



Registration of a Charge

Company name: **WOSL SPV 1 LIMITED**

Company number: **10960869**



X6IS907X

Received for Electronic Filing: **08/11/2017**

Details of Charge

Date of creation: **02/11/2017**

Charge code: **1096 0869 0001**

Persons entitled: **INTERTRUST TRUSTEES LIMITED**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

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.**

Certified by:

POOJA JAIN



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10960869

Charge code: 1096 0869 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 2nd November 2017 and created by WOSL SPV 1 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th November 2017 .

Given at Companies House, Cardiff on 10th November 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

Date ² November 2017

WOSL SPV 1 LIMITED
as Issuer

WEST ONE SECURED LOANS LIMITED
as Originator, Primary Servicer and Subordinated Lender

THE ROYAL BANK OF SCOTLAND PLC
as Original Noteholder

INTERTRUST TRUSTEES LIMITED
as Security Trustee

CITIBANK, N.A., LONDON BRANCH
as Registrar, Account Bank, Cash Manager and Agent

CAPITA MORTGAGE SERVICES LIMITED
as Back-up Servicer

INTERTRUST MANAGEMENT LIMITED
as Corporate Services Provider

THE ROYAL BANK OF SCOTLAND PLC
as Original Hedge Counterparty

DEED OF CHARGE

MACFARLANES
INCORPORATED IN ENGLAND

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

CONTENTS

| Clause | | Page |
|-----------------|---|------|
| 1 | Definitions and interpretation | 2 |
| 2 | Common Terms | 2 |
| 3 | Covenant to pay; Further advances | 3 |
| 4 | Security Trust | 3 |
| 5 | Grant of security | 3 |
| 6 | Negative pledge and restriction on disposal | 8 |
| 7 | Restrictions on exercise of certain rights | 8 |
| 8 | Payments prior to enforcement | 9 |
| 9 | Post-Enforcement Priority of Payments | 9 |
| 10 | Security Trustee Sale Demand Notice | 10 |
| 11 | Representations and warranties | 11 |
| 12 | Undertakings | 11 |
| 13 | Risk retention | 12 |
| 14 | Retranching of the Notes | 12 |
| 15 | Power to remedy | 13 |
| 16 | Enforcement | 13 |
| 17 | Administrator and Receiver | 15 |
| 18 | Protection of Security Trustee and Receiver | 16 |
| 19 | The Security Trustee's rights, powers and discretions | 16 |
| 20 | Resignation or removal of the Security Trustee | 25 |
| 21 | Waiver, authorisation, consent and determination on instruction | 27 |
| 22 | Modification on instruction | 28 |
| 23 | Entrenched Rights of the Hedge Counterparties | 28 |
| 24 | Total Interest Rate Hedging | 28 |
| 25 | Amounts received | 29 |
| 26 | Power of attorney and delegation | 30 |
| 27 | Protection of security and further assurance | 30 |
| 28 | Remuneration, costs, expenses and indemnities | 31 |
| 29 | Miscellaneous | 33 |
| 30 | Contracts (Rights of Third Parties) Act 1999 | 34 |
| 31 | Partial Invalidity | 34 |
| 32 | Demands and notices | 34 |
| 33 | Changes to parties | 34 |
| 34 | Release of Security | 36 |
| | | |
| Schedule | | |
| 1 | Form of Issuer Power of Attorney | 38 |
| 2 | Part 1 - Form of notice to counterparties of Assigned Agreements | 40 |
| | Part 2 - Form of acknowledgement from counterparties of Assigned Agreements | 42 |
| 3 | Form of Scottish Assignment in Security | 43 |
| 4 | Form of Piggy-Back Standard Security | 46 |

DATE

2 November 2017

PARTIES

- 1 **WOSL SPV 1 LIMITED**, a company incorporated in England and Wales under company number 10960869 with its registered office at 35 Great St. Helen's, London EC3A 6AP as issuer (the "**Issuer**");
- 2 **WEST ONE SECURED LOANS LIMITED**, a company incorporated in England and Wales under company number 09425230 with its registered office at 3rd Floor, Premiere House, Elstree Way, Borehamwood, Hertfordshire, WD6 1JH as originator (the "**Originator**"), as primary servicer (the "**Primary Servicer**") and as subordinated lender (the "**Subordinated Lender**");
- 3 **THE ROYAL BANK OF SCOTLAND PLC** as original noteholder (the "**Original Noteholder**");
- 4 **INTERTRUST TRUSTEES LIMITED**, a company incorporated in England and Wales under company number 7359549 with its registered office at 35 Great St. Helen's, London, EC3A 6AP as security trustee for itself and the other Secured Parties (the "**Security Trustee**");
- 5 **CITIBANK, N.A., LONDON BRANCH**, acting through its Agency and Trust business located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB as registrar (the "**Registrar**"), account bank (the "**Account Bank**"), cash manager (the "**Cash Manager**") and agent (the "**Agent**");
- 6 **CAPITA MORTGAGE SERVICES LIMITED**, a company incorporated in England and Wales under company number 00912411 with its registered office at 17 Rochester Row, London, SW1P 1QT as back-up servicer (the "**Back-up Servicer**");
- 7 **INTERTRUST MANAGEMENT LIMITED**, a company incorporated in England and Wales under company number 03853947 with its registered office at 35 Great St Helen's, London, EC3A 6AP as the corporate services provider (the "**Corporate Services Provider**"); and
- 8 **THE ROYAL BANK OF SCOTLAND PLC** (trading as Natwest Markets) as original hedge counterparty (the "**Original Hedge Counterparty**").

BACKGROUND

- A Pursuant to the mortgage sale agreement dated on or about the date of this deed and made between, the Originator, the Issuer and the Security Trustee (the "**Mortgage Sale Agreement**"), the Originator shall originate mortgage loans and sell and transfer Eligible Mortgage Loans (as defined below) to the Issuer.
- B Pursuant to the £20,000,000 variable funding note issuance facility agreement dated on or about the date of this deed and made between, amongst others, the Issuer, the Originator and the Security Trustee (the "**Facility Agreement**"):
 - (i) the Original Noteholder shall make available to the Issuer a variable funding note facility upon the terms and subject to the conditions of the Facility Agreement, the proceeds of which the Issuer shall apply, among other things, to acquire the Eligible Mortgage Loans from the Originator; and
 - (ii) the Issuer shall issue, and the Noteholders shall purchase, the Notes and the Issuer may from time to time request that the Noteholders fund Advances upon the terms and subject to the conditions of the Facility Agreement.
- C The Issuer has agreed to grant certain fixed security in favour of the Security Trustee as well as a floating charge over the whole of the Issuer's undertaking, property and assets for the benefit of the Secured Parties in each case to secure the Secured Liabilities upon the terms and subject to the conditions of this deed.

- D The Security Trustee has agreed to hold the benefit of the Security granted by the Issuer on trust for the benefit of the Secured Parties subject to the terms and conditions of this deed.
- E The Parties intend this document to take effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1 Definitions and interpretation

Unless otherwise defined in this deed or the context requires otherwise, words and expressions used in this deed have the meanings and constructions ascribed to them in schedule 1 (*Master Definitions Schedule*) to the master definitions agreement dated on or about the date of this deed between, amongst others, the parties to this deed (as the same may be amended, varied and/or supplemented from time to time with the consent of the parties to this deed, the "**Master Definitions Agreement**"). This deed shall be construed in accordance with the principles of construction and interpretation set out in such Master Definitions Agreement.

