



Registration of a Charge

Company name: **CHESTNUT II MORTGAGE FINANCING PLC**

Company number: **10925853**



X6DVQJ4R

Received for Electronic Filing: **30/08/2017**

Details of Charge

Date of creation: **25/08/2017**

Charge code: **1092 5853 0001**

Persons entitled: **U.S. BANK TRUSTEES LIMITED**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10925853

Charge code: 1092 5853 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th August 2017 and created by CHESTNUT II MORTGAGE FINANCING PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th August 2017 .

Given at Companies House, Cardiff on 1st September 2017

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

ISSUER DEED OF CHARGE

25 AUGUST 2017

CHESTNUT II MORTGAGE FINANCING PLC
as Issuer

EFG PRIVATE BANK LIMITED
as Originator, Originator Trustee and EFGPB Account Bank

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

ELAVON FINANCIAL SERVICES D.A.C., UK BRANCH
as Cash Manager, Transaction Account Bank, Agent Bank and Note Registrar

INTERTRUST MANAGEMENT LIMITED
as Corporate Services Provider

Morgan Lewis & Bockius UK LLP
Condor House
5-10 St Paul's Churchyard
London EC4M 8AL

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THIS ISSUER DEED OF CHARGE is made on 25 August 2017

BETWEEN:

- (1) **CHESTNUT II MORTGAGE FINANCING PLC** (registered number 10925853), a public limited company incorporated under the laws of England and Wales whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the **Issuer**);
- (2) **EFG PRIVATE BANK LIMITED** (registered number 02321802), a private limited company incorporated in England and Wales whose registered office is at Leconfield House, Curzon Street, London W1J 5JB (in its respective capacities as the **Originator** and the **Originator Trustee** and as the **EFGPB Account Bank**, which expression shall include such person and all other persons for the time being acting as the account bank pursuant to the EFGPB Bank Account Agreement);
- (3) **ELAVON FINANCIAL SERVICES D.A.C., UK BRANCH**, a designated activity company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at 2nd Floor, Block E, Cherrywood Science & Technology Park, Loughlinstown, Co. Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, under the name **U.S. Bank Global Corporate Trust Services** (in its respective capacities as the **Cash Manager**, the **Transaction Account Bank**, **Note Registrar**, and the **Agent Bank**, each of which expression shall include such person and all other persons for the time being acting as cash manager pursuant to the Cash Management Agreement, the account bank pursuant to the Transaction Account Agreement, and the note registrar or agent bank, as applicable, pursuant to the Agency Agreement),
- (4) **U.S. BANK TRUSTEES LIMITED** (registered number 02379632), a company incorporated with limited liability under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (acting in its capacities as the **Security Trustee**, which expression shall include such company and all other persons or companies for the time being acting as security trustee pursuant to the terms of this Deed and as the **Note Trustee**, for the Noteholders, which expression includes such company and all other persons or companies for the time being trustee or trustees pursuant to the Note Trust Deed); and
- (5) **INTERTRUST MANAGEMENT LIMITED** (registered number 03853947), a limited company incorporated under the laws of England and Wales whose registered office is at 35 Great St. Helen's, London EC3A 6AP (in its capacity as the **Corporate Services Provider**, which expression shall include such person and all other persons for the time being acting as the corporate services provider pursuant to the Corporate Services Agreement).

WHEREAS:

- (A) This Deed secures, *inter alia*, the Secured Obligations.
- (B) The Issuer will on or about the date of this Deed issue the Notes pursuant to the Note Trust Deed.
- (C) By the Originator Trust Deed, the Originator Trustee has agreed to hold on trust all its rights, title, benefit and interest in the Initial Portfolio, any Additional Portfolio and any Further Advances and Further Tranches thereon, and all amounts derived therefrom from time to time, for the benefit of the Issuer.
- (D) Pursuant to the terms of the Originator Trust Deed, the Originator has agreed to service the Portfolio.

- (E) By the Cash Management Agreement, the Cash Manager has agreed to act as cash manager and to provide certain administration and cash management services to the Issuer.
- (F) By the EFGPB Bank Account Agreement, the EFGPB Account Bank has agreed to provide certain bank account services to the Issuer in respect of the EFGPB Bank Account.
- (G) By the Transaction Account Agreement, the Transaction Account Bank has agreed to provide certain bank account services to the Issuer in respect of the Transaction Account.
- (H) By the Agency Agreement, the Agent Bank and the Note Registrar have agreed to provide certain agency services on behalf of the Issuer for the benefit of the Noteholders.
- (I) By the Corporate Services Agreement, the Corporate Services Provider has agreed to act as corporate services provider to the Issuer and Holdings.
- (J) By the terms of the Note Trust Deed, the Issuer has agreed to issue the Class A Notes and the Class Z VFN.
- (K) The Issuer has agreed to provide the Security Trustee with the benefit of the Issuer Security described in this Deed to secure the Secured Obligations. The Security Trustee shall hold the benefit of such Security on trust for itself and the other Secured Creditors on the terms set out in this Deed.

IT IS HEREBY AGREED as follows:

1. INTERPRETATION

1.1 Definitions

Words and expressions used in this Deed have the meanings given to them in Schedule 3 (*Definitions*) hereto.

1.2 Construction

In this Deed, except where the context otherwise requires:

- (a) The terms of the Note Trust Deed, the Master Definitions and Construction Schedule and of any other agreement in existence at the date hereof between the parties hereto in relation to any such documents are incorporated in this Deed to the extent required to ensure that any proposed disposition of the Charged Assets contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989 (the LP (MP) Act).
- (b) A reference in this Deed to any property, assets, undertakings or rights includes, unless the context otherwise requires, present and future property, assets, undertakings or rights.
- (c) **This Deed** means this Deed and all the Schedules hereto (as from time to time modified and/or supplemented in accordance with the provisions set out herein) and/or expressed to be supplemented hereto and each other document or deed entered into pursuant hereto (as from time to time modified and/or supplemented as aforesaid) and/or expressed to be supplemental hereto.

- (d) The term **full title guarantee** will be construed in accordance with the LP (MP) Act but so that the covenants implied by the LP (MP) Act in respect of the Issuer Security do not include:
 - (i) the words “other than any charges, encumbrances or rights which that person does not and could not reasonably be expected to know about” in section 3(1)(b) of the LP (MP) Act; and
 - (ii) section 6(2) of the LP (MP) Act.
- (e) The interpretation provisions of Clause 2 of the Master Definitions and Construction Schedule are expressly and specifically incorporated into the terms of this Deed and accordingly this Deed shall be construed in accordance with such interpretation provisions.

2. ISSUER’S COVENANT TO PAY

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

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

3. SECURITY AND DECLARATION OF TRUST

3.1 Contractual Rights

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to Clause 4 (*Release of Charged Assets*), hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than the Note Trust Deed and this Deed) to which it is a party (subject to any rights of set-off or netting provided for therein).

3.2 Trust Assets

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

3.3 Insurance Policies

The Issuer, by way of first fixed security for the payment and discharge of the Secured Obligations, (or as beneficial owner) and subject to Clause 4 (*Release of Charged Assets*),

hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Insurance Policies to the extent that such rights, title, interest and benefit in, to and under the Insurance Policies have been acquired by the Issuer pursuant to the Originator Trust Deed.

3.4 Accounts

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

3.5 Authorised Investments

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

3.6 Floating Charge

The Issuer, as security for the payment or discharge of the Secured Obligations, subject to Clause 4 (*Release of Charged Assets*), hereby charges to the Security Trustee by way of first floating charge, all of its assets (including, without limitation, its uncalled capital) other than any assets at any time otherwise effectively charged or assigned by way of fixed charge or assignment pursuant to Clauses 3.1 (*Contractual Rights*) to 3.5 (*Authorised Investments*) (inclusive). The floating charge created hereby is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 of the Insolvency Act 1986 and accordingly paragraph 14 of Schedule B1 of the Insolvency Act 1986 applies to the floating charge.

3.7 Full Title Guarantee

Each of the dispositions or assignments of or charges over property effected in or pursuant to Clauses 3.1 (*Contractual Rights*) to 3.6 (*Floating Charge*) (inclusive) is made with full title guarantee.

3.8 Further Acquired Rights

For the avoidance of doubt, it is hereby confirmed that reference herein to the Trust Assets and related rights under the same include those assets which are hereafter held on trust for or otherwise acquired by the Issuer and that the Issuer Security created by or pursuant to Clause 3.1 (*Contractual Rights*) to Clause 3.5 (*Authorised Investments*) (inclusive) are, and are intended to be, specific and fixed assignments by way of security of, or specific and fixed

charges over (as the case may be), the items to which they relate, both present and future acquired.

3.9 Notice and Acknowledgement

- (a) The execution of this Deed constitutes irrevocable notice in writing to each Secured Creditor of the assignment of all of the Issuer's rights, title, interest and benefit, present and future in, to and under the Transaction Documents charged under Clause 3.1 (*Contractual Rights*) (the **Charged Transaction Documents**) and the execution of this Deed by each of the Secured Creditors shall constitute an express acknowledgement by each of them of such conveyances, transfers, charges and assignments and other Security Interests made or granted by the foregoing provisions of this Clause 3 (*Security and Declaration of Trust*). The Issuer authorises and instructs each of the Secured Creditors, in relation to the Issuer's rights (but not its obligations) under the relevant Charged Transaction Document(s), to deal with the Security Trustee without reference to the Issuer.
- (b) Each Secured Creditor (other than the Security Trustee) acknowledges and consents to the assignment referred to in paragraph (a) above and confirms that:
 - (i) it will deal only with the Security Trustee in relation to the Issuer's rights (but not its obligations) under the Charged Transaction Document(s) without any reference to the Issuer; and
 - (ii) as of the date of this Deed it has not received from any other person notice of any assignment or charge of any Charged Transaction Document.
- (c) Each Secured Creditor (other than the Security Trustee) acknowledges the Issuer Security and covenants to the Security Trustee not to do anything inconsistent with the Issuer Security or knowingly to prejudice the Issuer Security or any of the Charged Assets (or the Security Trustee's interest in such property) provided that, subject to Clause 21 (*Exercise of Certain Rights*), this Deed does not limit the rights or obligations of any of the Secured Creditors exercisable or to be performed in accordance with and subject to the terms of any of the Transaction Documents.

3.10 Charged Transaction Documents

Subject to Clause 24.2 (*Delegation*), without prejudice to the rights of the Security Trustee after the Issuer Security created under or pursuant to this Deed has become enforceable, the Issuer hereby authorises the Security Trustee, prior to the Issuer Security created by or pursuant to this Deed becoming enforceable, to exercise, or refrain from exercising, all rights, powers, authorities, discretions and remedies of the Issuer under or in respect of the Transaction Documents referred to in Clause 3.1 (*Contractual Rights*) in such manner as the Security Trustee in its absolute discretion shall think fit subject to its being indemnified and/or secured and/or prefunded to its satisfaction. For the avoidance of doubt, the Security Trustee shall not be required to have regard to the interests of the Issuer in the exercise or non-exercise of any such rights, powers, authorities, discretions and remedies or to comply with any direction given by the Issuer in relation thereto nor shall the Security Trustee be obliged to exercise any such rights, powers, authorities, discretions and remedies prior to the Issuer Security becoming enforceable.

3.11 Notice of Transaction Documents

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

3.12 Payments to the Issuer

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

3.13 Declaration of Trust

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

3.14 General

- (a) All the security:
 - (i) is created in favour of the Security Trustee for itself and as trustee on behalf of the other Secured Creditors;
 - (ii) is created over the present and future assets of the Issuer;
 - (iii) is security for the payment or discharge of the Secured Obligations; and
 - (iv) is made with full title guarantee.
- (b) The term “all of its rights” as used in this Clause 3 includes, unless the context requires otherwise:
 - (i) the benefit of all covenants, undertakings, representations, warranties and indemnities;
 - (ii) all powers and remedies of enforcement and/or protection;
 - (iii) all rights to receive payment of all amounts assured or payable (or to become payable), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable; and
 - (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof, in each case, in respect of the relevant Charged Assets.

4. RELEASE OF CHARGED ASSETS

4.1 Prior to Payment or Discharge of Secured Obligations

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

4.2 On Payment or Discharge of Secured Obligations

On proof being given to the satisfaction of the Security Trustee as to the full, final, irrevocable and unconditional payment or discharge (or any combination of the foregoing) of all the Secured Obligations (subject to the effect of Clause 21.1 (*Limited Recourse*)), the Security Trustee, at the written request and cost of the Issuer, shall release, reassign or discharge from the Issuer Security the Charged Assets to, or to the order of, the Issuer.

4.3 On Disposal of Authorised Investments

Upon the Cash Manager, on behalf of the Issuer, making a disposal of an Authorised Investment charged pursuant to Clause 3.5 (*Authorised Investments*), the Security Trustee shall, at the sole cost and expense (on an indemnity basis) of the Issuer, but without being responsible for any loss, costs, claims or liabilities whatsoever occasioned and howsoever arising by so acting upon such request, release, reassign or discharge from the Encumbrances constituted by this Deed the relevant Authorised Investments, provided that the proceeds of such disposal are paid into an account charged pursuant to Clause 3.4 (*Accounts*) in accordance with Clause 6.4 (*Authorised Investments*) from which the monies to make such Authorised Investments were originally drawn, subject to and in accordance with the provisions of the Bank Account Agreements, the Cash Management Agreement and this Deed.

4.4 On Withdrawals from Issuer Bank Accounts

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

4.5 Re-acquisition of Trust Assets

In the event of any re-acquisition of the beneficial interest of the Issuer in some or all of the Loans and their Related Security in the Portfolio by the Originator (or, at the Originator's discretion, another entity within the EFG Group designated by the Originator) pursuant to and in accordance with the Originator Trust Deed, such Loans and their Related Security shall no longer form part of the Portfolio and shall be released from the Security Interests created over the Trust Assets under or pursuant to this Deed and the Security Trustee shall, if so requested in writing by the Issuer (at the sole cost and expense of the Issuer), release, reassign or discharge the Issuer's beneficial interest in the relevant Loans and their Related Security from the Security Interests created hereunder or pursuant to this Deed in respect thereof on or prior to the date of any such re-acquisition provided that the Issuer

shall have provided to the Security Trustee a certificate from two directors of the Issuer (or two Authorised Signatories of the Cash Manager on behalf of the Issuer) that such re-acquisition has been or shall be made in accordance with the terms of the Transaction Documents.

5. CONTINUANCE OF SECURITY

5.1 Continuing Security

The charges, assignments and other Security Interests contained in or granted pursuant to this Deed:

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

5.2 Acknowledgement

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

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

6.1 Following service of a Note Acceleration Notice

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

6.2 Pre-Enforcement Priority of Payments

Notwithstanding the security rights created by or pursuant to Clause 3 (*Security and Declaration of Trust*), but prior to the service of a Note Acceleration Notice, the Cash Manager, on behalf of the Issuer, shall withdraw, or shall instruct the Transaction Account Bank, or cause the Transaction Account Bank to be instructed, to withdraw (unless the intended recipient of the relevant payment agrees otherwise and subject to the terms of the Cash Management Agreement) monies from the Transaction Account on each Interest Payment Date (subject to Clause 6.3 (*Payments under Cash Management Agreement*) below) to be applied in accordance with the Pre-Enforcement Priority of Payments, as applicable, as set out in Schedule 2 of the Cash Management Agreement (but only to the extent that such withdrawal does not cause the Transaction Account to become overdrawn).

6.3 Payments under Cash Management Agreement

Notwithstanding the security rights created by or pursuant to Clause 3 (*Security and Declaration of Trust*), but prior to the service of a Note Acceleration Notice, the Cash Manager, on behalf of the Issuer, shall withdraw, or shall instruct the Transaction Account Bank, or cause the Transaction Account Bank to be instructed, to withdraw (unless the intended recipient of the relevant payment agrees otherwise and subject to the terms of the Cash Management Agreement) monies from the Transaction Account (but only to the extent that such withdrawal does not cause the Transaction Account to become overdrawn) for application on any Business Day in investing in Authorised Investments and making any payments due to be made subject to and in accordance with the Cash Management Agreement.

6.4 Authorised Investments

Notwithstanding the security rights created by or pursuant to Clause 3 (*Security and Declaration of Trust*) but prior to the service of a Note Acceleration Notice, Authorised Investments may on any Business Day be sold or redeemed or disposed of or realised and credited to the relevant Issuer Bank Account by the Cash Manager (as directed by the Issuer pursuant to the Cash Management Agreement), subject always to the other provisions hereof (including without limitation Clause 3.5 (*Authorised Investments*) and Clause 4.3 (*On Disposal of Authorised Investments*)).

6.5 Management and Application of Funds

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

- (a) all Revenue Receipts and all Principal Receipts;
- (b) the proceeds arising from the disposal of any Authorised Investments and any and all income or other distributions received by the Issuer in respect thereof or arising from the proceeds of any Authorised Investments;
- (c) any payments received from the Originator (or, at the Originator's discretion, another entity within the EFG Group designated by the Originator) in payment of any re-acquisition (or acquisition) price for the Issuer's beneficial interest in Loans and their Related Security; and
- (d) such other payments received by the Issuer as are, or ought in accordance with this Deed to be, comprised in the Charged Assets.

6.6 Enforcement When Not All Amounts Due and Payable

If the Security Trustee enforces the Issuer Security at a time when either no amounts or not all amounts owing in respect of the Secured Obligations have become due and payable, the Security Trustee (or a Receiver) may, for so long as no such amounts or not all such amounts have become due and payable, pay any monies received or recovered by the Security Trustee or the Receiver for the benefit of the Secured Creditors in respect of such Secured Obligations into, and retain such monies in, an interest bearing account to be held by it as security (a **retention account**) and applied by it in accordance with Clause 6.2 (*Pre-Enforcement Priority of Payments*) on any subsequent Interest Payment Dates or, following

the service of a Note Acceleration Notice, in accordance with Clause 7 (*Payments Out of the Issuer Bank Accounts Upon Acceleration*).

6.7 VAT

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

6.8 Obligations in relation to Charged Assets and Transaction Documents

Notwithstanding the security created under Clause 3 (*Security and Declaration of Trust*) to this Deed, the Issuer shall, subject to Clause 6.2 (*Pre-Enforcement Priority of Payments*) or as specifically provided otherwise in the Transaction Documents and prior to delivery of a Note Acceleration Notice, exercise its rights, powers and discretions and perform its obligations in relation to the Charged Assets and under the Transaction Documents in accordance with the provisions of the Transaction Documents.

