for the Meetings of Subordinated Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Subordinated Notes of such Class, or
- (c) in the case of the Certificates, a resolution in writing signed by or on behalf of all holders of the Certificates for the time being outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for Meetings of Certificateholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Certificates,

"24 hours" means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where any Meeting is to be held and in each of the

places where the Paying Agents have their Specified Offices (disregarding for this purpose the day upon which such Meeting is to be held), and

"48 hours" means two consecutive periods of 24 hours

2 Principles of Interpretation and Construction

2.1 Interpretation

Any reference in the Transaction Documents to

a document being in an **"agreed form"** means that the form of the document in question has been agreed between the proposed parties thereto,

a **"Class"** shall be a reference to

- (a) in relation to the Notes, a class of the Notes being the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, and
- (b) in relation to the Subordinated Notes, a class of the Subordinated Notes being the Class Z1 Notes, the Class Z2 Notes, the Class Z3 Notes or the Class Z4 Notes,

and **"Classes"** shall be construed accordingly,

"continuing", in respect of an Event of Default, shall be construed as a reference to an Event of Default which has not been waived in writing in accordance with the terms of the relevant Conditions or, as the case may be, the relevant Transaction Document or which has not been remedied,

"Euroclear" and/or **"Clearstream, Luxembourg"** shall, wherever the context so admits, be deemed to include reference to any additional or alternative clearing system approved by the Issuer and the Trustee in relation to the Notes, the Subordinated Notes and the Certificates,

"holder" means, in relation to a Note, the bearer of that Note and, in relation to a Subordinated Noteholder or a Certificate, the person whose name appears in the Register as the holder of that Subordinated Note or that Certificate and the words **"holders"** and related expressions shall (where appropriate) be construed accordingly,

"including" shall be construed as a reference to **"including without limitation"**, so that any list of items or matters appearing after the word **"including"** shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word **"including"**,

"indebtedness" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent,

a **"law"** shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court,

a **"month"** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month except that

- (a) if any such numerically corresponding day is not a Business Day, such period shall end on the immediately succeeding Business Day to occur in that next succeeding calendar month or, if none, it shall end on the immediately preceding Business Day, and
- (b) if there is no numerically corresponding day in that next succeeding calendar month, that period shall end on the last Business Day in that next succeeding calendar month,

and references to "**months**" shall be construed accordingly,

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing,

"**principal**" shall, where applicable, include premium,

"**reasonable**" or "**reasonably**" and similar expressions when used in any of the Transaction Documents relating to the Trustee and any exercise of power, opinion, determination or other similar matter shall be construed as meaning reasonable or reasonably (as the case may be) having regard to, and taking into account the interests of the Noteholders, Subordinated Noteholders and Certificateholders only (as the case may be), and "**acting reasonably**" means, in relation to the Trustee, if acting reasonably in the interests of the Noteholders, the Subordinated Noteholders and the Certificateholders (as the case may be),

"**repay**", "**redeem**" and "**pay**" shall each include both of the others and "**repaid**", "**repayable**" and "**repayment**", "**redeemed**", "**redeemable**" and "**redemption**" and "**paid**", "**payable**" and "**payment**" shall be construed accordingly,

"**set-off**" includes equivalent or analogous rights under jurisdictions other than England and Wales,

a "**subsidiary**" of a company or corporation shall be construed as a reference to any company or corporation

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation,
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation, or
- (c) which is a subsidiary of another subsidiary of the first mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body,

a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred,

a reference to any person defined as a **"Transaction Party"** in this Agreement or in any Transaction Document or in the Conditions shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests, and

a **"wholly owned subsidiary"** of a company or corporation shall be construed as a reference to any company or corporation which has no other members except that other company or corporation and that other company's or corporation's wholly owned subsidiaries or persons acting on behalf of that other company or corporation or its wholly owned subsidiaries

2.2 Currency symbols

"£" and **"Sterling"** denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland

2.3 Transaction Documents and other agreements

Any reference to the Incorporated Terms Memorandum, any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to this Incorporated Terms Memorandum, such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated, supplemented or replaced

2.4 Statutes and treaties

Any reference to a statute or treaty shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted

2.5 Time

Any reference in any Transaction Document to a time of day shall, unless a contrary indication appears, be a reference to London time

2.6 Schedules

Any Schedule or Appendix to a Transaction Document forms part of such Transaction Document and shall have the same force and effect as if the provisions of such Schedule or Appendix were set out in the body of such Transaction Document Any reference to a Transaction Document shall include any such Schedule or Appendix

2.7 Headings

Section, Part, Schedule, Paragraph and Clause headings are for ease of reference only

2.8 Sections

Except as otherwise specified in a Transaction Document, reference in a Transaction Document to

2.8.1 a **"Section"** shall be construed as a reference to a Section of such Transaction Document,

2.8.2 a **"Part"** shall be construed as a reference to a Part of such Transaction Document,

2.8.3 a **"Party"** means a party to that Transaction Document,

- 2 8 4 a "**Schedule**" shall be construed as a reference to a Schedule of such Transaction Document,
- 2 8 5 a "**Clause**" shall be construed as a reference to a Clause of a Part or Section (as applicable) of such Transaction Document,
- 2 8 6 a "**Paragraph**" shall be construed as a reference to a Paragraph of a Schedule of such Transaction Document, and
- 2 8 7 "**this Agreement**" shall be construed as a reference to such Transaction Document together with any Schedules thereto

2.9 Number

In any Transaction Document, save where the context otherwise requires, words importing the singular number include the plural and vice versa

2 10 Time of the essence

Any date or period specified in any Transaction Document may be postponed or extended by mutual agreement between the parties, but as regards any date or period originally fixed or so postponed or extended, time shall be of the essence

2.11 Scottish assets

In respect of assets, rights and interests governed by Scots law, references in the Transaction Documents to (i) "**beneficial title**" shall be construed as references to the beneficial interest therein pursuant to a declaration of trust, (ii) "**beneficially owned**" shall be construed as references to holding the beneficial interest therein pursuant to a declaration of trust, (iii) "**beneficial owner**" shall be construed as the holder of the beneficial interest therein pursuant to a declaration of trust, (iv) "**legal interest**" shall be construed as references to the whole right and title of the proprietor, heritable creditor or creditor thereof, other than the beneficial interest and (v) "**legal owner**" shall be construed as "owner"