1.1 Nature of security over real property

A reference in this deed to any freehold, leasehold or commonhold property includes:

- 1.1.1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property;
- 1.1.2 the proceeds of sale of any part of that property; and
- 1.1.3 the benefit of any covenants for title given or entered into by any predecessor in title of the Issuer in respect of that property or any monies paid or payable in respect of those covenants.

1.2 Secured Liabilities

References in this deed to the Secured Liabilities shall be construed in relation to the Transaction Documents so as to include (i) any increase or reduction in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used, (ii) any ancillary facilities provided in substitution for or in addition to the facility originally made available thereunder, (iii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing and (iv) any combination of any of the foregoing.

2 Common Terms

2.1 Incorporation of Common Terms

The Common Terms apply to this deed, where applicable, and shall be binding on the parties to this deed as if set out in full in this deed.

2.2 Conflict with Common Terms

If there is any conflict between the provisions of the Common Terms and the provisions of this deed, the provisions of this deed shall prevail.

2.3 Governing Law and Jurisdiction

This deed and all non-contractual obligations arising out of or in connection with it shall be governed by English law in accordance with paragraph 1 (*Governing Law*) of Part 3 (*Governing Law Provisions*) of the Common Terms. Paragraph 2 (*Jurisdiction*) of Part 3 (*Governing Law Provisions*) of the Common Terms applies to this deed as if set out in full in this deed.

3 **Covenant to pay; Further advances**

3.1 **Covenant to pay**

The Issuer hereby covenants with the Security Trustee (as trustee for itself and the other Secured Parties) that it will on demand pay and discharge all Secured Liabilities owing or incurred from or by it to the Secured Parties when the same become due in accordance with the terms of the Transaction Documents, whether by acceleration or otherwise, together with interest to the date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees, enforcement expenses and other charges and all legal and other costs, charges and expenses, on a full and unqualified indemnity basis, which may be incurred by the Secured Parties in relation to any such Secured Liabilities or generally in respect of the Issuer.

3.2 **Potential invalidity**

Neither the covenant to pay in Clause 3.1 (*Covenant to pay*) nor the Security constituted by this deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law.

3.3 **Further advances**

3.3.1 This deed secures further advances made under or pursuant to the terms of the Transaction Documents and the Noteholders are, subject to and upon the terms and conditions of the Transaction Documents, under an obligation to make further advances.

3.3.2 This deed secures further advances made under or pursuant to the terms of the Subordinated Loan Agreement.

4 **Security Trust**

4.1 Each of the Secured Parties (other than the Security Trustee) hereby appoints the Security Trustee to act as trustee of the trusts contained under this deed and in connection with the Transaction Documents in accordance with the terms of this deed.

4.2 Each of the Secured Parties (other than the Security Trustee) authorises the Security Trustee to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Trustee under or in connection with the Transaction Documents together with any other incidental rights, powers, authorities and discretions.

4.3 The Security Trustee shall exercise such rights, powers and discretions as are specifically given to the Security Trustee under this deed and pursuant to the general law.

4.4 The Security Trustee holds all of the covenants, undertakings, security interests and other rights and benefits made or given under this deed and the other Transaction Documents on trust for itself and the other Secured Parties upon and subject to the terms and conditions of this deed.

5 **Grant of security**

5.1 **Fixed security**

As a continuing security for the payment and discharge of the Secured Liabilities, the Issuer with full title guarantee hereby:

5.1.1 charges to the Security Trustee (as trustee for the Secured Parties), by way of first fixed charge, all its:

5.1.1.1 Debts;

- 5.1.1.2 Issuer Accounts;
- 5.1.1.3 interests in all Mortgage Loans (other than Scottish Mortgage Loans) and their related Collateral Security, including (without limitation):
 - (i) the Issuer's right to demand, sue for, recover, receive and give receipts for all principal payable or to become payable in respect of the Mortgage Loans and their related Collateral Security or the unpaid part thereof and the interest thereon and any rights or remedies of the Issuer against the Mortgage Obligor in respect thereof; and
 - (ii) the benefit of the Loan Files, the right to sue on all covenants given by the Mortgage Obligor in each Mortgage Loan Agreement, the right to exercise the Issuer's powers in relation to each Mortgage Loan Agreement or otherwise in connection with the Mortgage Loans and their related Collateral Security and any rights or remedies of the Issuer against the Mortgage Obligor in respect thereof; and
- 5.1.1.4 right, title and interest in and to any agreement, licence, consent or authorisation relating to its business at any time not otherwise mortgaged, charged or assigned pursuant to Clauses 5.1.1-5.1.3 inclusive;
- 5.1.2 assigns to the Security Trustee (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, all of its right, title and interest in and to the Insurance Policies (to the extent assigned to the Issuer under the Mortgage Sale Agreement) and the sums thereby insured and all bonuses and other moneys payable or to become payable under the same and the full benefit thereof and the benefit of all powers and provisions contained in or conferred by the same; and
- 5.1.3 assigns to the Security Trustee (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, the benefit of the Assigned Agreements to which it is a party or an addressee and any claims arising under any of the same, and the benefit of any guarantee or security for the performance of the Assigned Agreements.

5.2 **Scottish Assignment in Security**

- 5.2.1 The Issuer shall, forthwith upon the execution and delivery of each Scottish Declaration of Trust pursuant to the Mortgage Sale Agreement and in any event within 1 Business Day of such delivery, execute and deliver to the Security Trustee a Scottish Assignment in Security. The other Parties consent to the entering into from time to time of such Scottish Assignations in Security and authorise and instruct the Issuer to intimate and give notice to the Originator of the assignment in security made thereunder as provided therein.
- 5.2.2 The Originator shall execute each such Scottish Assignment in Security as trustee under the relevant Scottish Declaration of Trust.
- 5.2.3 The Issuer shall, at the time of delivery of any Scottish Assignment in Security pursuant to Clause 5.2.1 above, simultaneously deliver to the Security Trustee the Scottish Declaration of Trust specified therein.

5.3 **Piggy-Back Standard Security**

The Issuer undertakes to the Security Trustee and binds and obliges itself in the event of any transfer or assignation of title to the Scottish Mortgage Loans and their related Mortgages and other Collateral Security or any of them being executed and delivered to the Issuer in accordance with the Mortgage Sale Agreement or otherwise to execute and deliver forthwith upon the completion of such transfer or assignation and in any event within 1 Business Day of such transfer or assignation to the Security Trustee as continuing security for the payment or discharge of the Secured Liabilities:

- 5.3.1 a Piggy-Back Standard Security or Piggy-Back Standard Securities over the Issuer's whole right, title and interest as heritable creditor under the Standard Securities relating to such Scottish Mortgage Loans; and
- 5.3.2 an assignation in security in such form as the Security Trustee shall require over the Issuer's whole right, title and interest in and to the remainder of the Collateral Security not subject to a Standard Security under Clause 4.3.1 above for such Scottish Mortgage Loans, together with a copy of the intimation thereof to each relevant Mortgage Obligor,

and to deliver to the Security Trustee simultaneously with the delivery of any such Standard Securities the relevant transfers or assignations pertaining to such Scottish Mortgage Loans and their Collateral Security. The Issuer further undertakes to the Security Trustee to execute and deliver such documents, and in such form and content, and to take such other steps or actions as the Security Trustee may consider necessary to enable the Security Trustee to perfect a first ranking heritable security over the Standard Securities and all sums secured thereby.