7. PAYMENTS OUT OF THE ISSUER BANK ACCOUNTS UPON ACCELERATION

7.1 After a Note Acceleration Notice

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

- (a) except as set out in the Bank Account Agreements, no amount may be withdrawn from the Issuer Bank Accounts without the prior written consent of the Security Trustee; and
- (b) if not already crystallised, any charge created by Clause 3 (*Security and Declaration of Trust*), which is a floating charge, shall (so far as permitted by applicable law) crystallise upon service of a notice from the Security Trustee to the Issuer; and
- (c) the Issuer shall act as directed by the Security Trustee with respect to the exercise of its rights as beneficiary under the Originator Trust Deed.

7.2 Post-Enforcement Priority of Payments

Following the service of a Note Acceleration Notice (which has not been revoked) on the Issuer, the Security Trustee (or the Cash Manager on its behalf) or a Receiver will apply amounts received or recovered following the service of such Note Acceleration Notice (including, for the avoidance of doubt, on enforcement of the Issuer Security) other than any amounts standing to the credit of the Issuer Profit Ledger or any Issuer Profit Amount (which such amounts shall be used by the Issuer in or towards satisfaction any amounts due and payable by the Issuer to third parties (and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period) and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere)) and any amounts required to pay or discharge any liability of the Issuer for corporation tax on any income or chargeable gain of the Issuer (which such amounts shall be used for such purpose), in the following order of priority (in each case, only if and to the extent that

payments or provisions of a higher priority have been made in full) (the **Post-Enforcement Priority of Payments**, and together with the Pre-Enforcement Revenue Priority of Payments and the Pre- Enforcement Principal Priority of Payments, the **Priority of Payments**):

- (a) *first*, to pay (or provide for any amounts) in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee, Receiver and any Appointee under the provisions of the Note Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein; and
 - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee, any Receiver appointed by the Security Trustee and any Appointee under the provisions of this Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Agent Bank and the Note Registrar under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
 - (ii) any fees, costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement together with (if payable) VAT thereon as provided therein;
 - (iii) any fees, costs, charges, liabilities and expenses then due and payable to the EFGPB Account Bank under the provisions of the EFGPB Bank Account Agreement, together with (if payable) VAT thereon as provided therein;
 - (iv) any fees, costs, charges, liabilities and expenses then due and payable to the Cash Manager under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;
 - (v) any fees, costs, charges, liabilities and expenses then due and payable to the Transaction Account Bank under the provisions of the Transaction Account Agreement, together with VAT (if payable) thereon as provided therein; and
 - (vi) any amounts then due and payable by way of reimbursement to the Originator and Originator Trustee of reasonable legal expenses and costs (including any Irrecoverable VAT in respect thereof) incurred by the Originator and Originator Trustee as a result of legal proceedings participated in or joined by the Originator and Originator Trustee in accordance with the Originator Trust Deed which were reasonably necessary to protect, preserve and enforce the Originator's, Originator Trustee's or the Issuer's or the Security Trustee's title to or interest in any Loan or its Related Security subject to the Originator Trusts;

- (c) *third*, to pay, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any Servicing Fees then due and payable to the Originator appointed pursuant to the Originator Trust Deed, together with VAT (if payable) thereon as provided therein;
 - (ii) any fees, costs, charges, liabilities and expenses (other than Servicing Fees) then due and payable to any Replacement Servicer under the provisions of any Replacement Servicing Agreement, together with VAT (if payable) thereon as provided therein;
 - (iii) any fees, costs, charges, liabilities and expenses then due and payable or to become due and payable to any Servicing Delegate prior to the immediately succeeding Interest Period, together with VAT (if payable) thereon;
 - (iv) if and when appointed, any fees, costs, charges, liabilities and expenses then due and payable to any Portfolio Agent appointed pursuant to the Originator Trust Deed, together with (if payable) VAT thereon as provided therein;
- (d) *fourth*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof, any interest and principal due and payable on the Class A Notes, until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;
- (e) *fifth*, to pay according to the respective outstanding amounts thereof any interest and principal due and payable on the Class Z VFN until the Principal Amount Outstanding on the Class Z VFN has been reduced to zero;
- (f) *sixth*, to pay the Issuer the Issuer Profit Amount to be retained by the Issuer as profit in respect of the business of the Issuer; and
- (g) *seventh*, to pay any Deferred Consideration due and payable under the Originator Trust Deed to the Originator.

7.3 Subordination

- (a) Each of the Secured Creditors hereby agrees to be bound by the order of priority set out in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable). Without prejudice to Clause 21 (*Exercise of Certain Rights*), each of the Secured Creditors (other than the Security Trustee and Note Trustee) further agrees with each other party to this Deed that, notwithstanding any other provision contained herein or in any other Transaction Document:
 - (i) it will not demand or receive payment of any distribution in respect of, or on account of, any amounts payable by the Issuer or the Security Trustee (as applicable) to that Secured Creditor under the Transaction Documents, in cash or in kind, and will not apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method), unless all amounts then due and payable by the Issuer to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) have been paid in full; and

- (ii) without prejudice to the foregoing, whether in the liquidation of the Issuer or any other party to the Transaction Documents or otherwise, if any payment or distribution is received by a Secured Creditor in respect of any amount payable by the Issuer or the Security Trustee (as applicable) to that Secured Creditor under the relevant Transaction Document at a time when, by virtue of the provisions of the relevant Transaction Document and this Deed, no payment or distribution should have been made, the amount so received shall be held by the Secured Creditor upon trust for the Issuer or, as applicable, the Security Trustee and shall be paid over to the Issuer or, as applicable, the Security Trustee as soon as is reasonably practicable following the earlier of (i) receipt of written notice from the Issuer or, as applicable, the Security Trustee and (ii) actual knowledge of such Secured Creditor, in each case, that such payment or distribution should not have been made (whereupon the relevant payment or distribution shall be deemed not to have been made or received).
- (b) The Security Trustee shall not pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor under the relevant Transaction Documents, in cash or in kind, except as expressly provided for in the relevant Transaction Documents, unless and until all amounts then payable by the Security Trustee to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) have been paid in full based on the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor pursuant to and in accordance with the Transaction Documents. Subject to Clause 12 (*Protection of Security Trustee and Receiver*), the Security Trustee shall not be held liable for any incorrect payment, repayment or distribution if such payment, repayment or distribution is made in reliance upon the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor pursuant to and in accordance with the Transaction Documents.
- (c) Where amounts owing to a group of Secured Creditors under the relevant Transaction Document are expressed to be required to be made *pari passu* and *pro rata* among such group, the Security Trustee shall not pay or repay, or make any distribution in respect of, such amounts to any Secured Creditor of such group, in cash or in kind, except on a *pari passu* and *pro rata* basis among such group.
- (d) The perpetuity period for the trusts in this Clause 7.3 shall be 125 years.

8. CONFLICT

8.1 Noteholders and Secured Creditors

Subject to Clauses 8.2 (*Conflict between Noteholders*) and 8.3 (*Conflict between other Secured Creditors*) below, and except as otherwise expressly provided in this Deed, the Security Trustee shall have regard to the interests of only the Noteholders as regards the exercise and performance of all powers, rights, trusts, authorities, duties and discretions of the Security Trustee in respect of the Charged Assets, under this Deed or any other Transaction Document or the rights or benefits in respect of which are comprised in the Charged Assets (except where specifically provided otherwise), provided that in having regard to the interests of the Noteholders, the Security Trustee shall be entitled to rely solely on a written confirmation from the Note Trustee as to whether, in the opinion of the Note Trustee, any matter, action or omission is or is not in the interests of or is not prejudicial or materially

prejudicial to the interests of, the Noteholders. The Note Trustee shall have sole responsibility for resolving conflicts of interest as between Noteholders, subject to and in accordance with the provisions of the Note Trust Deed and the Conditions. So long as any of the Notes are outstanding, the Security Trustee shall not have regard to the interests of the other Secured Creditors subject to the provisions of Condition 12.5 and Clause 24.7 (*Modification to Transaction Documents*).

8.2 Conflict between Noteholders

Subject to Clause 8.1 (*Noteholders and Secured Creditors*) in connection with the exercise by it of any of its trusts, powers, authorities or discretions under the these presents or any other Transaction Document (including, without limitation, any modification, waiver, authorisation or determination), the Security Trustee shall have regard to the general interests of the Noteholders of each Class but shall not have regard to any interests arising from circumstances particular to individual Noteholders whatever their number and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any Tax or stamp duty consequences of any such exercise upon individual Noteholders, except to the extent already provided for in Condition 8 (*Taxation*) and/or in any undertaking or covenant given in addition thereto or in substitution therefor under the these presents.

8.3 Conflict between other Secured Creditors

Where the Security Trustee is required to have regard to the interests of the Secured Creditors when the Notes are no longer outstanding it shall have regard to their interests equally provided if (in the Security Trustee's sole opinion) there is or may be a conflict between the respective interests of the Secured Creditors, the Security Trustee will have regard to the interests of the Secured Creditor who ranks highest in the order of priority of payments set out in Clause 7.2 (*Post-Enforcement Priority of Payments*).

8.4 Acknowledgement

Each of the Secured Creditors (other than the Noteholders) hereby acknowledges and concurs with the provisions of Clauses 8.1 (*Noteholders and Secured Creditors*) and 8.2 (*Conflict between Noteholders*) and 8.3 (*Conflict between other Secured Creditors*) and each of them agrees that it shall have no claim against the Security Trustee as a result of the application thereof.

9. THE SECURITY TRUSTEE'S POWERS

9.1 Prior Notification

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

9.2 Enforceable

Without prejudice to the provisions of Clauses 9.5 (*Law of Property Act 1925*) and 10.1 (*Appointment*) (i) the Issuer Security created under this Deed shall become immediately enforceable and (ii) the power of sale and other powers conferred by Section 101 of the Law of Property Act 1925 (the 1925 Act) as varied or amended by this Deed, shall, in accordance with this Clause 9 be exercisable by the Security Trustee, in each case at any time following the service of a Note Acceleration Notice (which has not been withdrawn) or, if there are no Notes outstanding, following a default in payment of any other Secured Obligations on its due date. Without prejudice to the effectiveness of any service of the Note Acceleration Notice or the obligation to deliver the same in accordance with Condition 10 (*Events of Default*), the Security Trustee shall deliver a copy of any Note Acceleration Notice to each of the Secured Creditors.

9.3 Amounts Due

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

9.4 Power of Sale

Section 103 of the 1925 Act shall not apply in relation to any of the charges contained in this Deed and at any time after the service of a Note Acceleration Notice (which has not been withdrawn) the statutory power of sale (as extended by this Deed) and all other powers shall be immediately exercisable (without the restrictions contained in the 1925 Act).

9.5 Law of Property Act 1925

- (a) The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of Section 99 or 100 of the 1925 Act.
- (b) The provisions of the 1925 Act relating to the power of sale and the other powers conferred by Section 101(1) and (2) of the 1925 Act, are hereby extended in relation to the Issuer (as if such extensions were contained therein) to authorise the Security Trustee at its absolute discretion at any time following the service of a Note Acceleration Notice (which has not been withdrawn) and subject to the Security Trustee being satisfied as to the indemnification and/or security available to it in relation to the exercise of such powers:
 - (i) to make demand in the name of the Secured Creditors or in its own right for any monies and liabilities in respect of the Charged Assets;
 - (ii) to sell the Issuer's title to or interest in the Charged Assets, and to do so for any shares, debentures or other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by an Encumbrance or a guarantee, or for such other consideration

whatsoever as the Security Trustee may think fit, and also to grant any option to purchase, and to effect exchanges of, any of the Charged Assets;

- (iii) with a view to or in connection with the sale of the Charged Assets, to carry out any transaction, scheme or arrangement which the Security Trustee may, in its absolute discretion, consider appropriate;
- (iv) to insure the Charged Assets against such risks and for such amounts as the Security Trustee may decide; and
- (v) to do all or any of the things or exercise all or any of the powers which are mentioned or referred to in Clause 10.6 (*Powers*) as if each of them was expressly conferred on the Security Trustee by this Deed and which may not be included in paragraphs (i) to (iv) above.

9.6 Delegation to Receiver

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

9.7 Application to Court

The Security Trustee may at any time after the service of a Note Acceleration Notice (which has not been withdrawn) apply to the Court for an order that the powers and trusts of this Deed be exercised or carried into execution under the direction of the Court and for the appointment of a Receiver of the Charged Assets or any part thereof and for any other order in relation to the execution and administration of the powers and trusts hereof as the Security Trustee shall deem expedient, and it may assent to or approve any application to the Court made at the instance of any of the Noteholders and/or the Secured Creditors.

9.8 Authorised Investments

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

9.9 Deficiency or Additional Payment

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

10. RECEIVER

10.1 Appointment

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

10.2 Removal and Replacement

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

10.3 Extent of Appointment

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

10.4 Agent of the Issuer

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

10.5 Remuneration

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

payable hereunder by the Issuer alone. The amount of such remuneration shall be paid in accordance with the terms and conditions and in the manner agreed from time to time between the Receiver and the Security Trustee.

10.6 Powers

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

- (a) to take possession of, get in and collect the Charged Assets (or such part thereof in respect of which it may be appointed) or any part thereof including income whether accrued before or after the date of his appointment;
- (b) to carry on, manage, concur in or authorise the management of, or appoint a manager of, the whole or any part of the business of the Issuer;
- (c) to sell, exchange, license, surrender, release, disclaim, abandon, return or otherwise dispose of or in any way whatsoever deal with the Charged Assets or any interest in the Charged Assets or any part thereof for such consideration (if any) and upon such terms (including by deferred payment or payment by instalments) as it may think fit and to concur in any such transaction;
- (d) to sell or concur in selling the whole or any part of the Issuer's business whether as a going concern or otherwise;
- (e) to appoint, engage, dismiss or vary the terms of employment of any employees, officers, managers, agents and advisers of the Issuer upon such terms as to remuneration and otherwise and for such periods as he may determine;
- (f) to insure, protect, maintain, repair, alter, improve, replace, exploit, add to and develop or concur in so doing, the Charged Assets or any part thereof in any manner and for any purpose whatsoever;
- (g) in connection with the exercise or the proposed exercise of any of its powers or in order to obtain payment of its remuneration (whether or not it is already payable), to borrow or raise money from any person without security or on the security of any of the Charged Assets and generally in such manner and on such terms as it may think fit;
- (h) to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims, disputes and proceedings concerning the Charged Assets or any part thereof;
- (i) to transfer all or any of the Charged Assets and/or any of the liabilities of the Issuer to any other company or body corporate, whether or not formed or acquired for the purpose and to form a subsidiary or subsidiaries of the Issuer;
- (j) to call up or require the directors of the Issuer to call up all or any portion of the uncalled capital for the time being of the Issuer and to enforce payment of any call by action (in the name of the Issuer or the Receiver as may be thought fit);
- (k) to redeem, discharge or compromise any Encumbrance from time to time having priority to or ranking *pari passu* with this Deed;

- (l) to effect or maintain indemnity insurance and other insurance (including without limitation the Insurance Policies) and obtain bonds and performance guarantees;
- (m) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, receipts, registrations, acts or things which it may consider appropriate;
- (n) to exercise any powers, discretions, voting, conversion or other rights or entitlements in relation to any of the Charged Assets or incidental to the ownership of or rights in or to any of the Charged Assets and to complete or effect any transaction entered into by the Issuer and complete, disclaim, abandon or modify all or any of the outstanding contracts or arrangements of the Issuer relating to or affecting the Charged Assets;
- (o) to exercise all powers as are described in Schedule 1 to the Insolvency Act, whether or not the Receiver is an “administrative receiver” as defined in the Insolvency Act 1986;
- (p) to delegate its powers by way of power of attorney, or in any other manner to any person, any right, power or discretion exercisable by it under this Deed on the terms (including the power to sub-delegate) and subject to any regulations which such Receiver may think fit and such Receiver shall not be liable or responsible in any way to the Issuer or the Security Trustee for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate;
- (q) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Assets which it may consider expedient as effectually as if he were solely and absolutely entitled to the Charged Assets;
- (r) in addition:
 - (i) to do all other acts and things which it may consider desirable or necessary for realising any Charged Assets or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and
 - (ii) to exercise in relation to any Charged Assets all the powers, authorities and things which it would be capable of exercising if he were the absolute beneficial owner of the same,
 and may use the name of the Issuer for any of the above purposes; and
- (s) to pay and discharge out of the profits and income of the relevant Charged Assets and the monies to be made by it in carrying on the business of the Issuer the expenses incurred in and about the carrying on and management of the business or in the exercise of any of the powers conferred by this Clause 10.6 (*Powers*) or otherwise in respect of such Charged Assets and all outgoings which it shall think fit to pay and to apply the residue of the said profits, income or monies in the manner provided by Clause 7.2 (*Post-Enforcement Priority of Payments*) hereof.

The Security Trustee may pay over to the Receiver or the Receiver may receive or recover any monies constituting part of the Charged Assets to the extent that the same may be applied for the purposes referred to in Clause 7.2 (*Post-Enforcement Priority of Payments*) by such Receiver and the Security Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver.

10.7 Appointment of Administrator

Upon application being made to a court of competent jurisdiction for an administration order or the service of a notice of intention to appoint an administrator or the filing of documents with the court for the appointment of an administrator in relation to the Issuer or other order having substantially the same effect to be made on application by a creditor or creditors of the Issuer, the Security Trustee (to the extent it has actual knowledge of the occurrence of any such event and acting on the instructions of the Note Trustee) shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, as soon as practicable appoint a Receiver in accordance with this Deed (who shall, to the extent permitted by law, be an “administrative receiver” under Section 29(2) of the Insolvency Act) of the whole of the Charged Assets and, in the case of any application to the court or petition, the Security Trustee shall instruct the Receiver to attend at the hearing of the application or petition and take such steps as are necessary to act for the interests of the Secured Creditors and to prevent the appointment of an administrator, who would act in the interests of all of the creditors of the Issuer, whether secured or not. The Secured Creditors shall co-operate and do all acts and enter into such further documents, deeds or agreements as the Security Trustee may deem necessary or desirable to ensure that an administration order is not made or that an administrator is not otherwise appointed and that an administrative receiver is appointed. Neither the Note Trustee nor the Security Trustee shall be liable to any Secured Creditor or any other person for any other loss occasioned by any delay or failure in effecting any such appointment or instruction.

10.8 Costs of Receiver

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

11. PROTECTION OF THIRD PARTIES

11.1 Enquiry

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

any person purchasing from or dealing with a Receiver or the Security Trustee or Section 2(3) of the Insolvency Act 1986 to any person dealing with an administrative receiver.