5.4 **Floating security**

5.4.1 **Floating charge**

As a continuing security for the payment or discharge of the Secured Liabilities, the Issuer with full title guarantee hereby charges to the Security Trustee (as trustee for itself and the other Secured Parties), by way of first floating charge, (a) all of its undertaking and assets at any time not effectively mortgaged, charged or assigned pursuant to Clauses 5.1.1-5.1.3 (*Fixed security*) inclusive and (b) all its heritable and moveable property and other property, assets and rights in Scotland or governed by the laws of Scotland.

5.4.2 **Qualifying floating charge**

Sched B1 para 14 Insolvency Act 1986 (as inserted by s.248 of, and Sched 16 Enterprise Act 2002) applies to the floating charge created by this deed.

5.4.3 **Automatic conversion of floating charge**

Notwithstanding anything express or implied in this deed and without prejudice to any law which may have similar effect, if:

- 5.4.3.1 an Enforcement Notice has been served on the Issuer; or
- 5.4.3.2 the Issuer creates or attempts to create any Security (other than as permitted under the Facility Agreement and subject to any applicable grace period contained therein) or any trust in favour of another person over any Floating Charge Asset; or
- 5.4.3.3 the Issuer disposes or attempts to dispose of any Floating Charge Asset other than as permitted under the Transaction Documents; or

5.4.3.4 an Insolvency Event has occurred in respect of the Issuer,

the floating charge created by this deed will automatically and immediately (without notice) be converted into a fixed charge over all the Floating Charge Assets or, in the case of Clauses 5.4.3.2 and 5.4.3.3, over the relevant Floating Charge Asset.

5.4.4 **Conversion of floating charge by notice**

5.4.4.1 Notwithstanding anything express or implied in this deed if:

- (i) an Event of Default has occurred; or
- (ii) the Security Trustee considers (in its sole discretion) that any Floating Charge Assets are in jeopardy,

the Security Trustee may at any time thereafter, by notice to the Issuer, convert the floating charge created by this deed with immediate effect into a fixed charge over all or any of the Floating Charge Assets of the Issuer specified in such notice (but without prejudice to the Security Trustee's rights to serve a notice in respect of any other Floating Charge Assets and any other rights of the Security Trustee whatsoever).

5.4.4.2 The floating charge created by this deed may not be converted into a fixed charge in respect of any property or assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to s.72 Insolvency Act 1986 by reason of such automatic conversion

5.4.5 **Assets acquired after any floating charge conversion**

Any asset acquired by the Issuer after any conversion of the floating charge created under this deed, in accordance with Clauses 5.4.3 (*Automatic conversion of floating charge*) or 5.4.4 (*Conversion of floating charge by notice*) which but for such conversion would be subject to a floating charge shall, be charged to the Security Trustee (as trustee for itself and the other Secured Parties) by way of first fixed charge.

5.4.6 **Reconversion of fixed charge assets into floating charge assets**

The Security Trustee may at any time after any conversion of the floating charge created under this deed over any Charged Property into a fixed charge in accordance with Clauses 5.4.3 (*Automatic Conversion of floating charge*) or 5.4.4 (*Conversion of floating charge by notice*) reconvert such fixed charge into a floating charge by notice to the Issuer.

5.4.7 **No conversion by reason of moratorium**

The floating charge created under this deed may not be converted into a fixed charge solely by reason of:

5.4.7.1 the obtaining of a moratorium; or

5.4.7.2 anything done with a view to obtaining a moratorium,

under s.1A Insolvency Act 1986.

5.5 **Title documents**

The Issuer shall at the request of the Security Trustee deposit with the Security Trustee (and the Security Trustee shall during the continuance of this security be entitled to hold) all deeds and documents of title relating to the Charged Property as the Security Trustee may from time to time require.

5.6 **Security notices**

The Issuer shall on the execution of this deed or in the case of any Assigned Agreement entered into (or designated as such in accordance with this deed) by the Issuer after its execution of this deed, on the date on which such Assigned Agreement is entered into (or designated as such) save in relation to any Assigned Agreement where the counterparty is a Party (in respect of which the execution of this deed by the Issuer shall constitute notice to the relevant Party of the assignment created by this deed over the Issuer's rights and interests in and under such Assigned Agreement) give notice substantially in the form set out in part 1 of schedule 2 (*Form of notice to counterparties of Assigned Agreements*) to the other parties to the Assigned Agreements to which it is a party of the assignment pursuant to Clause 5.1.3 (*Fixed security*) of its rights and interest in and under the Assigned Agreements and procure that each addressee of such notice will promptly provide an acknowledgement to the Issuer and the Security Trustee in the form set out in part 2 of schedule 2 (*Form of acknowledgement from counterparties of Assigned Agreements*). For the avoidance of doubt, the Security Trustee shall not be responsible, nor liable to any person, for monitoring the receipt of any such acknowledgements.

5.7 **Acknowledgement**

Each Party (other than the Issuer and the Security Trustee) acknowledges and accepts the security created by this deed.

5.8 **Payments to the Issuer**

Notwithstanding the security created by this deed, each Party shall, save as otherwise provided in this deed, continue to be entitled to make payments owing to the Issuer under any Transaction Document as provided in that document until it has received notice from the Security Trustee or any Receiver or Delegate requiring payments to be made otherwise.

5.9 **Exercise of the Issuer's rights**

5.9.1 Prior to the Security becoming enforceable, the Issuer is entitled to exercise all rights, powers, authorities, discretions and remedies of the Issuer under or in respect of the Assigned Agreements in such manner as the Issuer (acting reasonably) shall think fit (but subject to and in accordance with the terms of the Transaction Documents including, without limitation, Clause 5.9.2).

5.9.2 The Issuer shall not, without the prior written consent of the Security Trustee:

5.9.2.1 permit any of the Assigned Agreements to become invalid or ineffective or the priority of the security created or evidenced thereby or pursuant thereto to be varied;

5.9.2.2 (except as permitted under clause 27.23 (*Amendments*) of the Facility Agreement) consent to any variation of, or exercise any powers of consent or waiver pursuant to, the terms of any of the Assigned Agreements; or

5.9.2.3 permit any party to any of the Assigned Agreements or any other person whose obligations form part of the Charged Property to be released from its obligations.

5.9.3 Notwithstanding anything else in this deed, it is hereby agreed that dispositions of property effected in or pursuant to this Clause 5 (*Grant of security*) do not transfer obligations, and nothing herein shall be construed as a transfer of obligations, to the Security Trustee.

6 **Negative pledge and restriction on disposal**

The Issuer hereby covenants with the Security Trustee that it will not at any time except in accordance with the terms of the Transaction Documents or with the prior consent of the Security Trustee:

- 6.1 create or purport to create or permit to subsist any Security on or in relation to the Charged Property; or
- 6.2 enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, surrender or otherwise dispose of or cease to exercise control of all, or part of, any interest in any Charged Property.

7 **Restrictions on exercise of certain rights**

- 7.1 Each of the Parties (other than the Security Trustee) agrees that, unless an Enforcement Notice has been served, such Party shall not take any steps whatsoever:

- 7.1.1 to direct the Security Trustee to enforce the security created or purported to be created by this deed; or

- 7.1.2 for the purpose of recovering any indebtedness owing to it by the Issuer or procuring the appointment of an administrative receiver for, or the making of an administration order in respect of, or the winding up or liquidation of, the Issuer in respect of any of its liabilities whatsoever.

- 7.2 Each Party (other than the Security Trustee) hereby agrees that, without prejudice to paragraph 6 (*Limited Recourse and Non-Petition*) of the Common Terms:

- 7.2.1 only the Security Trustee may pursue the remedies available under the general law or under this deed to enforce the security created by this deed; and

- 7.2.2 it shall not take any steps for the purpose of enforcing the performance of any provision of this deed or the other Transaction Documents unless the Security Trustee fails to take proceedings or neglects to do so within a reasonable period of time after being instructed to do so pursuant to this deed and such failure or neglect is continuing.

- 7.3 Each Party agrees to be bound by the terms of the relevant Payment Priorities. Without prejudice to Clause 7.2, each Party further agrees that, notwithstanding any other provision contained in this deed, it will not demand or receive payment of, or any distribution in respect of or on account of, any amounts payable by the Issuer or the Security Trustee (as applicable) to it, 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 creditors ranking higher in the relevant Payment Priorities have been paid in full.

- 7.4 Without prejudice to Clause 7.3, whether in the liquidation of the Issuer or any other party to the Transaction Documents or otherwise, if any payment or distribution (or the proceeds of enforcement of any security) is received by a Party in respect of any amount payable by the Issuer or the Security Trustee (as applicable) to it under the Transaction Documents at a time when, by virtue of the relevant Payment Priorities, no payment or distribution should have been made, the amount so received shall be held by it upon trust for the Issuer (in respect of any payment or distribution which should have been made in accordance with the Pre-Enforcement Principal Priority of Payments and the Pre-Enforcement Revenue Priority of Payments) or the Security Trustee (in the case of any payment or distribution which

should have been made in accordance with the Post-Enforcement Priority of Payments) and shall be paid over to the Issuer or the Security Trustee (as applicable) forthwith upon receipt for application in accordance with the Cash Management Agreement or this deed (as applicable) (whereupon the relevant payment or distribution shall be deemed not to have been made or received).

7.5 Without prejudice to Clause 7.2, the Parties shall not claim, rank or prove or vote as a creditor of the Issuer or its estate in competition with any prior ranking creditors in the Payment Priorities or claim a right of set-off until all amounts then due and payable to creditors who rank higher in the Payment Priorities have been paid in full.

7.6 Neither the Issuer nor the Security Trustee shall pay or repay or make any distribution in respect of any amount owing to a Party (in cash or in kind) unless and until all other creditors ranking higher in the Payment Priorities have been paid in full and, in the case of the Security Trustee, it is in possession of funds to satisfy any such claim for amounts so owing.

8 **Payments prior to enforcement**

8.1 Notwithstanding the security created by this deed but subject to Clause 8.2, whilst any Notes are outstanding and prior to the delivery of an Enforcement Notice, all payments to be made into and out of the Issuer Accounts shall be made in accordance with, and subject to the terms and conditions of, the Cash Management Agreement and the other Transaction Documents. If an amount is withdrawn from an Issuer Account as permitted by this Clause 8, that amount shall be deemed to be released from the fixed charge over that account referred to in Clause 5.1.1.4 (*Fixed security*) on that withdrawal being made.

8.2 No payment, transfer and/or withdrawal may be made from any of the Issuer Accounts:

8.2.1 at any time upon and after enforcement of the security created by this deed without the prior written consent of the Security Trustee; and/or

8.2.2 under this Clause at any time upon and after an Enforcement Notice has been served.

9 **Post-Enforcement Priority of Payments**

On any day after an Enforcement Notice has been served on the Issuer, the Security Trustee or any Receiver appointed by the Security Trustee in connection with the enforcement of the Transaction Security will apply (A) all amounts received or recovered by the Issuer, the Security Trustee or any Receiver, (B) all amounts standing to the credit of the Issuer Accounts (including the Liquidity Reserve Fund but excluding Hedge Excluded Receivable Amounts and any amounts credited to the Issuer Hedge Collateral Accounts to the extent, in each case, utilised to discharge Hedge Excluded Payable Amounts in accordance with the applicable Hedging Agreement and excluding amounts standing to the credit of the Profit Ledger) and (C) all Trust Proceeds 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 and together with any VAT payable in accordance with the terms of the relevant Transaction Document (being the "**Post-Enforcement Priority of Payments**")):

9.1 *first: pro rata and pari passu*, to pay or provide for the payment of any fees, costs, charges, expenses, Liabilities, indemnity claims or amounts otherwise payable which are due and payable to the Security Trustee, any Delegate or any Receiver appointed in this deed in accordance with the Transaction Documents;

9.2 *second*: to pay or provide for the payment of the Expenses (other than those referred to in paragraphs (a), (e) and (g) of the definition thereof);

9.3 *third*: to pay amounts payable to any Hedge Counterparty in respect of any Hedging Agreement (other than any Hedge Subordinated Amounts which are due and payable under

clause 9.5 below or any Hedge Excluded Payable Amounts which shall be discharged in accordance with the applicable Hedging Agreement and the Transaction Documents);

- 9.4 *fourth*: to pay or provide for the payment of amounts due to the Noteholders under clause 17.1 (*Commitment fee*) of the Facility Agreement and any other fees, costs, charges, expenses, Liabilities, indemnity claims or other amounts which are due and payable to the Noteholders and which have been incurred and documented in accordance with the Transaction Documents;
- 9.5 *fifth*: pro rata and in or towards payment of any Note Principal Amount and interest due and payable to the Noteholders (including any unpaid interest and accrued interest thereon) until the Note Principal Amount and all such other amounts has been repaid in full;
- 9.6 *sixth*: in or towards payment according to the amount thereof and in accordance with the terms of any Hedging Agreement, to any Hedge Counterparty of any Hedge Subordinated Amounts (other than Hedge Excluded Payable Amounts);
- 9.7 *seventh*: in or towards payment of any principal and interest due and payable under the Subordinated Loan (including any unpaid interest and accrued interest thereon) to the Subordinated Lender until the Subordinated Loan has been repaid in full;
- 9.8 *eighth*: to pay the surplus (if any) to the Originator as Deferred Purchase Price.

10 **Security Trustee Sale Demand Notice**

- 10.1 On and following the Final Disposal Date, if the Final Discharge Date has not occurred the Security Trustee may (acting upon the instructions of the Majority Noteholders) if it gives the Issuer a Sale Demand Notice, demand that the Issuer (or the Servicer on its behalf) sells the Mortgage Loans and Collateral Security comprising the Loan Pool.
- 10.2 If a Sale Demand Notice has been given to the Issuer by the Security Trustee in accordance with Clause 10.1:
 - 10.2.1 the Security Trustee (acting upon the instructions of the Majority Noteholders) shall specify to the Issuer the terms of any sale of the Loan Pool and/or direct the Issuer to appoint a third party sale agent provided that any such third party sale agent is appointed on terms that provide for it to exercise the same level of skill, care and diligence as it would if it were an administrator appointed in relation to the Issuer;
 - 10.2.2 the Issuer (or the Servicer on its behalf) shall use all reasonable endeavours to enter into, and complete, one or more agreements for the sale of the Mortgage Loans and/or the Collateral Security comprising the Loan Pool (on the terms specified by the Security Trustee (acting upon the instructions of the Majority Noteholders) or any third party sale agent designated by the Security Trustee pursuant to Clause 10.2.1 above) for the express purpose of repaying the Notes in full (together with all interest and other amounts which are or will become due and payable by the Issuer to the Finance Parties under the Transaction Documents) as soon as practicable. For the avoidance of doubt, neither the Originator nor any member of the ENRA Group shall be precluded from purchasing any Mortgage Loans and/or Collateral Security comprising the Loan Pool as part of any such sale; and
 - 10.2.3 the consent of the Issuer and the Subordinated Lender shall not be required in respect of any sale of the Mortgage Loans and/or Collateral Security comprising the Loan Pool in accordance with Clause 10.2.2 above and each of the Issuer and the Subordinated Lender shall take such action as is reasonably required (including entering into such documents) in order to effect such sale or sales as the Security Trustee (acting upon the instructions of the Majority Noteholders) or, as the case may be, any third party sale agent has specified.