11.2 Receipts

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

12. PROTECTION OF SECURITY TRUSTEE AND RECEIVER

12.1 Liability

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

12.2 Possession

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

12.3 Mortgagee in Possession

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

13. UNDERTAKINGS BY THE ORIGINATOR

The Originator undertakes to the Issuer, the Security Trustee and the Note Trustee (on behalf of itself and the Noteholders) that it (or a permitted affiliate) will, whilst any of the Notes remain outstanding, retain a material net economic interest in accordance with each of (i) Article 405 of Regulation (EU) No 575/2013 (the CRR) and (ii) Article 51 of Regulation (EU) No 231/2013 (which, in each case, does not take into account any corresponding national measures) and the Originator additionally undertakes to comply with the disclosure obligations imposed on an originator, a sponsor or original lender under Article 409 of the CRR, subject always to any requirement of law, provided that the Originator will not be in breach of such undertaking if the Originator fails to so comply due to events, actions or circumstances beyond the Originator's control.

14. PROTECTION OF SECURITY

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

- (a) with a view to registering or perfecting any charge or other Security created or intended to be created by or pursuant to this Deed (including the perfecting of the conversion of any floating charge to a fixed charge pursuant to Clause 15.1 (*Notice*) or 15.2 (*Automatic Crystallisation*)); or
- (b) with a view to facilitating the exercise or the proposed exercise of any of their powers or the realisation of any of the Charged Assets; or
- (c) with a view to protecting the Encumbrances created by or pursuant to this Deed,

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

15. CRYSTALLISATION

15.1 Notice

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

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

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

15.2 Automatic Crystallisation

Subject as set out below, in addition and without prejudice to any other event resulting in a crystallisation of the floating charge, the floating charge contained herein shall automatically be converted into a fixed charge over all property, assets or undertaking of the Issuer subject to the floating charge, if and when:

- (a) a Note Acceleration Notice is served on the Issuer;
- (b) the Issuer ceases to carry on all or a part of its business representing at least 10% of its gross revenue as recorded in its most recently published accounts or ceases to be a going concern or thereafter to do any of the foregoing;
- (c) the Issuer stops making payments to its creditors or gives notice to creditors that it intends to stop payment;
- (d) the holder of any other Encumbrance in relation to the Issuer, whether ranking in priority to or *pari passu* with or after the charges contained in this Deed, appoints a Receiver; or
- (e) any floating charge granted by the Issuer to any other person (whether permitted by the Transaction Documents or not) crystallises for any reason whatsoever.

The floating charge created by Clause 3.6 (*Floating Charge*) above may not be converted into a fixed charge solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with leave of the court.

15.3 Failure of Petition for Administration or Winding-up

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

16. POWER OF ATTORNEY

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

17. OTHER SECURITY, ETC.

17.1 No Merger

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

17.2 Consolidation

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

17.3 Ruling Off

If the Security Trustee receives notice of any Encumbrance affecting the Charged Assets in contravention of the provisions hereof:

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

17.4 Change of Name, etc.

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

18. AVOIDANCE OF PAYMENTS

18.1 No Release

No assurance, security or payment which may be avoided or adjusted under the law, including under any enactment relating to bankruptcy or insolvency and no release, settlement or discharge given or made by the Security Trustee or any Secured Creditor on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Security Trustee or any Secured Creditor to recover the Secured Obligations from the Issuer (including any monies which it may be compelled to pay or refund under the provisions of the Insolvency Act 1986 and any costs payable by it pursuant to or otherwise incurred in connection

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

18.2 Retention of Charges

If the Issuer is insolvent or deemed to be insolvent pursuant to the provisions of the Insolvency Act 1986 (and production of a solvency certificate of a duly authorised officer of the Issuer shall be *prima facie* evidence of the solvency of the Issuer) at the date of any payment made by the Issuer to the Security Trustee and that as a result, such payment may be capable of being avoided or clawed back, the Security Trustee shall be at liberty to retain the charges or other Security contained in or created pursuant to this Deed until the expiry of a period of one month plus such statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after the payment and discharge in full of all Secured Obligations notwithstanding any release, settlement, discharge or arrangement which may be given or made by the Security Trustee on, or as a consequence of, such payment or discharge of liability provided that, if at any time within such period, a petition shall be presented to a competent court for an order for the winding up or the making of an administration order or documents shall be filed with the court for the appointment of an administrator or formal notice shall be given of an intention to appoint an administrator in respect of the Issuer or the Issuer shall commence to be wound up or to go into administration or any analogous proceedings shall be commenced by or against the Issuer, the Security Trustee shall be at liberty to continue to retain such security for such further period as the Security Trustee may determine and such security shall be deemed to continue to have been held as security for the payment and discharge to the Security Trustee of all Secured Obligations.

19. SET OFF

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

20. EXECUTION OF DOCUMENTS

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

21. EXERCISE OF CERTAIN RIGHTS

21.1 Limited Recourse

(a) Each of the Secured Creditors agrees that, notwithstanding any other provision of the Notes or any Transaction Document, all obligations of the Issuer to each Secured Creditor are limited in recourse to the Charged Assets. If:

- (i) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (ii) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of this Deed; and
- (iii) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of this Deed, amounts outstanding in respect of the Secured Obligations,

then the Secured Creditors shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including for the avoidance of doubt, payments of principal, premium (if any) and interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease and none of the Noteholders of any Class or any other Secured Creditor may take any further action against the Issuer to recover such amounts.

(b) The provisions of this Clause 21.1 shall survive the termination of this Deed.

21.2 Non-Petition

(a) Each of the Secured Creditors agrees that:

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

(b) The provisions of this Clause 21.2 shall survive the termination of this Deed.

21.3 Discretionary Enforcement

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

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

21.4 Mandatory Enforcement

Notwithstanding any provisions of the Transaction Documents, the Security Trustee shall not be bound to take any steps or to institute any proceedings or to take any other action or exercise any of its functions under or in connection with any of the Transaction Documents (including, without limitation, enforcing the Security constituted by or pursuant to this Deed if it has become enforceable) unless:

- (a) directed to do so by (i) the Note Trustee in its discretion or acting on a direction given by way of an Ordinary Resolution of the Class A Noteholders or, if there are no Class A Notes then outstanding, the Class Z VFN Noteholders or (ii) if there are no Notes then outstanding, all the other Secured Creditors (in each case the “**Instructing Party**”); and
- (b) in all cases, it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities, actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing and the terms of such indemnity may include the provision of a fighting fund, non-recourse loan or other similar arrangement,

upon being directed in accordance with paragraph (a) and subject to (b) above, the Security Trustee will be bound to take such action in the manner instructed by the Instructing Party, provided that the Security Trustee may at all times, whether or not so instructed, take such action in respect of any right, power or discretion which is personal to the Security Trustee or is to preserve or protect the Security Trustee’s position or is of a purely administrative nature.

The Security Trustee shall not be liable to any Secured Creditors for any action it may take in accordance with any instructions received pursuant to this Clause 21.4. The Security Trustee shall be entitled to seek clarification from the relevant Instructing Party with regard to such instructions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction from such relevant Instructing Party and shall not be liable to any person for any loss occasioned thereby.

The Security Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Security Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to take the relevant action in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

21.5 A Restricted Default

Notwithstanding Clause 9 (*The Security Trustee’s Powers*), if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes (for the purposes of this Clause 21.5, a **Restricted Default**), the Security Trustee will not be entitled to dispose of any of the Charged Assets of any part thereof unless:

- (a) in the event that the Class A Noteholders have not been repaid in full prior to the occurrence of the Restricted Default, a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the Class A Noteholders (and all persons ranking in priority to the Class A Noteholders as set out in the Post-Enforcement Priority of Payments); or
- (b) if all of the Class A Noteholders have been repaid in full prior to the occurrence of the Restricted Default, a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the Class Z VFN Holder (and all persons ranking in priority thereto); or
- (c) an independent third party (the **Independent Third Party**) appointed by the Issuer (in consultation with the Cash Manager) is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser or such other professional adviser selected by the Independent Third Party, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Class A Noteholders (and all persons ranking in priority to the Class A Noteholders as set out in the Post-Enforcement Priority of Payments) in the event that the Class A Noteholders have not been repaid in full at the time of the Restricted Default or, if all of the Class A Noteholders have been repaid prior to the occurrence of the Restricted Default, to the Class Z VFN Holder (and all persons ranking in priority thereto), and certifies the same in writing to the Security Trustee. The fees and expenses of the Independent Third Party and the aforementioned financial adviser or other professional adviser selected by the Independent Third Party shall be paid by the Issuer. The Security Trustee shall be entitled to rely upon any certification referred to in this Clause 21.5 without further enquiry and shall incur no liability to any person for so doing.

21.6 Enforcing Security

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

21.7 Sole Obligations

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

22. COVENANTS AND WARRANTIES

22.1 Warranties

As at the date of this Deed, the Issuer warrants to the Security Trustee (on behalf of the Secured Creditors) that:

- (a) it has taken all necessary steps to enable it to charge or assign as Security the Charged Assets in accordance with Clause 3 (*Security and Declaration of Trust*), and that it has taken no action or steps to prejudice its right, title and interest in and to the Charged Assets;
- (b) it is duly incorporated in England and Wales with limited liability and with full power and authority to own its property and assets and conduct its business and is resident for tax purposes solely in, and has its usual place of abode in, the United Kingdom;
- (c) it has obtained and maintained in effect all authorisations, approvals, licences and consents required in connection with its business and the consummation of the transactions contemplated by the Transaction Documents to which it is a party pursuant to any requirement of law or any regulatory direction applicable to the Issuer;
- (d) it has the requisite power and authority to enter into the Transaction Documents and to undertake and perform the obligations expressed to be assumed by it therein;
- (e) all acts, conditions and things required to be done, fulfilled and performed in order to enable it lawfully to enter into the Transaction Documents, to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Transaction Documents, are legal, valid, binding and enforceable against it and to make each Transaction Document admissible in evidence in England and Wales have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected, and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected;
- (f) the entry by it into and the execution (and, where appropriate, delivery) of the Transaction Documents and the performance by the Issuer of its obligations under the Transaction Documents does not and will not conflict with or constitute a breach or infringement by the Issuer of its Memorandum and Articles of Association or any requirement of law or any regulatory direction or any other agreement to which the Issuer is a party or which is binding on it or any of its assets;
- (g) it does not hold, and has not at any time held any capital assets save to the extent reasonably incidental to the activities envisaged by the Transaction Documents;
- (h) the obligations expressed to be assumed by the Issuer under the Transaction Documents are legal and valid obligations, binding on it and enforceable against it in accordance with their terms except:
 - (i) as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally;
 - (ii) as such enforceability may be limited by the effect of general principles of equity; and
 - (iii) obligations relating to stamp duties may be void by virtue of Section 117 of the Stamp Act 1891.
- (i) it does not have, and has not had since the date of its incorporation, a source of income prior to the Closing Date;

- (j) it is the beneficial owner of the Charged Assets and the Charged Assets are free of any Security Interests (except for those created by or under this Deed, or arising by operation of law) and any other rights or interests (including any licences) in favour of third parties;
- (k) none of its property, assets and/or undertaking are subject to any restriction (whether contractual or otherwise) that may render the Security Interests granted by the Issuer under this Deed ineffective or which otherwise prohibit the grant of such Security Interests;
- (l) no Encumbrance exists over or in respect of any asset of the Issuer, other than as created by or pursuant to this Deed; and
- (m) it has three directors, only one of whom is connected to the EFG Group.

22.2 Negative Covenants

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

- (a) create or permit to subsist any mortgage, assignment, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law) upon the whole or any part of its assets (including any uncalled capital) or its undertaking, present or future;
- (b)
 - (i) carry on any trade or business or any other activities other than as contemplated by the Transaction Documents and the related activities described therein; or
 - (ii) hold (and confirms it has not held) any shares or other interest in any company (including but not limited to an interest in the capital, income or voting rights in any company) nor have any employees (but shall procure that, at all times, it shall retain at least one Independent Director) or premises;
- (c) transfer, sell, assign, lend, part with, declare a trust over, create a beneficial interest in or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein or thereto or agree or attempts or purport to do so;
- (d) make any other distributions other than as contemplated by the Transaction Documents;
- (e) pay any dividend or make any other distribution to its shareholder other than out of its after Tax profit and net of any applicable taxes (if any) payable by the Issuer in relation to such dividend or distribution nor shall it issue any further shares;
- (f) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;
- (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;

- (h) permit any of the Transaction Documents to become invalid or ineffective, or the priority of the Security Interests created thereby to be reduced, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Charged Assets to be released from its respective obligations;
- (i) have an interest in any bank account other than the Issuer Bank Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;
- (j) co-mingle its assets with those of any other person;
- (k) become or be a party to any transaction for the purposes of securing a tax advantage within the meaning of Section 1139 of the Corporation Tax Act 2010 for itself or any other person;
- (l) do any act or thing the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the United Kingdom;
- (m) permit any person other than the Issuer and the Security Trustee to have any equitable interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (n) purchase or otherwise acquire (i) any Note or Notes (other than pursuant to the Conditions) or (ii) any interest in the Originator;
- (o) amend or modify its constitutive documents; or
- (p) hold any assets other than the Portfolio save to the extent reasonably incidental to the activities envisaged by the Transaction Documents.

22.3 Positive Covenants

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

- (a) at all times to carry on and conduct its affairs in a proper and efficient manner and in accordance with its constitutive documents and all laws and regulation applicable to it;
- (b) at all times to carry on and conduct its affairs subject to the terms of the Transaction Documents and on an arm's length basis with any third party;
- (c) to give or procure to be given to the Security Trustee within a reasonable time after request such information and evidence as it shall require and in such form as it shall require, including without prejudice to the generality of the foregoing the procurement by the Issuer of all such certificates called for by the Security Trustee pursuant to this Deed or any other Transaction Document for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or any other Transaction Document to which the Security Trustee is a party or by operation of law and the Security Trustee may rely on the contents of such certificates, information and evidence as conclusive evidence of the matters stated

therein or the matters to which they relate and shall incur no liability to any person for so doing;

- (d) to cause to be prepared and certified by its Auditors in respect of each financial year accounts in such form as will comply with relevant legal and accounting requirements for the time being;
- (e) at all times to keep or procure the keeping of proper books of account and records separate from any other entity and allow the Security Trustee and any person or persons appointed by the Security Trustee to whom the Issuer shall have no reasonable objection free access to such books of account and records during normal business hours upon reasonable notice in writing provided that such inspection shall only be for the purposes of carrying out its duties under this Deed and any information so obtained shall only be used and passed on to any other person for the purpose of the Security Trustee carrying out its duties under this Deed;
- (f) to send to the Security Trustee a copy of every balance sheet, profit and loss account, source and application of funds statement (if any), report, or other notice, statement, circular or document issued or given to any holder of securities (including Noteholders and shareholders in their capacity as such) or creditors of the Issuer as soon as reasonably practicable after issue of the same;
- (g) to give notice in writing to the Security Trustee of the occurrence of any Note Event of Default and/or service of a Note Acceleration Notice (such notice to be effective by the delivery of a copy of the Note Acceleration Notice to the Security Trustee) immediately upon becoming aware thereof and without waiting for the Security Trustee to take any further action;
- (h) give to the Security Trustee (i) within seven days after demand by the Security Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial year commencing with the financial period ending 31 December 2018 and in any event not later than 180 days after the end of each such financial year a certificate (substantially in the form set out in Schedule 2) signed by two directors of the Issuer to the effect that, as at a date not more than seven days before the date of such certificate (the **Certification Date**), to the best of the knowledge, information and belief of the Issuer, there did not exist and had not existed since the Certification Date of the previous certificate (or in the case of the first such certificate the date hereof) any Note Event of Default (or if such exists or existed specifying the same) and that during the period from and including the Certification Date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the Certification Date of such certificate the Issuer has complied, to the best of its knowledge, information and belief, with all its obligations contained in this Deed and each of the other Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not complied and the Security Trustee may rely on the contents of such certificate as conclusive evidence of the matters stated therein or the matters to which they relate and shall incur no liability to any person for so doing;
- (i) at all times to execute all such further documents and do all such further acts and things as may in the opinion of the Security Trustee be necessary at any time or times

to give effect to the terms and conditions of this Deed and the other Transaction Documents;

- (j) at all times to comply with the obligations and provisions binding upon it under and pursuant to this Deed and the other Transaction Documents;
- (k) duly and promptly to pay and discharge all Taxes imposed upon it or its assets unless such Taxes are, in the opinion of the Security Trustee, being contested in good faith by the Issuer;
- (l) pay its own expenses and liabilities out of its own funds;
- (m) conduct its business and affairs such that, at all times, its “centre of main interests” for the purposes of Council Regulation (EC) No. 1346/2000 of 29 May 2000 shall not be in any Member State (other than the United Kingdom) and it will not have any “establishment” (as defined in the Insolvency Regulation) in any Member State (other than the United Kingdom);
- (n) that, in order to enable the Security Trustee to ascertain the principal amount of the Notes of each Class for the time being outstanding for any of the purposes referred to in the proviso to the definition of outstanding in the Master Definitions and Construction Schedule, the Issuer will deliver to the Security Trustee forthwith upon being so requested in writing by the Security Trustee (upon being provided with the relevant information from the Note Registrar) a certificate in writing signed by two directors of the Issuer setting out the total number and aggregate principal amount of Notes of each Class and which are at the date of such certificate held by, for the benefit of, or on behalf of, the Issuer, the Originator, any holding company of any of them or any other Subsidiary of such holding company;
- (o) that it will not hold, save to the extent permitted by or provided in the Transaction Documents, any capital assets;
- (p) that it is not a director of any company;
- (q) it will keep any relevant notification pursuant to the Data Protection Act current and up to date;
- (r)
 - (i) that, in respect of each accounting period of the Issuer, the only amounts retained by the Issuer will be its profit as provided for in the Cash Management Agreement (the **Issuer’s Profit**) and amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness; and
 - (ii) that, in respect of all amounts received by the Issuer pursuant to any Transaction Document, the Issuer has a corresponding obligation to pay out (within 18 months of the end of the relevant accounting period) an equal amount by way of cost or expense owing to a third party less an amount equal to the Issuer’s Profit and amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness;
- (s) the Issuer’s Profit has been determined by the directors of the Issuer on the basis of due consideration of all relevant corporate and regulatory matters as being an

adequate commercial return for the risks undertaken by the Issuer in entering into the transactions pursuant to and in accordance with the Transaction Documents;

- (t) ensure that there will always be at least three directors of the Issuer, only one of whom may be connected with the EFG Group;
- (u) that amounts retained in the Transaction Account and recorded on the Cash Reserve Fund Ledger are reasonably required to provide for losses or expenses arising from the business or to maintain or enhance the creditworthiness of the Issuer;
- (v) that amounts credited to the Retained Principal Ledger and retained by it in the Transaction Account are a reasonable estimate of the amounts required to fund the Further Advances and Additional Portfolios in the next period;
- (w) that amounts standing to the credit of the Tranching Loans Ledger and the Retained Principal Ledger will not remain on such ledger for a period of greater than 12 months; and
- (x) that it was not, and was not liable to be, registered (or part of any registration) for VAT immediately prior to the issuance of the Notes and the associated transactions that it entered into in connection therewith.