- 10.3 The net proceeds of any sale of Mortgage Loans and Collateral Security pursuant to this Clause 10 shall be applied in accordance with the Post-Enforcement Priority of Payments.

11 **Representations and warranties**

11.1 **Representations and warranties**

The Issuer represents and warrants to the Security Trustee, on the date of this deed, as follows:

- 11.1.1 it is (except as permitted under the terms of the Transaction Documents) the legal and beneficial owner of the Charged Property;
- 11.1.2 it has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in them;
- 11.1.3 there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever which materially and adversely affect the Charged Property;
- 11.1.4 no facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use;
- 11.1.5 there is no prohibition on assignment in any Insurance Policy or any Assigned Agreement (or guarantee or security for the performance thereof), and its entry into this deed will not constitute a breach of any Insurance Policy or any Assigned Agreement (or guarantee or security for the performance thereof);
- 11.1.6 this deed creates the Security it purports to create and is not liable to be amended or otherwise set aside on its liquidation or otherwise; and
- 11.1.7 for the purposes of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Regulation**"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

11.2 **Repetition**

The representations and warranties set out in Clause 11.1 (*Representations and warranties*) will be deemed to be repeated by the Issuer on each day the Repeating Representations are deemed to be repeated by reference to the facts and circumstances then existing.

11.3 **Notice of breach**

The Issuer will promptly upon becoming aware of the same give the Security Trustee notice in writing of any breach of any representation or warranty set out in Clause 11.1 (*Representations and warranties*).

12 **Undertakings**

The Issuer hereby undertakes to the Security Trustee that it will:

- 12.1 not at any time except in accordance with the terms of the Facility Agreement or with the prior consent of the Security Trustee:
 - 12.1.1 create or purport to create or permit to subsist any Security on or in relation to the Charged Property; or
 - 12.1.2 enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, surrender or

otherwise dispose of or cease to exercise control of all, or part of, any interest in any Charged Property;

- 12.2 register particulars of this deed with the Companies Registration Office in England and Wales under s.859A Companies Act 2006 within the applicable time limit; and
- 12.3 promptly give notice in writing to the Security Trustee on becoming aware of the occurrence of any Event of Default, Default, Drawstop Event, Accelerated Amortisation Event or Liquidation Event.

13 **Risk retention**

The Subordinated Lender undertakes that it will:

- 13.1 retain the Retained Exposures, and will notify the Security Trustee if it ceases to hold a net economic interest in accordance with the Retention Requirements;
- 13.2 not, and will procure that no member of the Group will, sell, hedge or otherwise mitigate its credit risk under or associated with the Retained Exposures or the Mortgage Loans, except to the extent permitted in accordance with the Retention Requirements;
- 13.3 confirm its continued compliance with the undertakings set out in this Clause 13 to the Issuer and the Security Trustee in writing (which may be by way of email) (i) in each Primary Servicer Compliance Certificate and (ii) upon written request of any of the Issuer, the Security Trustee or a Noteholder;
- 13.4 notify the Issuer and the Security Trustee as soon as reasonably practical if for any reason it fails to comply with the undertakings in this Clause 13 in any way; and
- 13.5 promptly provide a Noteholder with such information relating to the Mortgage Loans as any Noteholder may from time to time reasonably request in order to enable those persons to comply with the requirements of article 406 of the CRR and any other due diligence provision of the Retention Requirements.

The Security Trustee shall not be responsible for the monitoring of, compliance with, or for investigating any matter which is the subject of the undertakings given by the Originator and the Subordinated Lender in this Clause 13 (the **"Retention Undertakings"**). The Security Trustee shall not be under any obligation to take any action in relation to the Originator's or the Subordinated Lender's non-compliance with the Retention Undertakings or be liable for any non-compliance by the Originator or the Subordinated Lender with the Retention Undertakings.

14 **Retranching of the Notes**

- 14.1 Each of the Subordinated Lender and the Originator shall provide reasonable assistance to the Noteholders (acting in their sole reasonable discretion) in respect of a Note Retranching, provided that:
 - 14.1.1 the Noteholders, acting reasonably, believe that a rating downgrade in relation to the Rated Obligations below the Required Rating has occurred (or shall potentially occur) in the absence of such Note Retranching;
 - 14.1.2 such Note Retranching does not adversely affect the rights of the Issuer, the Subordinated Lender, the Originator, the Primary Servicer or any of their Affiliates under the Transaction Documents;
 - 14.1.3 the Noteholders shall pay any properly incurred costs and expenses of the other Transaction Parties in connection with any Note Retranching; and
 - 14.1.4 the Noteholders shall not effect a Note Retranching more than two times; and

- 14.2 Without prejudice to the requirements set out at Clause 14.1 above, each of the Subordinated Lender and the Originator shall agree to such amendments to the Transaction Documents as the Noteholders shall reasonably request to achieve a successful completion of the Note Retrenching.

15 **Power to remedy**

- 15.1 If the Issuer is at any time in breach of any of its obligations contained in this deed, the Security Trustee shall be entitled (but shall not be bound) to remedy such breach and the Issuer hereby irrevocably authorises the Security Trustee and its agents to do all things necessary or desirable in connection therewith.

- 15.2 The rights of the Security Trustee contained in this Clause 15 are without prejudice to any other rights of the Security Trustee hereunder and the exercise by the Security Trustee of its rights under this Clause shall not make the Security Trustee liable to account as a mortgagee in possession.

16 **Enforcement**

16.1 **Enforcement events**

Each of the Secured Parties hereby agrees, and the Issuer concurs, that the security constituted by this deed shall be enforceable following the service of a notice of enforcement (an "**Enforcement Notice**") by the Security Trustee on the Issuer (and a copy of such Enforcement Notice shall be provided to the Hedge Counterparty by the Security Trustee). The Security Trustee may at any time following the occurrence of an Event of Default which is continuing serve an Enforcement Notice on the Issuer provided that it shall not become bound to do so unless (i) it has been directed or requested to do so by the Majority Noteholders; and (ii) in all cases, it has been indemnified and/or secured and/or prefunded to its satisfaction.

16.2 **Statutory power of sale**

The statutory power of sale (under s.101 LPA) shall arise on and be exercisable at any time after the execution of this deed (and the Secured Liabilities shall be deemed to have become due and payable for that purpose), provided that the Security Trustee shall not exercise such power of sale until the security constituted by this deed has become enforceable.