22.4 Form MR01

The Issuer shall make a filing or shall procure that a filing is made with the Registrar of Companies of a duly completed Form MR01 in respect of itself together with a certified copy of this Deed within the applicable time limit.

23. PROVISIONS SUPPLEMENTAL TO THE TRUSTEE ACT 1925

23.1 Powers of Security Trustee

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

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

- (a) the Security Trustee may in relation to these presents and the other Transaction Documents rely or act on the advice, or report, or opinion or advice of or any information obtained from any Auditor, any lawyer, banker, valuer, accountant, surveyor, professional adviser, broker, auctioneer, or other expert, whether obtained by the Issuer, the Originator, the Originator Trustee, the Note Registrar, the Security Trustee, or otherwise and whether or not addressed to the Security Trustee notwithstanding that such advice, report, opinion, information, or any engagement letter or any other document entered into by the Security Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person and the Security Trustee shall not be responsible for any Liability occasioned by so acting or relying;

- (b) any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, facsimile reproduction or electronic mail or in any other form and the Security Trustee shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic;
- (c) the Security Trustee (i) shall (save as expressly otherwise provided in this Deed or any of the other Transaction Documents) as regards all rights, powers, authorities and discretions vested in it by this Deed or any of the other Transaction Documents, or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and (ii) may at its discretion and without notice, take such proceedings and/or other steps as it may think fit against the Issuer or any other person or party to any of the Transaction Documents to enforce the provisions of the Notes and any of its rights under this Deed or any other Transaction Document in such manner as it thinks fit;
- (d) the Security Trustee shall be at liberty to place this Deed and all deeds and other documents relating to this Deed with any bank or banking company, or lawyer or firm of lawyers believed by it to be of good repute, in any part of the world, and the Security Trustee shall not be responsible for or be required to insure against any loss incurred in connection with any such deposit and the Issuer shall pay all sums required to be paid on account of or in respect of any such deposit;
- (e) the Security Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Security Trustee (including the receipt and payment of money). Subject to Clause 24.2 (*Delegation*), the Security Trustee shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons;
- (f) where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or required by law) be converted at such rate or rates in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Security Trustee in its absolute discretion but having regard to current rates of exchange if available and the Security Trustee shall not be liable for any loss occasioned by the said conversion under this paragraph (f);
- (g) subject to Clause 24.5 (*Consent of Security Trustee*), any consent or approval given by the Security Trustee for the purposes of this Deed or any of the other Transaction Documents may be given on such terms and subject to such conditions (if any) as the Security Trustee thinks fit and, notwithstanding anything to the contrary contained in this Deed or any of the other Transaction Documents, may be given retrospectively;
- (h) the Security Trustee shall be entitled to rely upon a certificate, believed by it to be genuine, of the Issuer, Originator, the Originator Trustee or any other person in respect of every matter and circumstance for which a certificate is expressly provided for under this Deed or the other Transaction Documents and to call for and rely upon a certificate of the Issuer, the Originator, the Originator Trustee or any other person reasonably believed by it to be genuine as to any other fact or matter *prima facie* within the knowledge of the Issuer or such person as sufficient evidence thereof and the

Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability or inconvenience that may be caused by it failing to do so;

- (i) the Security Trustee shall not be responsible for acting upon any resolution in writing or resolution purporting to have been passed at any meeting of the Noteholders in respect whereof minutes have been made and purporting to have been signed by the chairman thereof, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Noteholders;
- (j) the Security Trustee may call for any certificate or other document to be issued by the Note Registrar confirming the Principal Amount Outstanding of the Class A Notes and the Class Z VFN. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by any form of document from the Note Registrar identifying (i) the Principal Amount Outstanding of the Class A Notes and the Class A Holder and (ii) the Principal Amount Outstanding of the Class Z VFN and the Class Z VFN Holder. The Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by the Note Registrar and subsequently found to be forged or not authentic;
- (k) subject to Clause 21.4 (*Mandatory Enforcement*), the Security Trustee shall, in connection with the exercise by it of any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents where it is required to have regard to Noteholders of any Class, it shall have regard to the interests of the Noteholders as a Class and shall not have regard to any interest arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise or performance thereof for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders;
- (l) the Security Trustee shall not be liable for any error of judgment by any officer or employee of the Security Trustee assigned by the Security Trustee to administer its corporate trust matters;
- (m) no provision of this Deed or any other Transaction Document shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers or otherwise in connection with this Deed or any other Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it;

- (n) notwithstanding anything else contained in these presents or the other Transaction Documents, the Security Trustee may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive or regulation of any agency of any state or which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation;
- (o) the Security Trustee shall not be responsible for any Liability arising from any loss or damage, or failure to comply or delay in complying with any duty or obligation, under or pursuant to this Deed arising as a direct or indirect result of any Force Majeure Event or any event where, in the opinion of the Security Trustee, performance of any duty or obligation under or pursuant to this Deed would or may be illegal or would result in the Security Trustee being in breach of any applicable law or any decree, order, award, decision or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law but with which the Security Trustee would normally comply) of any relevant Governmental Authority, stock exchange or self-regulatory organisation to which the Security Trustee is subject and the Security Trustee may without liability do anything which is, in its opinion, necessary or desirable to comply with any such law, rule or regulation. Notwithstanding anything in this Agreement to the contrary, the liability of the Security Trustee under this Deed will not extend to any Liabilities arising through any Force Majeure Event;
- (p) the Security Trustee shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be required to disclose to any Secured Creditor any information made available to the Security Trustee by the Issuer in connection with the trusts of this Deed or the other Transaction Documents and no Secured Creditor shall be entitled to take any action to obtain from the Security Trustee any such information;
- (q) the Security Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Security Trustee may determine, including for the purpose of depositing with a custodian this Deed or any documents relating to the trusts created hereunder. The Security Trustee shall not be responsible for any misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such persons;
- (r) unless notified to the contrary, the Security Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to Clause 22.3(n)) that no Notes are held by, for the benefit of, or on behalf of, the Issuer, the Originator, any holding company of any of them or any other Subsidiary of such holding company;
- (s) the Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic;
- (t) the Security Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience occasioned to the Security however caused, whether by an act or omission of the Issuer or any other party to the Transaction Documents or any other person (including any bank, broker, depositary, or other intermediary or any clearing system or operator thereof) acting in accordance with or contrary to the

provisions of any Transaction Documents or otherwise and irrespective of whether the Issuer Security is held by or to the order of any such persons;

- (u) the Security Trustee shall not be under any obligation to insure any of the Issuer Security or any deeds or documents of title or other evidence in respect of the Issuer Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience which may be suffered by any person as a result of the lack of or inadequacy of any such insurance;
- (v) the Security Trustee will not be liable for any decline in value nor any loss realised upon any sale or other disposition pursuant to this Deed of, any of the Charged Assets. In particular and without limitation, the Security Trustee shall not be liable for any such decline or loss directly or indirectly arising from its acting or failing to act as a consequence of an opinion reached by it based on advice received by it in accordance with this Deed and the Conditions;
- (w) the Security Trustee shall have no responsibility whatsoever to the Issuer or Secured Creditors as regards any deficiency which might arise because the Security Trustee is subject to any Tax in respect of all or any of the Charged Assets, the income therefrom or the proceeds thereof;
- (x) it is a term of the trust created in these presents, that, except where expressly provided otherwise in the Transaction Documents, any information provided to the Security Trustee under the terms of the Transaction Documents is for information purposes only and the Security Trustee will not and is not expected to routinely review or monitor such information;
- (y) in determining whether, following the delivery of a Note Acceleration Notice, the Originator has defaulted in the performance or observance of any of its covenants and obligations under Clause 14 (*Originator's Servicing Obligations*) of the Originator Trust Deed, which failure in the reasonable opinion of the Security Trustee acting on the instructions of the Note Trustee is materially prejudicial to the interests of the Noteholders, the Security Trustee shall be entitled to seek directions from the Note Trustee, itself acting on directions by an Extraordinary Resolution of the Class A Notes while they remain outstanding and thereafter, on directions by an Extraordinary Resolution of the Class Z VFN Notes, and shall not be responsible for any delays in taking action occasioned by so doing. The Security Trustee has no obligation to assume the role or responsibilities of the servicer;
- (z) the Security Trustee shall not be responsible for:
 - (i) identifying the occurrence of an Insolvency Event in relation to the Originator or the Originator Trustee, or a Servicing Termination Event and shall assume that no such event has occurred unless notified thereof by the Originator in accordance with the provisions of Clause 14.13 of the Originator Trust Deed;
 - (ii) serving a Servicer Termination Notice, unless notified by the Issuer of the circumstances entitling it to serve such notice; or
 - (iii) analysing the circumstances which have informed the Issuer when notifying the Security Trustee of a Servicer Termination Event;

- (aa) any liability of the Security Trustee arising under the Transaction Documents shall be limited to the amount of actual loss suffered (such loss shall be determined as at the date of default of the Security Trustee or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Trustee at the time of entering into the Transaction Documents, or at the time of accepting any relevant instructions, which increase the amount of the loss. This paragraph (aa) shall not apply in the event that a court with jurisdiction determines that the Security Trustee has acted fraudulently or to the extent the limitation of such liability would be precluded by virtue of sections 750 and 751 of the Companies Act 2006; and
- (bb) the Security Trustee shall be entitled to assume that (i) no event has occurred which is a breach of the Originator's obligations under the Originator Trust Deed and (ii) no event has occurred which would, under the terms of the Originator Trust Deed or other Transaction Documents, lead to the replacement of the Originator as servicer, unless it is told otherwise as specified in the Transaction Documents.

23.2 Representations and Warranties, etc.

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

23.3 Perfection

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

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

23.4 Enforceability, etc.

The Security Trustee shall not be responsible for the genuineness, validity or effectiveness of any of the Transaction Documents or any other documents entered into in connection therewith or any other document or any obligations or rights created or purported to be created thereby or pursuant thereto or any Security or the priority thereof constituted or purported to be constituted by or pursuant to this Deed or any of the Transaction Documents, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court and (without prejudice to the generality of the foregoing) the Security Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

- (a) the nature, status, creditworthiness or solvency of the Issuer;
- (b) the title, ownership, value, sufficiency, enforceability, unsuitability, inadequacy, unfitness or existence of any Charged Assets or any security (howsoever described) relating thereto as security for the Secured Obligations;
- (c) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of this Deed or any other Transaction Document comprised within the Charged Assets or any other document entered into in connection therewith;
- (d) the registration, filing, protection or perfection of any security relating to this Deed or the other Transaction Documents relating to the Charged Assets or the priority of the security thereby created whether in respect of any initial advance or any subsequent advance or any other sums or liabilities;
- (e) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or any other person (other than the Security Trustee) or entity who has at any time provided any Transaction Document comprised within the Charged Assets or in any document entered into in connection therewith;
- (f) the performance or observance by the Issuer or any other person with any provisions of this Deed or any other Transaction Document comprised within the Charged Assets or in any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing;
- (g) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with the Charged Assets;
- (h) the title of the Issuer to any of the Charged Assets;
- (i) the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security created or purported to be created by or pursuant to this Deed or other documents entered into in connection therewith;

- (j) the failure to call for delivery of documents of title to or require any transfers, assignments, legal mortgages, charges or other further assurances in relation to any of the assets the subject matter of any of this Deed or any other document; or
- (k) any other matter or thing relating to or in any way connected with this Deed or the Charged Assets or any document entered into in connection therewith whether or not similar to the foregoing.

23.5 No Supervision

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

23.6 No Liability

Subject to the provisions of Clause 12.1 (*Liability*) and Clause 23.9 (*No Indemnity*), the Security Trustee shall not be liable or responsible for any Liability or inconvenience which may result from anything done or omitted to be done by it under this Deed or any of the other Transaction Documents.

23.7 Conclusive and Binding Determinations

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

23.8 Use of Proceeds

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

23.9 No Indemnity

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

23.10 Consequential losses

Notwithstanding any provision of this Deed to the contrary, the Security Trustee shall not in any event be liable for:

- (a) loss of profit, loss of business, loss of goodwill, loss of opportunity, whether direct or indirect; and
- (b) special, indirect, punitive or consequential loss or damage of any kind whatsoever,

whether or not foreseeable and whether or not the Security Trustee can reasonably be regarded as having assumed responsibility at the time this Deed is entered into, even if the Security Trustee has been advised of the likelihood of such loss or damage, unless the claim for loss or damage is made in respect of fraud on the part of the Security Trustee.

24. SUPPLEMENTAL PROVISIONS REGARDING THE SECURITY TRUSTEE

24.1 Assumption of No Default

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

24.2 Delegation

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

24.3 Commercial Transactions

The Security Trustee shall not, and no director, officer or employee of any corporation being a trustee hereof shall, by reason of the fiduciary position of the Security Trustee, be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or Holdings or any other Subsidiary of Holdings or any other party to the Transaction Documents or from accepting the trusteeship of any stock, shares, debenture stock, debentures or securities of any such person. Without prejudice

to the generality of the foregoing, it is expressly declared that such contracts and transactions include any contract or transaction in relation to the placing, underwriting, purchasing, subscribing for or dealing with or lending money upon or making payments in respect of any stock, shares, debenture stock, debentures or other securities of the Issuer or Holdings or any other Subsidiary of Holdings or any other party to the Transaction Documents or any contract of banking or insurance with the Issuer or Holdings or any other Subsidiary of Holdings or any other party to the Transaction Documents. Neither the Security Trustee nor any such director or officer of the Security Trustee shall be accountable to any of the Secured Creditors or the Issuer or Holdings for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions. The Security Trustee and any such director, officer or employee shall be at liberty to retain the same for its or his own benefit.

24.4 Additional Powers

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

24.5 Consent of Security Trustee

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

- (a) if the Transaction Document specifies that the Security Trustee is required to give its consent or approval to that event, matter or thing if certain specified conditions are satisfied in relation to that event, matter or thing, then the Security Trustee shall give its consent or approval to that event, matter or thing upon being satisfied that those specified conditions have been satisfied; and
- (b) in any other case, the Security Trustee may give its consent or approval if so instructed by the Note Trustee.

24.6 Interests of Secured Creditors

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

24.7 Modification to Transaction Documents

The Security Trustee may from time to time and at any time, only with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents but without any consent or sanction of any other Secured Creditors, concur with the Issuer and any other person in making or sanctioning any modification:

- (a) to any of the Transaction Documents which in the opinion of the Security Trustee it may be expedient to make, provided that the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders; or
- (b) to any of the Transaction Documents which in the Security Trustee's opinion is made to correct a manifest error or is of a formal, minor or technical nature.

Any such modification may be made on such terms and subject to such conditions (if any) as the Security Trustee may determine. Each Secured Creditor agrees that such modification shall be binding on it and, unless the Security Trustee otherwise agrees, notice thereof shall be given by the Cash Manager to the Secured Creditors as soon as practicable thereafter.

24.8 Authorisation or Waiver of Breach

- (a) The Security Trustee shall, without the consent or sanction of the other Secured Creditors, waive or authorise (without prejudice to its rights in respect of any further or other breach or any Note Event of Default) any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions of the Conditions or any Transaction Document or any Note Event of Default only if so directed by the Note Trustee (upon which direction it may rely without enquiry or liability) so long as there are any Notes outstanding; and
- (b) the Security Trustee, if there are no Notes outstanding may without the consent or sanction of the Secured Creditors and without prejudice to its right in respect of any further or other breach, or Note Event of Default, from time to time and at any time authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions or any of the Transaction Documents by any party thereto or determine that any Note Event of Default shall not be treated as such, but only if and in so far as in its sole opinion all of the Secured Creditors will not be materially prejudiced thereby.

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

24.9 Merger

Any corporation into which the Security Trustee may be merged or converted, or any corporation with which the Security Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation that the Security Trustee shall be a party, or any corporation, including affiliated corporations, to which the Security Trustee shall sell or otherwise transfer: (a) all or substantially all of its assets; or (b) all or substantially all of its corporate trust business, account bank, administration or registrar business shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws become the successor Security Trustee under this Deed without the execution or filing of any paper or any further act on the part of the parties to this Deed, unless otherwise required by the Issuer, and after the said effective date all references in this Deed to such Security Trustee shall be deemed to be references to such successor corporation.

24.10 Incorporation by Reference

The provisions of Schedule 2 (*Provisions for Meetings of Noteholders*) and Clause 25 (*Substitution*) of the Note Trust Deed shall be deemed to be incorporated in this Deed but (except as the context otherwise requires) as if references therein to the Note Trustee were to the Security Trustee other than the references therein to an Extraordinary Resolution directing the Note Trustee to give a Note Acceleration Notice under Condition 10 (*Events of Default*).

25. REMUNERATION AND INDEMNIFICATION OF THE SECURITY TRUSTEE

25.1 Remuneration

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

25.2 Additional Remuneration

In the event of a Note Event of Default (or an event or circumstance which would be, with the expiry of a grace period, a Note Event of Default) occurring or in the event of the Security Trustee finding it expedient or necessary or being required to undertake any duties which the Security Trustee considers to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed, the Issuer shall pay to the Security Trustee such additional remuneration as shall be agreed between the Security Trustee and the Issuer (which may be calculated by reference to the Security Trustee's normal hourly rates in force from time to time). For the avoidance of doubt, any duties in connection with investments, the granting of consents or waivers concurring in modifications, substitution of the Issuer or enforcement, or during the period post enforcement, shall be deemed to be of an exceptional nature.

25.3 VAT Payments

Without prejudice to Clause 6.7 (*VAT*), any sum (or other consideration) payable (or provided) by the Issuer pursuant to this Deed shall be deemed to be exclusive of VAT, if any, chargeable on any supply or supplies for which that sum (or other consideration) is the consideration (in whole or in part) for VAT purposes and section 89 of the Value Added Tax Act 1994 shall not apply to affect the amount of such sum (or other consideration) payable (or provided) and accordingly no additional amount shall be payable by the Issuer in respect of such VAT. Where, pursuant to the terms of this Deed, the Security Trustee makes a supply to the Issuer for VAT purposes and VAT is or becomes chargeable on such supply, the Issuer shall, subject to the receipt of a valid VAT invoice in respect of such supply, pay to the Security Trustee a sum equal to the amount of such VAT.

25.4 Disputes

In the event of the Security Trustee and the Issuer failing to agree upon the amount of any remuneration from time to time pursuant to Clause 25.1 (*Remuneration*) or to agree in a case to which Clause 25.2 (*Additional Remuneration*) above applies, upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee hereunder or upon the amount of such additional remuneration, such matters shall be determined by a person (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Security Trustee) by the President for the time being of the Law Society of

England and Wales, the expenses being involved in such nomination and the fees of such person being payable by the Issuer, and the decision of any such person shall be final and binding on the Issuer and the Security Trustee.

25.5 Expenses

In addition to remuneration hereunder, the Issuer shall pay or discharge all Liabilities, including for the avoidance of doubt legal and other professional fees, not expressly waived in the fee letter referenced in Clause 25.1 (*Remuneration*) which the Security Trustee or the Receiver of the Issuer and any other Appointee may incur in relation to the negotiation, preparation and execution of, the exercise or attempted exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Deed, the Issuer Security and any of the other Transaction Documents to which the Security Trustee is a party including but not limited to travelling and legal and other professional expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Security Trustee or the Receiver of the Issuer in connection with any action taken or contemplated by or on behalf of the Security Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Deed, the Issuer Security or any of the other Transaction Documents (including, in each case, any Irrecoverable VAT in respect thereof).

25.6 Indemnity

Subject to Clause 23.9 (*No Indemnity*) and without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify on demand the Security Trustee and the Receiver of the Issuer and any other Appointee validly appointed hereunder, on an after Tax basis, in respect of all Liabilities whether in contract, tort, delict or otherwise now or hereafter to which it (or any person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by or pursuant to this Deed and any of the other Transaction Documents) may be or become liable or which may be incurred by it (or any such person as aforesaid) in the execution or purported execution of any of its trusts, duties, rights, powers, authorities and discretions hereunder or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Deed and any of the other Transaction Documents, or any such appointment (including, in each case, any Irrecoverable VAT in respect thereof) and the Security Trustee and the Receiver of the Issuer and any other Appointee shall be entitled to be indemnified out of the Charged Assets in respect thereof save where the same arises as the result of the fraud, gross negligence, or wilful default of the Security Trustee or its officers or employees. Following the giving of an Note Acceleration Notice, the Security Trustee may retain any part of any moneys in its hands arising from the trusts of these presents necessary to effect any indemnity and also to meet the remuneration of the Security Trustee and the Receiver hereinbefore provided and the Security Trustee shall have a lien on the Charged Assets for all moneys payable to it under these presents or howsoever otherwise. The Security Trustee shall not be entitled to be paid twice in respect of the same matter pursuant to this Clause 25.6.

The indemnity contained within this Clause 25.6 shall survive the discharge and release of the whole or any part of the Charged Assets from the Security.

25.7 Interest

All sums payable by the Issuer under Clauses 25.4 (*Disputes*), 25.5 (*Expenses*) and 25.6 (*Indemnity*) shall be payable on demand and:

- (a) in the case of payments actually made by the Security Trustee prior to the demand, shall carry interest at the rate per annum which is 1 per cent. per annum higher than the Bank of England Base Rate for the time being or, if the Security Trustee has incurred a borrowing to make such payment, at the rate of interest payable by the Security Trustee in respect of such borrowing, in each case from the first Business Day following the date of the same being demanded, or incurred as the case may be, to the date of actual payment (provided that such demand shall be made on a Business Day, otherwise interest shall be payable from the second Business Day following the date of the demand to the date of actual payment); and
- (b) in all other cases, shall carry interest at such rate from the date fifteen (15) days after the date of the same being demanded or (where the demand specifies that payment by the Security Trustee will be made on an earlier date provided such earlier date is a business day) from such earlier date (not being earlier than the Business Day following the date of such demand) to the date of actual payment.

Any amounts payable pursuant to Clauses 25.1 (*Remuneration*) to 25.2 (*Additional Remuneration*) (inclusive) shall carry interest at the aforesaid rate from the due date thereof to the date of actual payment.

25.8 Stamp Duties

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

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

25.9 Survival

Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause 25 (*Remuneration and Indemnification of the Security Trustee*) shall continue in full force and effect notwithstanding such discharge and whether or not the Security Trustee is then the Security Trustee or notwithstanding the termination or expiry of this Deed.

25.10 Payments

Without prejudice to the Security Trustee's right to be prefunded pursuant to Clauses 3.10 (*Charged Transaction Documents*), 10.7 (*Appointment of Administrator*) and 21.4 (*Mandatory Enforcement*) or any other provision of this Deed, prior to the enforcement of the Security, any payments made by the Issuer to the Security Trustee pursuant to this Clause 25.10 will only be made in accordance with, and subject to, the Priorities of Payments.

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

26.1 Power of Issuer

The power of appointing a new Security Trustee shall be vested in the Issuer, provided that such appointment must be approved by an Extraordinary Resolution of the Noteholders of each class and in writing by each Secured Creditor (such approval not to be unreasonably withheld or delayed). A Trust Corporation may be appointed sole security trustee hereof but subject hereto there shall be at least two security trustees hereof. Any appointment of a new Security Trustee and any retirement or removal of an existing Security Trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Secured Creditors.

26.2 Power of Security Trustee

Notwithstanding the provisions of Clause 26.1 (*Power of Issuer*), the Security Trustee may (as attorney for the Issuer) upon giving prior notice to the Issuer but without the consent of the Issuer or the Secured Creditors appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate security trustee or as a co-trustee jointly with the Security Trustee:

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

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

26.3 Multiple Trustees

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

27. RETIREMENT OF SECURITY TRUSTEE

Any security trustee for the time being of this Deed may retire at any time upon giving not less than sixty days' prior notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs resulting from such retirement. The Class A Noteholders may, by Extraordinary Resolution, remove all trustee or trustees (but not some only) for the time being of this Deed and the Note Trust Deed. The retirement or removal of any security trustee shall not become effective unless there remains at least one security trustee hereof being a Trust Corporation in office upon such retirement or removal. The Issuer covenants that, in the event of a security trustee (being a sole security trustee or the only Trust Corporation) giving notice under this Clause 27 or being removed as referred to in Clause 26.1 (*Power of Issuer*), it shall use its best endeavours to procure a new security trustee of this Deed (being a Trust Corporation) to be appointed as soon as reasonably practicable thereafter. If the Issuer has not appointed a new security trustee prior to the expiry of the notice period given by the Security Trustee, the Security Trustee shall be entitled to nominate a replacement, being a Trust Corporation, but no such appointment shall take effect unless previously approved by Extraordinary Resolution of the Class A Noteholders.

28. NOTICES AND DEMANDS

28.1 Service of Notices

Any notices to be given pursuant to this Deed to any of the parties hereto shall be sufficiently served if sent to the addresses given in Clause 28.2 (*Address*) by prepaid first class post, by hand or by email or facsimile transmission and shall be deemed to be given (in the case of email or facsimile transmission) when despatched, (where delivered by hand) on the day of delivery if delivered before 4.00 pm (relevant time of the receiver) on a Business Day or on the next Business Day if delivered thereafter or on a day which is not a Business Day or (in the case of first class post) when it would be received in the ordinary course of the post. Any notices to be given pursuant to this Deed to Noteholders will be given in accordance with the relevant Conditions.

28.2 Address

The addresses referred to in this Clause 28 (*Notices and Demands*) are as follows:

- (a) in the case of the Issuer, to the Directors, 35 Great St. Helen's, London EC3A 6AP (email: directors-uk@intertrustgroup.com; facsimile: +44 (0) 20 7398 6325) (for the attention of the Directors) with copies to the Cash Manager and the Originator;
- (b) in the case of the Originator, the Originator Trustee and/or the EFGPB Account Bank, to EFG Private Bank Limited, Leconfield House, Curzon Street, London W1J 5JB (facsimile: +44 (0) 20 7872 3706) (for the attention of the Company Secretary);
- (c) in the case of the Security Trustee and/or the Note Trustee, to U.S. Bank Trustees Limited at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (email: mbs.relationship.management@usbank.com; facsimile: +44 (0) 207 365 2577) (for the attention of the Security / Note Trustee);
- (d) in the case of the Cash Manager, the Transaction Account Bank, the Note Registrar and/or the Agent Bank, to Elavon Financial Services D.A.C., UK Branch, acting through its UK Branch from its offices at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, under the name U.S. Bank Global Corporate Trust Services (email:

mbs.erg.london@usbank.com; facsimile: +44 (0) 207 365 2577) (for the attention of the Cash Manager / MBS ERG); and

- (e) in the case of the Corporate Services Provider to Intertrust Management Limited, 35 Great St. Helen's, London, EC3A 6AP (email: directors-uk@intertrustgroup.com; facsimile: +44 (0) 20 7398 6325) (for the attention of the Directors);

or to such other address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice in accordance with the provisions of this Clause 28 (*Notices and Demands*) to the other party hereto.

29. FURTHER PROVISIONS

29.1 Evidence of Indebtedness

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

29.2 Rights Cumulative, Waivers

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

29.3 Invalidity of any Provision

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

29.4 Severability

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

29.5 Counterparts

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

29.6 Further Assurance

- (a) The Issuer shall (at its own cost) do and execute, or arrange for the doing and executing of, each necessary act, document and thing requested of it by the Security Trustee or any Receiver (including, without limitation, the giving of notices of assignment and the effecting of filings of registration in any jurisdiction) for perfecting or protecting the Issuer Security from time to time and, at any time after the Issuer Security or any part thereof has become enforceable, shall do and execute, or arrange for the doing and executing of, each necessary act, document and thing within its power and as may be requested of it by the Security Trustee or any Receiver for facilitating the realisation of, or enforcement of rights in respect of, all of any of the Charged Assets and the exercise of all rights vested in the Security Trustee or in any Receiver in respect of all or any of such Security.
- (b) Each of the parties hereto (other than the Note Trustee and the Security Trustee) hereby agree to enter into any necessary document required in connection with the termination of the appointment of any party to any of the Transaction Documents and their replacement with a successor or replacement party (including, without limitation, any deed of accession or deed of novation), any costs in relation to which shall be borne by the Issuer.

30. VARIATION

No variation of any provision(s) of this Deed shall be effective unless it is in writing and may be signed only by the Issuer and Security Trustee together.

31. SECURED CREDITORS

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

32. ASSIGNMENT

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

33. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

34. CHOICE OF LAW

34.1 Governing Law

This Deed (and any non-contractual obligations arising out of or in connection with it) is governed by, and shall be construed in accordance with English law.

34.2 Submission to Jurisdiction

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

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

SCHEDULE 1
POWER OF ATTORNEY

THIS POWER OF ATTORNEY is made on [●] by Chestnut II Mortgage Financing PLC (registered number 10925853), whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the **Principal**).

Whereas

- (1) By virtue of an issuer deed of charge (the **Issuer Deed of Charge**) dated on or about 25 August 2017 and made among the Principal, the Originator, the Originator Trustee, the Cash Manager, the Security Trustee, the Note Trustee, the Agent Bank, the Note Registrar, the EFGPB Account Bank, the Transaction Account Bank and the Corporate Services Provider (each as referred to therein) provision was made for the execution by the Principal of this Power of Attorney.
- (2) Words and phrases in this Power of Attorney shall (save where expressed to the contrary) have the same meanings respectively as the words and phrases in the Issuer Deed of Charge.

NOW THIS POWER OF ATTORNEY WITNESSETH

1. The Principal hereby irrevocably and by way of security for the performance of the covenants, conditions, obligations and undertakings on the part of the Principal contained in the Issuer Deed of Charge appoints U.S. Bank Trustees Limited in its capacity as Security Trustee, and any other person or persons for the time being the security trustee or security trustees of and under the Issuer Deed of Charge as its attorney (the **Attorney**) and any Receiver (including any administrative receiver) and any manager (the **Receiver**) and/or administrator (the **Administrator**) appointed from time to time by the Attorney or on its behalf its true and lawful attorney for and in the Principal's name or otherwise jointly and severally to do any act matter or thing which the Attorney, Receiver or Administrator considers in each case *bona fide* necessary for the protection or preservation of the Attorney's interests and rights in and to the Charged Assets or which ought to be done under the covenants, undertakings and provisions contained in the Issuer Deed of Charge in any circumstances where the Attorney has become entitled to take the steps referred to in Clauses 9.5 to 9.8 (inclusive) of the Issuer Deed of Charge including (without limitation) any or all of the following:
 - (a) to do every act or thing which the Attorney, Receiver or Administrator may deem to be necessary, proper or expedient for fully and effectually vesting, transferring or assigning the Issuer Security and/or the Charged Assets or any part thereof and/or the Principal's estate, right, title, benefit and/or interest therein or thereto in or to the Attorney and its successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Principal could have done; and

- (b) the power by writing under its hand by an officer of the Attorney (including every Receiver appointed under the Issuer Deed of Charge) from time to time to appoint a substitute attorney (each a Substitute) who shall have power to act on behalf of the Principal as if that Substitute shall have been originally appointed Attorney by this Power of Attorney and/or to revoke any such appointment at any time without assigning any reason therefore.
2. In favour of the Attorney, any Receiver and/or Administrator and/or Substitute, or a person dealing with any of them and the successors and assigns of such a person, all acts done and documents executed or signed by the Attorney, a Receiver, an Administrator or a Substitute in the purported exercise of any power conferred by this Power of Attorney shall for all purposes be valid and binding on the Principal and its successors and assigns.
 3. The Principal irrevocably and unconditionally undertakes to indemnify the Attorney and each Receiver and/or Administrator and/or Substitute appointed from time to time by the Attorney and their respective estates against all actions, proceedings, claims, costs, expenses and liabilities of every description arising from the exercise, or the purported exercise, of any of the powers conferred by this Power of Attorney, save where the same arises as the result of the fraud, gross negligence or wilful default of the relevant indemnified party or its officers or employees.
 4. The provisions of Clause 3 shall continue in force after the revocation or termination, howsoever arising, of this Power of Attorney.
 5. The laws of England shall apply to this Power of Attorney and to any non-contractual matters arising out of or in connection with it and the interpretation thereof and to all acts of the Attorney and each Receiver and/or Administrator and/or substitute carried out or purported to be carried out under the terms hereof.
 6. The Principal hereby agrees at all times hereafter to ratify and confirm whatsoever the said Attorney or its attorney or attorneys or any Receiver or Administrator or substitute shall properly and lawfully do or cause to be done in and concerning the Security Trustee's Security and/or the Charged Assets.

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

EXECUTED and **DELIVERED** as a **DEED**)
 for and on behalf of **CHESTNUT II MORTGAGE**)
FINANCING PLC
 Acting by two directors being:)
 Intertrust Directors 1 Limited)
 Intertrust Directors 2 Limited)

SCHEDULE 2
FORM OF COMPLIANCE CERTIFICATE

To: U.S. Bank Trustees Limited
(Security Trustee and Note Trustee)

From: Chestnut II Mortgage Financing PLC
(Issuer)

Dated [●]

1. Expressions defined in the Master Definitions and Construction Schedule dated on or about 25 August 2017 by, among others, the Issuer, the Originator, the Originator Trustee and the Security Trustee (as amended, restated, varied, supplemented, replaced and/or novated from time to time) shall, unless the context otherwise requires, have the same meaning in this Notice.
2. Pursuant to Clause 22.3(h) of the Issuer Deed of Charge and Clause 14(g) of the Note Trust Deed, the Issuer hereby certifies that:
 - (a) as at a date not more than seven days before the date of this certificate (the **Certification Date**), to the best of the knowledge, information and belief of the Issuer, there did not exist and has not existed since [the certification date of the previous certificate/Closing Date][*Reference to Closing Date applies only to the delivery of the first certificate*] (the **Relevant Date**) any Note Event of Default other than:
 - [specify relevant Note Event of Default, if applicable]; and
 - (b) during the period from and including the Relevant Date to and including the Certification Date, the Issuer has complied, to the best of its knowledge, information and belief, with all its obligations contained in the Issuer Deed of Charge and each of the other Transaction Documents, other than:
 - [specify relevant non-compliance]

Signed by two directors for and on behalf of the Issuer

[●]

[●]

SCHEDULE 3 DEFINITIONS

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

1925 Act means the Law of Property Act 1925;

Account Banks means the EFGPB Account Bank and the Transaction Account Bank;

Accounting Change means a change to the rules relating to deconsolidation of assets and/or entities under generally applicable accounting policies applicable to or applied by the Originator, which in the reasonable opinion of the Originator (acting in good faith) and as certified by the Originator, has the effect that the Portfolio and/or the Issuer is no longer derecognised or deconsolidated under the accounting rules applied by the Originator;

Accounting Change Option means the option of the Originator (or an EFG Delegate) to re-acquire the entire beneficial interest of the Issuer in the Portfolio on any day following the occurrence of an Accounting Change, provided that such option may not be exercised on a date falling less than 10 Business Days prior to an Interest Payment Date;

Account Mandate means the EFGPB Account Mandate, the Transaction Account Mandate and/or any other mandate related to any additional Issuer Bank Account;

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

Additional Loan is as defined in Clause 4.1 of the Originator Trust Deed;

Additional Portfolio means the Loans and their Related Security over which a bare trust is declared in favour of the Issuer on any Additional Trust Date;

Additional Portfolio Notice means the notice to be served by the Originator to the Issuer to offer for sale the beneficial interest in any Additional Loans and their Related Security in accordance with Clause 4.1 of the Originator Trust Deed and substantially in the form set out in Schedule 6 to the Originator Trust Deed;

Additional Trust Consideration means an amount equal to the Current Balance of the Loans in the relevant Additional Portfolio as at the close of business on the Business Day immediately preceding the relevant Additional Trust Date;

Additional Trust Date means a date during the Revolving Period on which the Issuer acquires the beneficial interest in any Additional Loans and their Related Security;

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

Agency Agreement means the agency agreement entered into on the Closing Date between the Issuer, the Agent Bank, the Note Registrar, the Security Trustee and the Note Trustee which sets out the appointment of the Note Registrar and the Agent Bank for the Notes (as the same may be amended, restated, varied, supplemented, replaced or novated from time to time);

Agent Bank means Elavon Financial Services D.A.C, UK Branch or such other person or persons for the time being acting as Agent Bank under the Agency Agreement;

Agents means the Note Registrar and the Agent Bank and any further or other agents for the time being appointed under the Agency Agreement;

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

Appropriate Regulator means the FCA or the PRA and the FCA, as applicable;

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

Arrears means the interest that has not been paid on a loan (in full or in part) for in excess of one month

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

Auditors means Pricewaterhouse Coopers LLP or such other internationally independent firm of auditors selected from time to time by the Issuer with the prior written approval of the Security Trustee;

Authorised Investments means:

- (a) Sterling gilt-edged securities; and/or; and/or
- (b) Sterling demand or term deposits, certificates of deposit and short term debt obligations, provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments (i) have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date or within 90 days, whichever is sooner, and (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) on or before the next following Interest Payment Date or within 90 days, whichever is sooner.