16.3 **Extension of statutory powers**

16.3.1 Any restriction imposed by law on the power of sale (including under s.103 LPA) or on the right of a mortgagee to consolidate mortgages (including under s.93 LPA) does not apply to the security constituted by this deed and the Security Trustee or any Receiver shall have the right to consolidate all or any of the security constituted by this deed with any other Security in existence at any time and to make any applications to the Land Registry in support of the same.

16.3.2 Any powers of leasing conferred on the Security Trustee or any Receiver by law are extended so as to authorise the Security Trustee or any Receiver to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee or Receiver may think fit and without the need to comply with any restrictions conferred by law (including under ss.99 or 100 LPA).

16.4 **No obligation to enquire**

No person dealing with the Security Trustee, any Administrator or any Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire:

- 16.4.1 whether the security constituted by this deed has become enforceable;
- 16.4.2 whether any power exercised or purported to be exercised has become exercisable;
- 16.4.3 whether any money remains due under the Transaction Documents;
- 16.4.4 as to the necessity or expediency of the stipulations and conditions subject to which any sale of any Charged Property shall be made, or otherwise as to the propriety or regularity of any sale of any of the Charged Property; or
- 16.4.5 how any money paid to the Security Trustee, Administrator or Receiver, or its agents or brokers is to be applied.

16.5 **No liability as mortgagee in possession**

None of the Security Trustee, any Administrator or any Receiver shall be liable:

- 16.5.1 to account as mortgagee in possession in respect of all or any of the Charged Property; or
- 16.5.2 for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Property for which a mortgagee in possession might as such be liable.

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 or heritable creditor in possession in respect of any property referred to in this Deed. The Security Trustee, in its absolute discretion, may at any time, serve a written notice on the Secured Creditors requiring the Secured Creditors from the date such notice is served to obtain the Security Trustee's prior written consent before taking any action which would be likely to lead to the Secured Creditors or the Security Trustee becoming a mortgagee in possession in respect of any property referred to in this Deed.

16.6 **Power to dispose of chattels**

After the security constituted by this deed has become enforceable, the Security Trustee, any Administrator or any Receiver may dispose of any chattels or produce found on any Property as agent for the Issuer and, without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce the Security Trustee, the Administrator or the Receiver shall be indemnified by the Issuer against any liability arising from such disposal.

16.7 **Redemption of prior Security**

At any time after the security constituted by this deed shall have become enforceable the Security Trustee may:

- 16.7.1 redeem any prior Security;
- 16.7.2 procure the transfer thereof to itself; and/or
- 16.7.3 settle and pass the accounts of the prior encumbrancer and any account so settled and passed shall be conclusive and binding on the Issuer and all monies paid by the Security Trustee to the prior encumbrancer in accordance with such accounts shall as from such payment be due from the Issuer to the Security Trustee on current account and shall bear interest and be secured as part of the Secured Liabilities.

16.8 **Scottish Trust Property on enforcement**

The Issuer and the Originator hereby covenant and agree with and undertake to the Security Trustee that, if at any time after the security constituted by this deed shall have become enforceable the Security Trustee or any Receiver shall so require, they will, as soon as reasonably practicable, join together in directing the Originator to sell or dispose of all or any part of the Scottish Trust Property on terms previously approved by the Security Trustee and/or in causing the trust constituted by the Scottish Declaration of Trust to be wound up or performed and they will take all such action and execute all such documents as may be necessary to effect such sale or disposal or winding up or performance and the distribution or transfer of the Scottish Trust Property or any part thereof in accordance with the terms of the Scottish Declaration of Trust and this deed. The Originator and the Issuer hereby acknowledge and consent to the foregoing as trustee and beneficiary respectively in terms of the Scottish Declaration of Trust.

17 **Administrator and Receiver**

17.1 **Appointment of Administrator or Receiver**

At:

17.1.1 any time after the security constituted by this deed becomes enforceable;

17.1.2 any time after any corporate action or any other steps are taken or legal proceedings started by or in respect of the Issuer with a view to the appointment of an Administrator; or

17.1.3 the request of the Issuer,

the Security Trustee may, subject to its being indemnified and/or secured and/or prefunded to its satisfaction without further notice, or by writing under hand of a duly authorised officer of the Security Trustee:

17.1.4 appoint any person or persons to be an Administrator of the Issuer; or

17.1.5 appoint any person or persons to be a Receiver of all or any part of the Charged Property of the Issuer; and

17.1.6 (subject to s.45 Insolvency Act 1986) from time to time remove any person appointed to be a Receiver and appoint another in his place.

17.2 **More than one appointment**

Where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Security Trustee specifies to the contrary).

17.3 **Additional powers**

17.3.1 The powers of appointing an Administrator or a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Security Trustee under the Insolvency Act 1986, the LPA, the Conveyancing and Feudal Reform (Scotland) Act 1970 or otherwise and shall be exercisable without the restrictions contained in s.109 LPA or otherwise.

17.3.2 The power to appoint an Administrator or a Receiver (whether conferred by this deed or by statute) shall be and remain exercisable by the Security Trustee notwithstanding any prior appointment in respect of all or any part of the Charged Property.

17.4 Agent of the Issuer

- 17.4.1 Any Administrator or Receiver shall be the agent of the Issuer and the Issuer shall be solely responsible for his acts, remuneration, costs and expenses as well as for any defaults committed by him.
- 17.4.2 No Secured Party will incur any liability (either to the Issuer or to any other person) by reason of the appointment of an Administrator or Receiver.

17.5 Powers of Administrator and Receiver

A Receiver shall have (and shall be entitled to exercise), in relation to the Charged Property over which he is appointed, and an Administrator shall have in addition to the powers he enjoys under Sched B1 Insolvency Act 1986, the following powers (as the same may be varied or extended by the provisions of this deed):

- 17.5.1 (in respect of a Receiver) all of the powers of an administrative receiver set out in Sched 1 Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 17.5.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- 17.5.3 all of the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Issuer itself could do or omit to do; and
- 17.5.4 the power to do all things which, in the opinion of the Administrator or Receiver (as appropriate) are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Administrator or Receiver pursuant to this deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, any Issuer; the collection and/or realisation of Charged Property in such manner and on such terms as the Administrator or Receiver sees fit; and the execution of documents in the name of the Issuer (whether under hand, or by way of deed or by utilisation of the company seal of the Issuer)).

18 Protection of Security Trustee and Receiver

- 18.1 Neither the Security Trustee nor any Receiver or Delegate shall be liable in respect of any loss of profits, damages, costs, direct, indirect, consequential or unintended losses to any person, any diminution in value, or any liability whatsoever which arises out of the exercise or attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless such loss or damage is caused by the Security Trustee, any Receiver or Delegate's gross negligence, fraud or wilful default.
- 18.2 Each of the Parties agrees and acknowledges that if the Issuer or the Security Trustee is required to enforce the Mortgage Loans, the related Mortgage Loan Agreements and other Collateral Security or appoint a Receiver of the same, then the Security Trustee shall not be obliged to indemnify any such Receiver for any of its costs, charges, liabilities and expenses or to advance, in whatever form, any monies to such a receiver arising out of or in connection with such enforcement or to carry on, or to require any receiver to carry on, any business carried on from time to time in connection with the relevant Property or otherwise.

19 The Security Trustee's rights, powers and discretions

19.1 Powers supplemental to Trustee Acts

The rights, powers, authorities and discretions given to the Security Trustee under or in connection with the Transaction Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Trustee by law or regulation or otherwise.

19.2 Disapplication of Trustee Acts

S.1 (*The Duty of Care*) 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 prevail to the extent allowed by law 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.

19.3 Instructions

- 19.3.1 The Security Trustee shall, for so long as any amount is outstanding under the Transaction Documents or any Commitment is in force, deal solely with and take instructions only from the Controlling Noteholders, to the exclusion of any other Secured Party in relation to the exercise of its rights and the performance of its obligations under this deed and the other Transaction Documents.
- 19.3.2 The Security Trustee shall, save as otherwise provided in this deed, act as trustee under this deed and the other Transaction Documents in accordance with any instructions given to it by the Controlling Noteholders, which instructions shall be binding on the Security Trustee, the Issuer and all of the Secured Parties.
- 19.3.3 The Security Trustee shall, if so instructed by the Controlling Noteholders, refrain from exercising any right, power or discretion vested in it as security trustee under this deed.
- 19.3.4 The Security Trustee shall be entitled to request instructions, or clarification of any instruction, from the Majority Noteholders as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion under this deed or any other Transaction Document.
- 19.3.5 The Security Trustee may refrain from exercising any right, power or discretion vested in it under this deed or under any other Transaction Document unless and until instructed by the Controlling Noteholders as to whether or not such right, power or discretion is to be exercised and, if it is to be exercised, as to the manner in which it should be exercised.
- 19.3.6 The Security Trustee may refrain from acting in accordance with any instructions of the Controlling Noteholders or any Secured Party until it shall have been indemnified and/or prefunded and/or received such security as it may require to its satisfaction (whether by way of payment in advance or otherwise) for all costs, claims, expenses (including legal fees) and liabilities which it will or may expend or incur in complying with such instructions.
- 19.3.7 The Security Trustee may do any act or thing in the exercise of any of its duties under this deed which in its absolute discretion (in the absence of any instructions of the Controlling Noteholders) as to the doing of such act or thing) it deems advisable for the protection and benefit of all or any of the Secured Parties.
- 19.3.8 Where the Security Trustee acts upon the instructions of the Controlling Noteholders pursuant to this deed to any other Transaction Document, the Security Trustee shall have no liability for so acting to any person (save in the case of gross negligence, fraud or wilful default of the Security Trustee), including any minority or individual Noteholders, regardless of their number or of the principal amount of Notes held.

19.4 Information for the Security Trustee

The Issuer shall promptly provide any additional information reasonably required by the Security Trustee in connection with its functions under this Deed or the other Transaction Documents on written request from the Security Trustee.

19.5 No fiduciary duties

Nothing in this deed constitutes the Security Trustee as an agent, trustee or fiduciary of any party to a Transaction Document other than the Secured Parties.

19.6 No duty to account

19.6.1 Notwithstanding anything to the contrary expressed or implied in this deed, the Security Trustee shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account whether in connection with the Transaction Documents or otherwise.

19.6.2 The Security Trustee and any other person, whether or not acting for itself, may acquire, hold or dispose of any security (or any interest therein) of the Issuer or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary or agent for, any committee or body of holders of any securities of any such person in each case with the same rights as it would have had if the Security Trustee were not acting as Security Trustee and need not account for any profit.

19.7 Business with the Issuer

19.7.1 The Security Trustee may accept deposits from, lend money to, and generally engage in any kind of banking, investment or other business with, the Issuer.

19.7.2 None of the Security Trustee or its directors and officers should be precluded from entering into transactions in the ordinary course of business with any of the other parties or be accountable for the same (including any profit therefrom) to any Secured Party or any person.

19.8 Rights and discretions

19.8.1 The Security Trustee may rely on any representation, communication, notice or document reasonably believed by it to be genuine.

19.8.2 The Security Trustee may assume (without liability to any person) that:

19.8.2.1 any directions or instructions received by it from the Controlling Noteholders or relevant Secured Party or Secured Parties pursuant to this deed and the other Transaction Documents are duly given in accordance with the terms of this deed and/or any other relevant Transaction Document;

19.8.2.2 unless it has received notice of revocation, that those directions have not been revoked; and

19.8.2.3 if it receives any instructions to act in relation to the Security, this deed or any other Transaction Document, that all applicable conditions under the Transaction Documents for so acting have been satisfied.

19.8.3 The Security Trustee may call for and/or rely (without liability to any person) on a certificate or instruction or direction from any person (whether or not addressed to the Security Trustee):

19.8.3.1 as to any matter of fact or circumstance which might be expected to be within the knowledge of that person (including, but without limitation, as to any amount that is owing or due to any person in respect of any claims under or pursuant to the Payment Priorities); or

19.8.3.2 to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and may assume the truth and accuracy of that certificate or instruction (including, but without limitation, the correctness and accuracy of any calculations or determinations contained therein or related thereto and the reasonableness of any amounts contained therein) and shall not be bound to call for any further evidence or be liable for acting thereon and regardless of any monetary liability cap.

19.8.4 If the Security Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and/or rely (without liability to any person) and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by any two directors or Authorised Signatories of the Issuer or signed by the Originator. The Security Trustee need not call for further evidence and will not be responsible for any liability that may be occasioned by acting on such a certificate.

19.8.5 The Security Trustee may upon a disposal of any of the Charged Property by any Receiver in accordance with the provisions of this deed to any third party, release such property from the security created under this deed.

19.8.6 The Security Trustee may, if authorised or instructed by the Controlling Noteholders, agree to any amendments or variation to the terms of or waiver in respect of any breaches of or defaults under, or otherwise excuse performance of any provision of, or grant consents under, this deed on behalf of the Secured Parties, any such amendment, variation, waiver or consent so authorised to be binding on all the Parties and the Security Trustee to be under no liability whatsoever in respect thereof.

19.8.7 The Security Trustee may determine in its sole discretion whether or not an event, matter or thing is materially prejudicial to the interests of one or more Secured Party. Any such determination will be conclusive and binding on the Issuer and the Secured Parties.

19.8.8 The Security Trustee may engage (at the expense of the Issuer to the extent such expenses are properly incurred by the Security Trustee) and pay for the advice or services of any lawyers, accountants, surveyors or other experts whose advice or services may to it seem necessary and rely on any advice so obtained and will not be responsible to anyone for any loss occasioned by so acting or relying whether such advice is obtained or addressed to the Issuer, the Security Trustee or any other person and whether or not the liability of such expert in respect of such advice is limited by a monetary cap or otherwise. Any such opinion, advice or information may be sent or obtained by letter, fax, electronic mail or other written format and the Security Trustee will not be liable to anyone for acting in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic.

19.8.9 The Security Trustee shall not be bound to disclose to any other person any information relating to the Issuer or any Transaction Document if such disclosure would or might in its opinion constitute a breach of any law or regulation or be otherwise actionable at the suit of any person.