Authorised Signatory means:

- (a) in relation to the EFGPB Bank Account Agreement, any authorised signatory referred to in, as applicable, the relevant Account Mandate or any mandate in respect of an additional account; and

- (b) in all other cases, (i) an officer of the Issuer, or such other person appointed by the Issuer to act as authorised signatory or (ii) in respect of any party to the Transaction Documents, an officer of such party, or such other person appointed by such party to act as authorised signatory;

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

- (a) all Principal Receipts or, if in a Determination Period, any Calculated Principal Receipts, in each case, excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date (i) received by the Issuer during the immediately preceding Collection Period (minus (A) an amount equal to the aggregate of all Further Advance Trust Consideration paid by the Issuer in such Collection Period (but excluding from this deduction any Further Advance Trust Consideration paid out on a date that is also an Interest Payment Date), (B) an amount equal to the aggregate of all Further Advance Trust Consideration to be paid by the Issuer on that Interest Payment Date but in an aggregate amount not exceeding such Principal Receipts and (C) an amount equal to the aggregate of all amounts paid by way of consideration for the Issuer's beneficial interest in any Additional Loans or Tranche Loans which have been transferred to the Issuer pursuant to the terms of the Originator Trust Deed in such Collection Period (but excluding from this deduction any such amounts which are paid out on a date which is also an Interest Payment Date)) and (ii) received by the Issuer from the Originator or an EFG Delegate during the immediately preceding Collection Period in respect of any re-acquisitions or acquisitions of the beneficial interest in Loans that were re-acquired by the Originator or an EFG Delegate pursuant to the Originator Trust Deed;
- (b) the amounts (if any) calculated on that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Ledger and/or the Class Z VFN Principal Deficiency Ledger is reduced;
- (c) any amounts deemed to be Available Principal Receipts in accordance with item (i) of the Pre-Enforcement Revenue Priority of Payments;
- (d) amounts released from the Retained Principal Ledger following the occurrence of an Early Amortisation Event or a Note Event of Default;
- (e) following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 5.9(c);
- (f) (in respect of the first Interest Payment Date only) the amount paid into the Transaction Account on the Closing Date from the excess of the proceeds of the Notes (excluding the proceeds of the Class Z VFN used to pay the initial expenses of the Issuer incurred in connection with the issue of the Notes on the Closing Date) over the Initial Consideration;

less

- (g) any amounts utilised to pay a Revenue Deficiency pursuant to item (h) of the definition of Available Revenue Receipts;

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

- (a) Revenue Receipts received during the immediately preceding Collection Period, or if in a Determination Period, Calculated Revenue Receipts, in each case, excluding an amount equal to any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date;
- (b) interest payable to the Issuer on the Issuer Bank Accounts and income from any Authorised Investments in each case received during the immediately preceding Collection Period;
- (c) other net income of the Issuer received during the immediately preceding Collection Period (excluding any Principal Receipts);
- (d) amounts standing to the credit of the Cash Reserve Fund as at the last day of the immediately preceding Collection Period;
- (e) amounts credited to the Transaction Account on the immediately preceding Interest Payment Date in accordance with item (m) of the Pre-Enforcement Revenue Priority of Payments;
- (f) following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 5.9(c);

less:

- (g) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies, which properly belong to third parties (including the Originator) such as (but not limited to):
 - payments of certain insurance premiums provided that such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts;
 - amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account;
 - payments by the Borrower of any fees (including Early Repayment Fees) and other charges which are due to the Originator; and
 - any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower or the Originator,

(together the **Third Party Amounts**).

plus

- (h) if a Revenue Deficiency occurs such that the aggregate of items (a) to (f) less (g) above is insufficient to pay or provide for interest due on the Class A Notes or amounts ranking in priority thereto in the Pre-Enforcement Revenue Priority of Payments, Available Principal Receipts in an aggregate amount sufficient to cover such Revenue Deficiency; and
- (i) any Further Class Z VFN Funding provided (or to be provided prior to the forthcoming Interest Payment Date) by the Class Z VFN Holder in order to ensure that following the application of Available Revenue Receipts on such Interest Payment Date there will not be an outstanding balance on the Principal Deficiency Ledger;

Bank Account Agreements means the EFGPB Bank Account Agreement and the Transaction Account Agreement;

Banking Act means the Banking Act 2009;

Basic Terms Modification has the meaning given to it in paragraph 7 of Schedule 2 to the Note Trust Deed;

Borrower means, in relation to a Loan, the relevant individual or individuals or entities specified as borrowers in the relevant Mortgage together with the individual or individuals or entities (if any) from time to time assuming an obligation to repay a relevant Loan or any part of it (including any guarantor in relation to any of the Loans in the Portfolio).

Buildings Insurance Policies means all buildings insurance policies relating to Property or Properties taken out:

- (a) in the name of the relevant Borrower; and
- (b) in the name of the landlord in the case of leasehold properties where the relevant landlord is responsible for insuring the Property or Properties;

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

Calculated Principal Receipts means the product of (a) 1 minus the Interest Determination Ratio and (b) all collections received by the Issuer during such Determination Period;

Calculated Revenue Receipts means, with respect to a Determination Period, the product of (a) the Interest Determination Ratio and (b) all collections received by the Issuer during such Determination Period;

Calculation Date means the 15th of February, May, August and November of each year or if such day is not a Business Day, the immediately preceding Business Day;

Cash Management Agreement means the cash management agreement entered into on or about the Closing Date between the Cash Manager, the Issuer and the Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

Cash Management Services means the cash management services set out in the Cash Management Agreement, including the schedules thereto;

Cash Manager means Elavon Financial Services D.A.C., UK Branch or any successor cash manager appointed from time to time as Cash Manager pursuant to the Cash Management Agreement;

Cash Manager Termination Event has the meaning given to it in Clause 11.1 of the Cash Management Agreement;

Cash Reserve Fund means the fund which will be maintained on the Transaction Account and which may be funded after the Closing Date by the Class Z VFN up to the Cash Reserve Required Balance;

Cash Reserve Fund Ledger means the ledger maintained by the Cash Manager on behalf of the Issuer which records (i) all amounts credited to the Cash Reserve Fund from the proceeds of a further funding of the Class Z VFN and thereafter from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and (ii) as a debit, withdrawals from the Cash Reserve Fund on each Interest Payment Date;

Cash Reserve Required Balance means (i) as of the Closing Date, zero, and (ii) as of any date thereafter, an agreed amount which will equal a specified percentage of the aggregate Current Balance of the Portfolio as at such date as determined by the Originator and provided to the Cash Manager;

Cash Sweep Date means the first day immediately following the last day of each Collection Period, or if such day is not a Business Day, the immediately preceding Business Day;

Certificate of Title means a solicitor's or licensed conveyancer's report or certificate of title obtained by or on behalf of the Originator in respect of each Property substantially in the form of the pro forma set out in the Standard Documentation;

Charged Assets means the assets charged by the Issuer pursuant to Clause 3 of the Issuer Deed of Charge;

Charged Transaction Documents means each of the Transaction Documents (other than the Note Trust Deed and the Issuer Deed of Charge) to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party;

Class in relation to the Notes means each or any of the Class A Notes and the Class Z VFN as the context may require;

Class A Holder and **Class A Noteholder** means the person(s) in whose name a Class A Note is registered in the Class A Note Register;

Class A Margin means in respect of the Class A Notes, 0.75% per annum;

Class A Notes means the Class A mortgage backed floating rate notes due November 2035;

Class A Principal Deficiency Ledger means the ledger established on the Closing Date in order to record (i) any losses on the Portfolio as allocated against the Class A Notes and (ii) as a credit Available Revenue Receipts applied pursuant to item (g) of the Pre-Enforcement Revenue Priority of Payments (if any);

Class A Required Redemption Amount means an amount equal to the Principal Amount Outstanding of the Class A Notes, together with accrued and unpaid interest thereon up to the date on which the Class A Notes will be redeemed;

Class A Register means the register maintained by the Note Registrar for recording the registered holder(s) of the Class A Notes;

Class A Subscription Agreement means the subscription agreement entered into by the Class A Holder and the Issuer on 25 August 2017;

Class Z VFN means the Class Z variable funding note due November 2035;

Class Z VFN Commitment Termination Date means the earliest to occur of:

- (a) an Early Amortisation Event;
- (b) a Note Event of Default; and
- (c) the Final Maturity Date for the Class A Notes;

Class Z VFN Holder means the person(s) in whose name the Class Z VFN is registered in the Class Z VFN Register;

Class Z VFN Margin means in respect of the Class Z VFN, 5.50% per annum;

Class Z VFN Principal Deficiency Ledger means the ledger established on the Closing Date in order to record (i) any losses on the Portfolio as allocated against the Class Z VFN and (ii) as a credit Available Revenue Receipts applied pursuant to item (j) of the Pre-Enforcement Revenue Priority of Payments (if any);

Class Z VFN Principal Deficiency Limit means the Principal Amount Outstanding of the Class Z VFN used to fund the Current Balance (calculated as at such corresponding funding date) of the Loans;

Class Z VFN Register means the register maintained by the Note Registrar for recording the registered holder(s) of the Class Z VFN;

Clear Days has the meaning given to it in paragraph 1 of Schedule 2 to the Note Trust Deed;

Closing Date means 25 August 2017;

Collection Period means the quarterly period commencing on and including the Collection Period Start Date and ending on but excluding the immediately following Collection Period Start Date except that the first Collection Period will commence on (and include) the Closing Date and end on but exclude the Collection Period Start Date falling in November 2017;

Collection Period Start Date means the 1st of February, May, August and November of each year or, if such day is not a Business Day, the immediately preceding Business Day;

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

Conditions or Terms and Conditions means the terms and conditions of the Notes set out in Schedule 1 to the Note Trust Deed, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Note Trust Deed and any reference to a numbered Condition shall be construed accordingly;

Consideration means the Initial Trust Consideration or (as applicable) the Additional Trust Consideration and the Deferred Consideration;

Control has the meaning given to it in Section 1124 of the Corporation Taxes Act 2010;

Corporate Services has the meaning given to it in Clause 2.3(a) of the Corporate Services Agreement;

Corporate Services Agreement means the agreement dated on or about the Closing Date and made between the Corporate Services Provider, the Share Trustee, Holdings, the Issuer, the Originator and the Security Trustee for the provision by the Corporate Services Provider of certain corporate and financial services to the Issuer and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

Corporate Services Provider means Intertrust 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 and Holdings under the Corporate Services Agreement;

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

CRR means Regulation (EU) No.575/2013, referred to as the Capital Requirements Regulation;

CTA 2009 means the Corporation Tax Act 2009;

Cumulative Net Default Ratio means the ratio, determined by the Servicer on each Calculation Date, of (a) the cumulative amount of all Defaulted Amounts arising on the Loans since the Closing Date minus the sum of (i) the cumulative amount of all Recoveries on Defaulted Loans since the Closing Date plus (ii) the aggregate Re-acquisition Value of all Defaulted Loans re-acquired by the Originator (or an EFG Delegate) since the Closing Date; divided by (b) the sum of the (i) the Current Balance (as at the Closing Date) of the Initial Portfolio plus (ii) the Current Balance

(as at the applicable Additional Trust Date) of all Additional Portfolios the beneficial interest of which has been transferred or will be transferred at the immediately succeeding Interest Payment Date to the Issuer plus (iii) the sum of the cumulative Principal Incremental Balance of the Loans in the Portfolio;

Current Balance means, with respect to a Loan, on any relevant date, the aggregate principal balance of the Loan at such date (but avoiding double counting) including:

- (a) the original amount advanced to the relevant Borrower and any further amount (including any Further Tranche and any Further Advance, as the case may be) advanced on or before the given date to the relevant Borrower secured or intended to be secured by the related Mortgage; and
- (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by the related Mortgage,

as at the end of the Business Day immediately preceding that given date less (but avoiding double counting) any prepayment, repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any retentions made but not released and any Further Tranches and/or Further Advances committed to be made but not made by the end of the Business Day immediately preceding that given date, except that, for the avoidance of doubt, in relation to any re-acquisitions of such Loan by the Originator (or an EFG Delegate), the Current Re-acquisition Value shall apply.

Current Re-acquisition Value means, in relation to any re-acquisition of a Loan by the Originator (or an EFG Delegate), on any date, the Current Balance of such Loan plus any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by the related Mortgage shall also be included;

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

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

whether original documentation, in electronic form or otherwise;

Cut-Off Date means 18 August 2017;

Data Protection Act means the Data Protection Act 1998 as amended from time to time;

Deed of Consent means a deed whereby a Mortgagee in relation to a Property agrees with the Originator to postpone its mortgage over the Property so that the sums secured by it will rank for repayment after the sums secured by the relevant Mortgage;

Defaulted Amount means the Current Balance of each Loan that has become a Defaulted Loan;

Defaulted Loan means any Loan in relation to which amounts due and payable remain unpaid for more than 90 days;

Deferred Consideration means the consideration due and payable to the Originator pursuant to Clause 7.5 of the Originator Trust Deed in respect of the acquisition of the beneficial interest in the Portfolio, which shall be an amount equal to the amount remaining after making payment of (as applicable) (1) the items described in (a) to (l) inclusive of the Pre-Enforcement Revenue Priority of Payments on each Interest Payment Date; or (2) the items described in (a) to (f) inclusive of the Post-Enforcement Priority of Payments;

Deferred Interest has the meaning given to it in Condition 15 (*Subordination by Deferral*) of the Notes;

Definitive Notes means any Notes in certificated form;

Determination Period has the meaning given to it in paragraph 14 of Schedule 2 of the Cash Management Agreement;

Early Amortisation Event means, prior to the end of the Revolving Period, each of the following, determined as of each Early Amortisation Event Test Date:

- (a) the Cumulative Net Default Ratio exceeds 4% at any Interest Payment Date from (and including) the Closing Date up to and including the Interest Payment Date in August 2018, 7% at any Interest Payment Date from but excluding the Interest Payment Date in August 2018 to and including the Interest Payment Date in August 2019, 10% at any Interest Payment Date from but excluding the Interest Payment Date falling in August 2019 to and including the Interest Payment Date in August 2020, 13% at any Interest Payment Date from but excluding the Interest Payment Date falling in August 2020 to and including the Interest Payment Date in August 2021 and 16% at any Interest Payment Date from but excluding the Interest Payment Date falling in August 2021 to and including the Interest Payment Date in August 2022;
- (b) the occurrence of a Servicing Termination Event;
- (c) there is a debit balance on the Principal Deficiency Ledger on an Interest Payment Date, having taken into account payments to be made on such Interest Payment Date;
- (d) on two consecutive Interest Payment Dates, the amount credited to the Retained Principal Ledger exceeds 20% of the outstanding principal balance of the Loans;

- (e) if the Cash Reserve has been funded, the balance standing to the credit of the Cash Reserve Fund is less than the Cash Reserve Required Balance on an Interest Payment Date, having taken into account payments to be made on such Interest Payment Date;
- (f) if any amount deposited in the Retained Principal Ledger has not been withdrawn for the purpose of purchasing Additional Loans for a period of 12 months following the date of deposit;
- (g) if the aggregate Current Balance of the Fixed Rate Loans in the Portfolio exceeds 5% of the aggregate Current Balance of the Loans in the Portfolio;
- (h) the Class Z VFN Holder failing to provide any funding under the Class Z VFN requested by the Issuer (or the Cash Manager on its behalf) pursuant to Condition 16; and
- (i) the Loss Ratio is greater than or equal to 2%;

Early Amortisation Event Test Date means each Calculation Date;

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

EFG Delegate means, in relation to the re-acquisition of the Issuer's beneficial interest in a Loan in the Portfolio, an entity (other than the Originator) within the EFG Group designated by the Originator to acquire the beneficial interest in such Loan from the Issuer;

EFG Group means EFG International AG, together with its consolidated subsidiaries and undertakings from time to time;

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

EFGPB Bank Account Agreement means the agreement entered into on or about the Closing Date between, inter alios, the EFGPB Account Bank, the Issuer, the Cash Manager and the Security Trustee which governs the operation of the EFGPB Bank Account (as amended, restated, supplemented, replaced and/or novated from time to time);

EFGPB Account Bank means EFG Private Bank Limited;

EFGPB Account Mandate means the form of bank mandate relating to the EFGPB Account Bank as set out in Schedule 1 to the EFGPB Bank Account Agreement;

EFGPB Account Bank Termination Event has the meaning set out in Clause 9.1 of the EFGPB Bank Account Agreement;

Eligible Person has the meaning given to it in paragraph 1 of Schedule 2 to the Note Trust Deed;

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

Enforcement Procedures means the procedures for the enforcement of Mortgages undertaken by the Originator from time to time in accordance with the Originator's Policy;

Extraordinary Resolution has the meaning given to it in paragraph 1 of Schedule 2 of the Note Trust Deed;

FATCA Withholding means any amount required to be withheld or deducted pursuant to the rules of U.S. Internal Revenue Code Sections 1471 to 1474 (or any amendment or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service;

FCA means the Financial Conduct Authority;

Final Discharge Date means the date that is the earlier to occur of (i) the date upon which all amounts due by the Issuer under the Notes and/or the Transaction Documents have been paid in full and (ii) the date on which the Issuer's obligations under the Notes and the Transaction Documents are discharged pursuant to Clause 4 of the Issuer Deed of Charge;

Final Maturity Date means the Interest Payment Date falling in November 2035;

First Trust Date means the Closing Date;

Fixed Rate Loan means a Loan or any sub-account(s) of such Loan to the extent that and for such time as the interest rate payable by the relevant Borrower on all or part of the outstanding balance does not vary and is fixed for a certain period of time by the Originator;

Floating Rate Loan means a Loan or any sub-account(s) of such Loan to the extent that and for such time as the interest rate payable by the relevant Borrower on all or part of the outstanding balance may vary throughout the life of a loan as a result of movements in an external rate.

Force Majeure Event means any event (including but not limited to an act of God, fire, epidemic, explosion, floods, earthquakes, typhoons; riot, civil commotion or unrest, insurrection, terrorism, war, strikes or lockouts; nationalisation, expropriation, redenomination or other related governmental actions; any applicable law of a Governmental Authority or supranational body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; and breakdown, failure or malfunction of any telecommunications, computer services or systems, or other cause) beyond the control of any party which restricts or prohibits the performance of the obligations of such party contemplated by the Transaction Documents.

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

Funded Amount means, with respect to any Tranching Loan as at the date it becomes subject to the Originator Trust, the funding provided by (1) the Class Z VFN Holder to the Issuer under the Class Z VFN or (2) amounts standing to the credit of the Retained Principal Ledger, in each case in an amount equal to the difference between the drawn amount of the relevant Tranching Loan and the committed amount under that Tranching Loan;

Further Advance means, in relation to a Loan, any advance of further money to the relevant Borrower (at the discretion of the Originator) following the making of the Initial Advance, which is secured by the same Mortgage as the Initial Advance (under the same loan identifier), but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage;

Further Advance Trust Consideration means the amount paid by the Issuer to the Originator on the relevant Quarterly Pool Date in respect of each Further Advance pursuant to Clause 6.2 and Clause 7.4 of the Originator Trust Deed equal to the aggregate Current Balance of such Further Advance as at the relevant Further Advance Trust Date;

Further Advance Trust Date means the date of a declaration of trust by the Originator over any Further Advances in favour of the Issuer absolutely pursuant to the Originator Trust Deed;

Further Class Z VFN Funding means the further funding made by the Class Z VFN Holder upon receipt of a notice from the Issuer or the Cash Manager (on behalf of the Issuer) prior to the VFN Commitment Termination Date requesting that the relevant Class Z VFN Holder further fund the Class Z VFN;

Further Tranche means any advance of further money to a Borrower following the making of the Initial Advance under a Tranching Loan, which is secured by the same Mortgage as the Initial Advance (under the same loan identifier);

Further Tranche Trust Consideration means the amount paid by the Issuer to the Originator on the relevant Quarterly Pool Date in respect of each Further Tranche pursuant to Clause 6.1 and Clause 7.3 of the Originator Trust Deed equal to the aggregate Current Balance of such Further Tranche as at the relevant Further Tranche Trust Date;

Further Tranche Trust Date means the date of a declaration of trust by the Originator over any Further Tranche in favour of the Issuer absolutely pursuant to the Originator Trust Deed;

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

HMRC means Her Majesty's Revenue & Customs; **HMT** means Her Majesty's Treasury;

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

Holdings means Chestnut II Mortgage Financing Holdings Limited (registered number 10923081), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

In Arrears or in arrears means, in respect of a Mortgage Account, that one or more Monthly Payments in respect of such Mortgage Account have become due and remain unpaid (either in whole or in part) by a Borrower;

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

Indexed LTV means the ratio of the Current Balance of the relevant Loan divided by the Indexed Valuation of the relevant Property;

Indexed Valuation means the indexed valuation of a Property calculated by applying the most appropriate Land Registry house price index for such Property (either by reference to the London borough or, if outside of London, the County in which the Property is located) from the date of the Original Valuation of the Property to the date of the most recent indexation (undertaken no less frequently than annually);

Initial Advance means all amounts advanced by the Originator to a Borrower under a Loan other than a Further Advance;

Initial Loans means the mortgage loans over which the Originator has declared a trust in favour of the Originator Trustee to be held solely on behalf of the Issuer as at the First Trust Date;

Initial Portfolio means the portfolio of Initial Loans, their Related Security and all rights, interest and benefit therein;

Initial Trust Consideration means an amount equal to the Current Balance of the Loans in the Initial Portfolio as at the close of business on the Business Day immediately preceding the First Trust Date;

Insolvency Act means the Insolvency Act 1986, as amended from time to time;

Insolvency Event means:

- (a) in respect of the Originator or the Cash Manager (each, for the purposes of this definition, a **Relevant Entity**):
 - (i) an order is made or an effective resolution passed for the winding up of the Relevant Entity; or

- (ii) the Relevant Entity ceases or threatens to cease to carry on the whole of its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent; or
 - (iii) proceedings (including, but not limited to, presentation of an application for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) are initiated against the Relevant Entity under any applicable liquidation, administration, reorganisation (other than a reorganisation where the Relevant Entity is solvent) or other similar laws, save where such proceedings are being contested in good faith; or an administrative or other receiver, administrator or other similar official is appointed in relation to the whole or the substantial part of the undertaking or assets of the Relevant Entity or the appointment of an administrator takes effect; or a distress, execution or diligence or other process is enforced upon the whole or the substantial part of the undertaking or assets of the Relevant Entity and in any of the foregoing cases it is not discharged within 15 Business Days; or if the Relevant Entity initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; and
- (b) in respect of the Issuer, the occurrence of any of the events set out in Condition 10.1(c) to (f) inclusive;

Insolvency Proceedings means proceedings:

- (a) initiated under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, application to the court for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator);
- (b) involving any application for the granting of an administration order or the appointment of an administrator or an administrative or other receiver, manager or other similar official in relation to the whole or any part of the undertaking or assets of the relevant person; or
- (c) relating to any or an encumbrancer taking possession of the whole or any part of the undertaking or assets of the relevant person, or a distress, diligence, execution, attachment, sequestration or other process being levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of relevant person;

Insurance Policies means the Buildings Insurance Policies and the Third Party Buildings Policies;

Interest Amount has the meaning given to it in Condition 5.4 (*Determination of Rates of Interest and Interest Amounts*);

Interest Determination Date has the meaning set out in Condition 5.3(b) (*Rate of Interest*);

Interest Determination Ratio means (a) the aggregate Revenue Receipts calculated in the three preceding Collection Periods for which all relevant Servicing Reports are available (or where there are not at least three previous such Collection Periods, the relevant previous Collection Periods used by the Cash Manager pursuant to Condition 5.9(b)(i)) divided by (b) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Collection Periods;

Interest Payment Date means the 25th day of February, May, August and November in each year or, if such day is not a Business Day, the immediately succeeding Business Day with the first Interest Payment Date being in November 2017;

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

Interest Period means, in relation to a Note, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (except in the case of the first Interest Period for the Notes, where it shall mean the period from (and including) the Closing Date to (but excluding) the Interest Payment Date in November 2017;

International Stock Exchange means The International Stock Exchange Authority Limited or any successor thereto;

Investor Report means the quarterly report provided by the Cash Manager (with the assistance of the Servicer) to the Issuer, the Security Trustee, the Originator Trustee and the Noteholders in accordance with the Cash Management Agreement and substantially in the form set out in Schedule 3 of the Cash Management Agreement;

Irrecoverable VAT means any amount in respect of VAT incurred by a party to the Transaction Documents (for the purposes of this definition, a **Relevant Party**) as part of a payment in respect of which it is entitled to be reimbursed or indemnified under the relevant Transaction Documents to the extent that the Relevant Party does not or will not receive and retain a credit or repayment of such VAT as input tax (as that expression is defined in section 24(1) of the Value Added Tax Act 1994);

Issuer means Chestnut II Mortgage Financing PLC (registered number 10925853), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

Issuer Bank Accounts means the EFGPB Bank Account, the Transaction Account and any additional accounts to be established by the Issuer pursuant to the EFGPB Bank Account Agreement or the Transaction Account Agreement, as applicable;

Issuer Deed of Charge means the deed of charge to be entered into on or about the Closing Date between, *inter alios*, the Issuer and the Security Trustee pursuant to which the Issuer grants the Issuer Security in favour of the Security Trustee for the benefit of the Secured Creditors (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

Issuer Loan Re-acquisition Notice means a notice substantially in the form set out in Part 1 of Schedule 5 to the Originator Trust Deed;

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

Issuer Profit Amount means an amount equal to £300 as at each Interest Payment Date (£1,200 per annum);

Issuer Profit Ledger means the ledger maintained by the Cash Manager to record as a credit the Issuer Profit Amount retained by the Issuer as profit in accordance with the relevant Priority of Payments;

Issuer's Profit means the profit of the Issuer, retained by the Issuer as provided for in accordance with the Cash Management Agreement;

Issuer Representations and Warranties means the representations and warranties of the Issuer set out in Clause 22.1 of the Issuer Deed of Charge;

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

ITA 2007 means the Income Tax Act 2007;

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

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

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

Lending Criteria means the lending criteria contained in Schedule 8 to the Originator Trust Deed or such other lending criteria of the Originator from time to time, or such other criteria as would be acceptable to a Reasonable Prudent Mortgage Lender;

Lending Industry's Principles of Data Reciprocity means the rules formulated by the Steering Committee on Reciprocity governing the sharing of data via credit reference agencies by institutions engaged in the provision of banking facilities;

Liability means, in respect of any person, any loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or any other liability whatsoever including, but without limitation, legal and other professional advisor fees, costs and expenses properly incurred (including, in each case, Taxes (other than VAT or amounts in respect of VAT, which, in each case is recoverable and any Tax incurred on actual net income, profits or gains), together with (without double counting) any Irrecoverable VAT charged or chargeable in respect thereof);

LIBOR means the London Interbank Offered Rate or, if the London Interbank Offered Rate is phased out, a different index as agreed between the Issuer and the Agent Bank with the consent of the Noteholders;

Loan Agreement means, in relation to a Loan, the loan agreement entered into between the relevant Borrower and the Originator, as amended and/or restated from time to time;

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

Loan Losses means all realised losses on the Loans as determined by the Originator in its servicing capacity of the Trust Assets in accordance with the Servicing Standard;

Loan Reacquisition Amount means, in relation to the reacquisition of the beneficial interest in a Loan from the Issuer pursuant to the Originator Trust Deed, the amount to be paid by the Originator or other designated EFG Delegate for such reacquisition;

Loans means residential mortgage loans, secured by Mortgages and Related Security, in the Portfolio over which a bare trust is declared in favour of the Issuer by the Originator on the First Trust Date and any Additional Loans in relation to which a bare trust is declared in favour of the Issuer by the Originator on any Additional Trust Date during the Revolving Period in each case together with, where the context so requires, each Further Advance or Further Tranche in relation to which the Issuer acquires a beneficial interest from the Originator after the First Trust Date and any alteration to a Loan by the Originator pursuant to a Product Switch. The Portfolio excludes each Loan and its Related Security, the beneficial interest in which is re-acquired by the Originator (or an EFG Delegate) pursuant to the Originator Trust Deed;

Loan Warranties means the representations and warranties set out in Schedule 2 to the Originator Trust Deed;

Losses means all realised losses in respect of a Loan;

Loss Ratio means the ratio, determined by the Servicer on each Calculation Date, of the cumulative Losses on the Portfolio since the Closing Date divided by the sum of (i) the aggregate Current Balance as at the Closing Date) of the Loans in the Initial Portfolio plus (ii) the aggregate Current Balance of all Additional Loans (calculated as at the relevant Additional Trust Date in relation to such Additional Loans) the beneficial interest in which has been transferred (or will be transferred prior to the immediately succeeding Interest Payment Date) to the Issuer;

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

LTV, LTV ratio or loan-to-value ratio means the ratio (expressed as a percentage) of the Current Balance of a Loan to the value of the Property securing that Loan;

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

Master Definitions and Construction Schedule means this master definitions and construction schedule (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

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 party to a Transaction Document, a material adverse effect on:
 - (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of such party; or
 - (ii) the ability of such party to perform its obligations under any of the Transaction Documents; or
 - (iii) the rights or remedies of such party under any of the Transaction Documents; or
- (c) in the context of the Originator Trusts, a material adverse effect on the interests of the Issuer of the Security Trustee in the Trust Assets, or on the ability of the Issuer (or the Originator Trustee on the Issuer's behalf) to collect the Revenue Receipts and Principal Receipts or on the ability of the Security Trustee to enforce the Issuer Security; or
- (d) a material adverse effect on the validity or enforceability of any of the Notes;

Maximum Class Z VFN Amount means £135,000,000 or such other amount as may be agreed from time to time by the Issuer and the Class Z VFN Holder, and such amount to be notified to the Note Trustee;

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

Mortgage means in respect of any Loan each first fixed charge by way of legal mortgage which is, or is to be, sold by the Originator to the Issuer pursuant to the Originator Trust Deed, which secures the repayment of the relevant Loan including the Mortgage Conditions applicable to it;

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

Mortgage Conditions means all the terms and conditions applicable to a Loan, including without limitation those set out in the Originator's relevant mortgage conditions booklet and the Originator's relevant general conditions, each as varied from time to time by the relevant Loan Agreement and the relevant Mortgage Deed;

Mortgage Deed means, in respect of any Mortgage, the deed in written form creating that Mortgage;

Mortgaged Property has the same meaning as Property;

Mortgagee means the person for the time being entitled to exercise the rights of the mortgagee under a Mortgage;

Nominated Re-acquisition Date has the meaning set out in Clause 12.5 of the Originator Trust Deed;

Note Acceleration Notice means a notice issued by the Note Trustee to the Issuer declaring the Notes to be due and repayable pursuant to Condition 10 (*Events of Default*) of the Notes;

Note Event of Default means a note event of default as defined in Condition 10 (*Events of Default*) of the Notes;

Note Trust Deed means the note trust deed entered into on or about the Closing Date between, *inter alios*, the Issuer and the Note Trustee constituting the Notes (as the same may be amended, restated, varied supplemented, replaced and/or novated from time to time);

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

Noteholders means (a) the Class A Holder(s), and (b) the Class Z VFN Holder and the words **Noteholder** and **Noteholders** and related expressions shall (where appropriate) be construed accordingly;

Note Registrar means Elavon Financial Services D.A.C, UK Branch or such other person or persons for the time being acting as Note Registrar as appointed under the Agency Agreement;

Notes means the Class A Notes and the Class Z VFN;

Notice of Increase means a notice substantially in the form in Schedule 3 (*Form of Notice of Increase*) to the Note Trust Deed;

Notification Event means the occurrence of any of the following events:

- (a) where such notification is required (i) by law or an order of a court of competent jurisdiction or (ii) by a regulatory authority which has jurisdiction over the Originator;
- (b) the security under the Issuer Deed of Charge or any material part of that security being, in the opinion of the Security Trustee, in jeopardy and the Security Trustee being required by the Note Trustee (on behalf of the Class A Noteholders) so long as any Class A Notes are outstanding or the other Secured Creditors if no Class A Notes are then outstanding to take the action specified by such Class A Noteholders or other Secured Creditors (as applicable) to reduce that jeopardy;
- (c) the Originator Trustee calling for notification by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (d) the occurrence of an Insolvency Event with respect to the Originator;

OFAC means the Office of Foreign Assets Control;

Offset Loan means a Loan which permits the Borrower to offset the amount of monies standing to the credit of specified savings account(s) against the Current Balance of their Loan for the purposes of reducing the interest bearing balance of their Loan;

Optional Re-acquisition Criteria means the following criteria:

- (a) The maximum aggregate current balance of all Loans in relation to which the beneficial interest may optionally be re-acquired by the Originator Trustee shall not exceed 5% of the aggregate Current Balance of all Loans in the Portfolio; and
- (b) Any such Loan in relation to which the beneficial interest will be re-acquired will be reacquired at a price at least equal to its then Current Re-acquisition Value calculated on the Business Day prior to the re-acquisition;

Optional Redemption Date has the meaning given to it in Condition 7.4(a) (*Optional Redemption of the Notes in Full*);

Ordinary Resolution has the meaning given to it in paragraph 1 of Schedule 2 to the Note Trust Deed;

Original Valuation means the property valuation at the time of the latest advance;

Originator means EFG Private Bank Limited in its capacity as the originator under the Originator Trust Deed;

Originator Loan Re-acquisition Notice means a notice substantially in the form set out in Part 2 of Schedule 5 to the Originator Trust Deed;

Originator Power of Attorney means the irrevocable power of attorney granted by the Originator on the Closing Date in favour of the Issuer and the Security Trustee and substantially in the form set out in Schedule 3 to the Originator Trust Deed;

Originator's Policy means the originating, underwriting, administration, arrears and enforcement policy for repayment of the Loans and their Related Security which are beneficially owned solely by the Originator and applied by the Originator from time to time to such Loans and their Related Security;

Originator Trust Deed means the Originator Trust Deed dated on or about the Closing Date and made between the Originator, the Originator Trustee, the Issuer, the Security Trustee and the Cash Manager in relation to the declaration of trust over the Loans in favour of the Issuer;

Originator Trustee means EFG Private Bank Limited in its capacity as the trustee under the Originator Trust;

Originator Trustee Insolvency Event means the occurrence of any of the following circumstances:

- (a) an order is made or an effective resolution passed for the winding up of the Originator Trustee; or
- (b) the Originator Trustee stops or threatens to stop payment to its creditors generally or the Originator Trustee ceases or threatens to cease to carry on its business or substantially the whole of its business; or
- (c) an encumbrancer takes possession or a receiver, administrator, administrative receiver or other similar officer is appointed to the whole or any material part of the undertaking, property and assets of the Originator Trustee or a distress, diligence or execution is levied or enforced upon or sued out against the whole or any material part of the chattels or property of the Originator Trustee and, in the case of any of the foregoing events, is not discharged within 30 days; or
- (d) the Originator Trustee is unable to pay its debts as they fall due;

Originator Trusts means the bare trusts over the Loans and their Related Security as to both capital and income (together the **Trust Assets**) for the Issuer declared from time to time by the Originator in accordance with, and subject to all trusts, powers and provisions of the Originator Trust Deed;

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

- (a) those Notes which have been redeemed in full and cancelled pursuant to the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest

payable thereon) have been duly paid to the Note Trustee or to the Note Registrar in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes;

- (c) those Notes which have been cancelled in accordance with Condition 7.12 (*Cancellation*) of the Notes;
- (d) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 9 (*Prescription*) of the Notes,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders of any Class or Classes, an Extraordinary Resolution in writing or an Ordinary Resolution in writing as envisaged by paragraph 1 of Schedule 2 to the Note Trust Deed and any direction or request by the holders of Notes of any Class or Classes;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 9.1 of, and Schedule 2 to, the Note Trust Deed, Conditions 10 (*Events of Default*) and 11 (*Enforcement*) of the Notes;
- (iii) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof; and
- (iv) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

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

Pool Factor has the meaning given to it in Condition 7.2(b) (*Mandatory Redemption following the end of the Revolving Period*) of the Notes;

Portfolio means the Loans, the Related Security and all monies derived therein from time to time (whether contained in the Initial Portfolio or any Additional Portfolio);

Portfolio Criteria means the criteria set out in Schedule 1 to the Originator Trust Deed;

Portfolio Notice means a notice attaching or setting out data in respect to the Loans in the Portfolio;

Post-Enforcement Priority of Payments means the manner and priority of payments in which amounts (other than those excluded under Clause 7.2 of the Issuer Deed of Charge) will be applied following the service of a Note Acceleration Notice on the Issuer, as set out in Clause 7.2 of the Issuer Deed of Charge;

Power of Attorney Event means each of the following events:

- (a) the occurrence of a Servicing Termination Event;
- (b) the occurrence of a Note Event of Default; and
- (c) the occurrence of a Notification Event;

PRA means the Prudential Regulation Authority;

Pre-Enforcement Principal Priority of Payments means the manner and priority of payments in which Available Principal Receipts will be applied prior to the service on the Issuer of a Note Acceleration Notice, as set out in paragraph 8 of Schedule 2 to the Cash Management Agreement;

Pre-Enforcement Priority of Payments means the Pre-Enforcement Principal Priority of Payments and the Pre-Enforcement Revenue Priority of Payments;

Pre-Enforcement Revenue Priority of Payments means the manner and priority of payments in which the Available Revenue Receipts will be applied prior to service of a Note Acceleration Notice, as set out in paragraph 7 of Schedule 2 to the Cash Management Agreement;

Principal Amount Outstanding has the meaning set out in Condition 7.9 (*Principal Amount Outstanding*) of the Notes;

Principal Deficiencies means any Losses which cause a shortfall in the amount available to pay principal on the Notes;

Principal Deficiency Ledger means the ledger established on the Closing Date (made up of the Class A Principal Deficiency Ledger and the Class Z VFN Principal Deficiency Ledger) in order to record (i) as a debit deficiencies arising from Losses on the Portfolio and Principal Receipts used to pay a Revenue Deficiency and (ii) as a credit Available Revenue Receipts applied pursuant to items (g) and (j) of the Pre-Enforcement Revenue Priority of Payments (if any);

Principal Incremental Balance means the amount of any increase in the Current Balance of a Loan by way of a Further Advance calculated as at the relevant Further

Advance Trust Date, less (if applicable) an amount equal to the Further Advance Trust Consideration paid from a further drawing under the Class Z VFN in relation to such Further Advance;

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

Principal Receipts means (a) principal repayments under the Loans, (b) net recoveries of principal from defaulting Borrowers under Loans being enforced (including the net proceeds of sale of the relevant Property, (c) any payment pursuant to any insurance policy in respect of a Mortgaged Property in connection with a Loan in the Portfolio, and (d) the proceeds of the re-acquisition of the beneficial interest in any Loan by the Originator (or an EFG Delegate) or the acquisition of the beneficial interest in any Loan by a third party from the Issuer pursuant to the Originator Trust Deed (other than any amount representing Accrued Interest);

Priority of Payments or Priorities of Payments means the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments;

Proceedings has the meaning given to it in the Note Trust Deed;

Product Switch means any variation in the financial terms and conditions applicable to a Loan and is deemed to include any switch of a Floating Rate Loan to a Fixed Rate Loan but does not include any variation:

- (a) agreed with a Borrower to control or manage arrears on the Loan (so long as such Loan does not have a maturity date later than 2022);
- (b) in the maturity date of the Loan (unless the maturity date would be extended to a date later than three years before the Final Maturity Date of the Notes in which case such variation will constitute a Product Switch);
- (c) imposed by statute;
- (d) in the rate of interest payable (a) as a result of any variation in applicable floating rates or (b) where the terms of the Mortgage change the rate of interest payable by a Borrower on termination of an interest discount for a fixed period of time or the terms of the Mortgage otherwise change the interest rate payable; or
- (e) in the frequency with which the interest payable in respect of the Loan is charged;

Product Switch Date means, in relation to a Product Switch, the date the relevant Product Switch is made;

Property means, for any Loan, the freehold or leasehold property in England and all rights and security attached or appurtenant or related thereto and all buildings and

fixtures on the property which are subject to the Mortgage securing repayment of that Loan;

Purchase Price means the Initial Consideration and the Deferred Consideration;

Quarterly Pool Date means the 1st of February, May, August and November of each year, or, if such day is not a Business Day, the immediately preceding Business Day;

Quarterly Test Date means the Business Day which is two (2) Business Days prior to the relevant Calculation Date;

Rate of Interest has the meaning given to it in Condition 5.3 (*Rate of Interest*) of the Notes;

Re-acquisition Date has the meaning set out in Clause 11.8 of the Originator Trust Deed;

Reacquired Loans means the Loans where the beneficial interest thereof have been reacquired (or acquired, as the case may be) from the Issuer and accordingly released from the Originator Trusts pursuant to Clause 11 or Clause 12 of the Originator Trust Deed and each, a **Reacquired Loan**;

Reasonable Prudent Mortgage Lender means a reasonably prudent residential mortgage lender operating in the private banking sector and lending to borrowers in England, where such borrowers are of the same or similar type as the borrowers whose Loans are included in the Portfolio;

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

Reconciliation Amount means in respect of any Collection Period which is a Determination Period, (a) the actual Principal Receipts as determined in accordance with the available Servicing Reports, *less* (b) the Calculated Principal Receipts in respect of such Collection Period, *plus* (c) any Reconciliation Amount not applied in previous Collection Periods;

Recoveries on Defaulted Loans means, any amount recovered by the Servicer in relation to each Defaulted Loan, excluding the Current Re-acquisition Value of any Defaulted Loan paid by the Originator (or an EFG Delegate) to the Issuer for the re-acquisition of such Defaulted Loan;

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

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

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

Regulatory Change means a change in law or regulation (or the interpretation of the application thereof) applicable to the Originator that, in the reasonable opinion of the Originator (acting in good faith) and as certified by the Originator, has the effect of materially and adversely affecting the return on capital of the Originator or materially increasing the cost or materially reducing the benefit to the Originator of the transactions contemplated by the Transaction Documents;

Regulatory Change Option means the option of the Originator or re-acquire (or designate an EFG Delegate to re-acquire) the entire beneficial interest of the Issuer in the Portfolio on any day following the occurrence of a Regulatory Change, provided that such option may not be exercised on a date falling less than 10 Business Days prior to an Interest Payment Date;

Regulatory Determination means any determination made by any court or other competent authority or any ombudsman or regulator that:

- (a) any term which relates to the recovery of interest under the Standard Documentation applicable to a Loan and its Related Security is unfair;
- (b) any discretionary interest rate or margin payable under any Loan (subject to any applicable caps, discounts and fixed rates) may not be set by any successors or assigns or assignees of the Originator or those deriving title from it; or
- (c) there has been any breach of or non-observance or non-compliance with any obligation, undertaking, covenant or condition on the part of the Originator relating to the interest payable by or applicable to a Borrower under any Loan;

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

Related Security means, in relation to a Loan, the security granted for the repayment of that Loan by the relevant Borrower including the relevant Mortgage and all other matters applicable thereto forming part of the Trust Assets pursuant to the Originator Trust Deed including (without limitation):

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent) from occupiers and other persons having an interest in or rights in connection with the relevant Property;
- (b) each right of action of the Originator against any person (including, without limitation, any solicitor, licensed conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given or received in connection with

all or part of any Loan and its Related Security or affecting the decision of the Originator to make or offer to make all or part of the relevant Loan;

- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (including, the relevant Buildings Insurance Policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and relevant Loan Files; and
- (d) any cash deposits, securities, or other assets held in an account with the Originator and granted by the relevant Borrower as security for the repayment of that Loan;

Relevant Company means any party to any Transaction Document;

Relevant Date has the meaning given to it in Condition 9 (*Prescription*) of the Notes;

Relevant Entity means a UK-incorporated institution with permission to accept deposits pursuant to Part IV of the Financial Services and Markets Act 2000;

Relevant Margin means:

- (a) in respect of the Class A Notes, the Class A Margin; and
- (b) in respect of the Class Z VFN, the Class Z VFN Margin;

Relevant Screen Rate means the arithmetic mean of offered quotations for three-month Sterling deposits (or, with respect to the first Interest Period, the rate which represents the linear interpolation of LIBOR for two and three month deposits in Sterling) in the London interbank market displayed on the Reuters Screen page LIBOR01 or Bloomberg screen BP0003M;

Replacement Servicer means a new servicer which will, following a Servicing Termination Event and subject to the terms of the Originator Power of Attorney, service the Loans in the Portfolio in the name of EFGPB;

Required Filings means, in respect of the Issuer, (a) the filing of the Listing Particulars with the International Stock Exchange, and (b) the registration of a certified copy of the Issuer Deed of Charge creating or evidencing the Issuer Security, together with prescribed particulars thereof with the Registrar of Companies;

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;

Retained Principal Fund means the fund established on the Closing Date to be credited with Available Principal Receipts (to the extent such amounts are not used to acquire the beneficial interest in Additional Loans, Further Advances or Further Tranches during the immediately preceding Collection Period);

Retained Principal Ledger means the ledger maintained by the Cash Manager on behalf of the Issuer which records (i) as a credit, all amounts credited to the Retained Principal Fund on each Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments and (ii) as a debit, all amounts withdrawn from the Retained Principal Fund to acquire the beneficial interest in any Additional Loans, Further Advances or Further Tranches;

Revenue Deficiency means the shortfall between the aggregate of the amount required to pay items (a) to (f) of the Pre-Enforcement Revenue Priority of Payments and the aggregate of items (a) to (f) less (g) of the Available Revenue Receipts, which is calculated by the Cash Manager on each Calculation Date;

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

Revenue Receipts means (a) payments of interest and other fees due from time to time under the Loans (including Early Repayment Fees and any Arrears of Interest) and other amounts received by the Issuer in respect of the Loans other than Principal Receipts, (b) recoveries of interest from defaulting Borrowers under Loans being enforced and (c) recoveries of any amounts (including any interest and principal amounts) from defaulting Borrowers under Loans in respect of which enforcement procedures have been completed if such recoveries are identifiable by the Originator Trustee as pertaining to a Loan in the Portfolio;

Revolving Period means the period which will commence on the First Trust Date and end on the earlier of: (i) the Interest Payment Date falling in August 2022 and (ii) the occurrence of an Early Amortisation Event;

Right to Buy Loan or RTB Loan means a Loan in respect of a Property made in whole or in part to a Borrower for the purpose of enabling that Borrower to exercise his right to buy the relevant Property under the Housing Act 1985 and the Housing Act 1996 (each as amended and updated from time to time);

Secured Creditors means the Security Trustee (and any receiver appointed pursuant to the Issuer Deed of Charge), the Note Trustee, the Noteholders, the Originator (in its separate capacities as Originator and servicer), the Cash Manager, the EFGPB Account Bank, the Transaction Account Bank, the Corporate Services Provider, the Note Registrar, the Agent Bank and any other person who is expressed in the Issuer Deed of Charge or any deed supplemental to the Issuer Deed of Charge to be a secured creditor;

Secured Obligations means any and all of the monies and liabilities which the Issuer covenants and undertakes to pay or discharge under Clause 2 of the Issuer Deed of

Charge and all other amounts owed by it to the Secured Creditors under and pursuant to the Transaction Documents;

Securitisation Regulations means the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296);

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

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

Self-certified Loan means a Loan where the application was taken on the understanding that evidence of the declared income was unavailable and would not be required in order to underwrite the case;

Services means the services to be provided by the Originator set out in Clause 14 (*Originator's Servicing Obligations*) of the Originator Trust Deed;

Servicing Delegate means an entity to which the Originator will delegate the performance of its servicing duties (who may be the Replacement Servicer, if already appointed) upon the occurrence of a Servicing Termination Event;

Servicing Fee has the meaning set out in Clause 14.19 of the Originator Trust Deed;

Servicing Report means a quarterly report to be provided by the Originator on or prior to the 8th Business Day of each February, May, August and November in each year detailing certain aggregate loan data in relation to the Portfolio, including the Loss Ratio and the Cumulative Net Default Ratio, necessary to produce the Investor Report;

Servicing Standard has the meaning given to it in Clause 14 of the Originator Trust Deed;

Servicing Power of Attorney means the power of attorney substantially in the form set out in Schedule 4 to the Originator Trust Deed;

Servicing Termination Event means any of the events listed in Clause 14.15 of the Originator Trust Deed;

Servicing Termination Notice means a notice given by the Security Trustee to terminate the Originator's appointment following a Servicing Termination Event;

Share Trust Deed means the declaration of trust dated 22 August 2017 pursuant to which the Share Trustee holds the beneficial interest in the share of Holdings on trust for certain discretionary purposes;

Share Trustee means Intertrust Corporate Services Limited (registered number 3920255), 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;

Shared Equity Loan means a loan in respect of a property where the borrower purchases 100 per cent. of the relevant property but only pays a percentage of the market value with the balance of the purchase monies being provided by an equity sharing lender;

Shared Ownership Loan means a loan in respect of a property where the borrower acquires a percentage of the relevant property and pays rent to a landlord in respect of the remaining interest in the property;

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

Standard Documentation means the standard mortgage documentation of the Originator, a list of which is set out in the Originator Trust Deed, or any update or replacement therefor as the Originator may from time to time introduce acting in accordance with the standards of a Reasonable Prudent Mortgage Lender or as may be required to comply with any applicable law or regulation;

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

Sterling Notes means the Class A Notes and the Class Z VFN;

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

Taxes means all present and future taxes, levies, imposts, duties (other than stamp duty), fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including, without limitation, income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and Tax and Taxation shall be construed accordingly;

Third Party Amounts means amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Originator) such as (but not limited to):

- (a) payments of certain insurance premiums provided that such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts;
- (b) amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account;

- (c) payments by the Borrower of any fees (including Early Repayment Fees) and other charges which are due to the Originator; and
- (d) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower or the Originator;

Third Party Buildings Policies means the buildings insurance policies referable to each Property;

Three-Month Sterling LIBOR means the London Interbank Offered Rate for three-month Sterling deposits as displayed on Reuters Screen page LIBOR01, or Bloomberg page BP0003M;

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

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

Title Insurance Policy means each of the title insurance policies set out in the Originator Trust Deed together with, in each case, any other insurance policies in replacement, addition or substitution thereof or thereto from time to time which relate to the Loans; together with, in each case, any other insurance policies in replacement, addition or substitution thereof or thereto from time to time which relate to the Loans;

Total Debt Advanced means the total amount of debt outstanding immediately following the last advance;

Tranched Loan Commitment means, with respect to a Tranched Loan, the commitment of the Originator to advance further tranches under the Tranched Loan;

Tranched Loans means any Loans that are not fully drawn by the relevant Borrower and each, a Tranched Loan;

Tranched Loans Ledger means the ledger maintained by the Cash Manager on behalf of the Issuer which records (i) as a credit, funds provided by the Class Z VFN Holder and deposited in the Tranched Loans Fund held on the Transaction Account on the acquisition by the Issuer of the beneficial interest in Tranched Loans, and (ii) as a debit, amounts used by the Issuer to acquire Further Tranches advanced under Tranched Loans and amounts repaid to the Class Z VFN Holder if a Borrower does not draw a Further Tranche under a Tranched Loan prior to the expiry of 12 months from the date that the Issuer acquires a beneficial interest in that Tranched Loan. Amounts standing to the credit of the Tranched Loans Ledger are to be applied by the Issuer to acquire the beneficial interest first, in any Further Tranches and second, in any Additional Loans or Further Advances;

Transaction means the transaction contemplated by the Transaction Documents;

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

Transaction Account Agreement means the agreement entered into on or about the Closing Date between the Transaction Account Bank, the Issuer, the Cash Manager, the Originator and Originator Trustee, and the Note Trustee and Security Trustee which governs the operation of the Transaction Account (as amended, restated, supplemented, replaced and/or novated from time to time);

Transaction Account Bank means Elavon Financial Services D.A.C, UK Branch or any successor transaction account bank appointed from time to time as the Transaction Account Bank pursuant to the Transaction Account Bank Agreement;

Transaction Account Bank Termination Event has the meaning set out in Clause 9.1 of the Transaction Account Agreement;

Transaction Account Mandate means the form of bank mandate relating to the Transaction Account Bank as set out in Schedule 1 to the Transaction Account Agreement;

Transaction Documents means the following documents:

- (a) the Agency Agreement;
- (b) the Note Trust Deed;
- (c) the EFGPB Bank Account Agreement;
- (d) the Transaction Account Agreement;
- (e) the Cash Management Agreement;
- (f) the Corporate Services Agreement;
- (g) the Issuer Deed of Charge (and each document entered into pursuant thereto);
- (h) the Issuer Power of Attorney;
- (i) the Originator Trust Deed (and each document entered into pursuant thereto);
- (j) the Originator Power of Attorney; and
- (k) this Master Definitions and Construction Schedule,

and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes but, for avoidance of doubt, shall not include the Subscription Agreement;

Trust Assets means the Loans and their Related Security as to both principal and income over which a bare trust is declared from time to time in accordance with the Originator Trust Deed;

Trust Corporation means a corporation entitled by rules made under the Public Trustee Act 1906 to carry out the functions of 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 Dates means the First Trust Date, the Additional Trust Dates, the Further Tranche Trust Dates and the Further Advance Trust Dates and each, a **Trust Date**;

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

Unindexed LTV means the ratio of the Current Balance of the relevant Loan divided by the latest recorded valuation of the relevant Property;

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

Valuation Report means the valuation report or reports for mortgage purposes, in the form of one of the pro forma contained in the Standard Documentation, obtained by the Originator Trustee from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable Prudent Mortgage Lender and which has been approved by the relevant officers of the Originator;

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

VAT or Value Added Tax means value added tax imposed by the United Kingdom under the Value Added Tax Act 1994 and legislation (whether delegated or otherwise) replacing the same or supplemental thereto or in any primary or subordinate legislation promulgated by the European Union or any official body or agency thereof, and any similar turnover tax replacing or introduced in addition to any of the same;

Voting Certificate has the meaning given to it in paragraph 1 of Schedule 2 to the Note Trust Deed;

Voting Instruction has the meaning given to it in paragraph 1 of Schedule 2 to the Note Trust Deed;

Written Resolution has the meaning given to it in Condition 12.9.

SIGNATORIES

Issuer

EXECUTED and **DELIVERED** as a **DEED**
for and on behalf of
CHESTNUT II MORTGAGE FINANCING PLC
acting by two directors being

Intertrust Directors 1 Limited

Intertrust Directors 2 Limited

Originator, Originator Trustee and EFGPB Account Bank

EXECUTED and **DELIVERED** as a **DEED**
for and on behalf of
EFG PRIVATE BANK LIMITED
acting by two authorised signatories

Authorised Signatory:

Authorised Signatory:

Security Trustee and Note Trustee

EXECUTED as a **DEED**
by **U.S. BANK TRUSTEES LIMITED**
acting by two duly authorised signatories

Authorised Signatory:

Authorised Signatory:

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Issuer

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Intertrust Directors 2 Limited

Originator, Originator Trustee and EFGPB Account Bank

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for and on behalf of
EFG PRIVATE BANK LIMITED
acting by two authorised signatories

Authorised Signatory:

J.E. MATHIAS

Authorised Signatory:

R. HORSLEY-CLIFTON

Security Trustee and Note Trustee

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by **U.S. BANK TRUSTEES LIMITED**
acting by two duly authorised signatories

Authorised Signatory:

Authorised Signatory:

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Authorised Signatory:

Security Trustee and Note Trustee

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acting by two duly authorised signatories

Authorised Signatory:

Authorised Signatory:

Chris Yates
Authorised Signatory

David Harnett
Authorised Signatory

Corporate Services Provider

EXECUTED as a **DEED**
by **INTERTRUST MANAGEMENT LIMITED**
acting by two authorised signatories

Authorised Signatory:

Authorised Signatory:

Cash Manager, Transaction Account Bank, Agent Bank and Note Registrar

EXECUTED as a **DEED**
by **ELAVON FINANCIAL SERVICES D.A.C., UK BRANCH**
acting by acting by two duly authorised signatories

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