- 19.8.10 The Security Trustee shall not be under any obligations other than those for which express provision is made under this deed.
- 19.8.11 Notwithstanding anything else contained in this deed 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.
- 19.8.12 Nothing contained in this deed or the other Transaction Documents shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if, in its sole opinion, the repayment of such funds or adequate indemnity against, security for, or prefunding for such risk or liability is not assured to it (without prejudice to any further demand).
- 19.8.13 The Security Trustee shall have no responsibility for investigating whether any request, instruction or direction given to it by any person breaches any rights or restriction set out in this deed or any other Transaction Document. If the Controlling Noteholders or any Secured Party, in issuing any request or instruction or direction under this deed, breaches any rights or restrictions set out in this deed or any Transaction Document, this shall not invalidate that request, instruction or direction unless the Controlling Noteholders or the Secured Party (as the case may be) inform the Security Trustee in writing in relation to a request or instruction made or given by it before the Security Trustee commences to act on such request or instruction that such request or instruction was invalid and should not be acted on. If the Security Trustee is so informed after it has commenced acting on a request, instruction or direction, the validity of any action taken shall not be affected but the Security Trustee shall take no further action in accordance with such request or instruction, except to the extent that it has become legally obliged to do so.
- 19.8.14 Any consent or approval given by the Security Trustee may be on such terms and subject to such conditions as the Security Trustee thinks fit.
- 19.8.15 Notwithstanding anything else contained in this deed or the other Transaction Documents, the Security Trustee may refrain from:
- 19.8.16
- 19.8.16.1 doing anything which would or might in its opinion be illegal or contrary to any law of any jurisdiction or any directive or regulation of any agency of any state (including, without limitation, s.619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act), 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; or
- 19.8.16.2 doing anything which may cause the Security Trustee to be considered a sponsor of a covered fund under s.619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any regulations promulgated thereunder.
- 19.8.17 The Security Trustee shall not be obliged to enter into any modification of, supplement to or amendment to any Transaction Document to which it is a party (whether such amendment, supplement or modification arises pursuant to Clauses 19 or 20, as a result of the appointment or an additional, replacement or successor Transaction Party or otherwise) if, in the opinion of

the Security Trustee, doing so would impose more onerous or additional obligations, responsibilities or duties upon it or expose it to further liabilities or reduce or amend the protective provisions afforded to the Security Trustee in this deed or any other Transaction Document in any way.

- 19.8.18 The Security Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Security Trustee (including the receipt and payment of money). Provided that the Security Trustee has exercised reasonable care in the selection of any such agent, the Security Trustee 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.
- 19.8.19 The Security Trustee shall have no responsibility for the maintenance of any rating of the Notes by the Rating Agencies or any other person, and shall be able to rely on any confirmation from a Rating Agency without assuming any liability for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Notes or any Transaction Document that such exercise will not be materially prejudicial to the interests of the Noteholders.
- 19.8.20 The Security Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Security Trustee assigned by the Security Trustee to administer its corporate trust matters.
- 19.8.21 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 Property. In particular and without limitation, the Security Trustee shall not be liable for any such decline or loss directly or indirectly arising from its acting or failing to act as a consequence of an opinion reached by it in good faith based on advice received by it in accordance with this deed.

19.9 **Financial Services Markets Act 2000**

- 19.9.1 Notwithstanding anything in this deed or any other Transaction Document to the contrary, the Security Trustee shall not do, or be authorised or required to do, anything which might constitute a regulated activity for the purpose of the Financial Services and Markets Act 2000 ("**FSMA**"), unless it is authorised under FSMA to do so.
- 19.9.2 The Security Trustee shall have the discretion at any time:
 - 19.9.2.1 to delegate any of the functions which fall to be performed by an authorised person under FSMA to any other agent or person which also has the necessary authorisations and licences; and
 - 19.9.2.2 to apply for authorisation under FSMA and perform any or all such functions itself if, in its absolute discretion, it considers it necessary to do so.

19.10 **Responsibility for documentation**

- 19.10.1 The Security Trustee accepts no responsibility for the accuracy and/or completeness of any information supplied by the Issuer, the Originator or any other person in connection with, or for the legality, validity, effectiveness, adequacy or enforceability of, any of the Transaction Documents.

- 19.10.2 Each of the Secured Parties agrees that it will not assert or seek to assert against any director, officer or employee of the Security Trustee any claim it might have against any of them in respect of the matters referred to in Clause 19.10.1.

19.11 No duty to monitor

The Security Trustee shall not be bound to enquire or monitor:

- 19.11.1 as to the occurrence or otherwise of a Drawstop Event, Default or Event of Default, and may assume that no such event has occurred unless and until the Security Trustee has express notice in writing to the contrary;
- 19.11.2 as to the performance, default or any breach by any Party of its obligations under any Transaction Document; or
- 19.11.3 whether any other event or circumstance specified in any Transaction Document has occurred.

19.12 Custody of documents

The Security Trustee shall be at liberty to place any of the Transaction Documents and any other instruments, documents or deeds delivered to it pursuant to or in connection with any of the Transaction Documents for the time being in its possession in any safe deposit, safe or receptacle selected by it or with any bank, any company whose business includes undertaking the safe custody of documents or any firm of lawyers of good repute and shall not be responsible for any loss thereby incurred.

19.13 Exclusion of liability

- 19.13.1 The Security Trustee shall not be liable or responsible for any losses to any person, howsoever caused, as a result of taking or omitting to take any action whatsoever in relation to any of the Transaction Documents or otherwise, save in the case of gross negligence, fraud or wilful default of the Security Trustee.
- 19.13.2 Subject to ss.750 (*Liability of trustees of debentures*) and 751 (*Liability of trustees of debentures: saving for certain older provisions*) of the Companies Act 2006 (if applicable) and notwithstanding anything to the contrary in the Transaction Documents, the Security Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to the Transaction Documents save in relation to its own gross negligence, wilful default or fraud having regard to the provisions of this deed and the other Transaction Documents conferring on it any trusts, powers, authorities or discretions.
- 19.13.3 Any liability of the Security Trustee arising under the Transaction Documents shall be limited to the amount of actual loss suffered (such loss shall be determined as at the date of default of the Security Trustee or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Trustee at the time of entering into the Transaction Documents, or at the time of accepting any relevant instructions, which increase the amount of the loss. In no event shall the Security Trustee be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive or consequential damages, whether or not foreseeable, even if the Security Trustee has been advised of the possibility of such loss or damages and regardless of whether the claim for loss or damage is made in negligence, breach of contract, duty or otherwise.

19.14 Confidentiality

In acting as Security Trustee for the Secured Parties, notwithstanding the provisions of this deed if the Security Trustee should act for the Issuer or any member of the Group in any capacity in relation to any other matter, any confidential information given by the Issuer or any member of the Group to the Security Trustee in such capacity shall be treated as confidential by the Security Trustee.

19.15 Information from the Secured Parties

Each Secured Party (other than the Security Trustee) shall supply the Security Trustee with any information that is reasonably necessary to enable the Security Trustee to perform its functions as Security Trustee under or in relation to this deed and the other Transaction Documents.

19.16 Credit appraisal by the Secured Parties

It is understood and agreed by each Secured Party that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer or any member of the Group and, accordingly, each Secured Party warrants to the Security Trustee that it has not relied and will not hereafter rely on the Security Trustee:

- 19.16.1 to check or enquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Issuer, the Originator or any other person in connection with any of the Transaction Documents or the transactions therein contemplated (whether or not such information has been or is hereafter circulated to such Secured Party by the Security Trustee);
- 19.16.2 to check or enquire on its behalf into the adequacy, accuracy or completeness of any communication delivered to it under any of the Transaction Documents, any legal or other opinions, reports, valuations, certificates, appraisals or other documents delivered or made or required to be delivered or made at any time in connection with any of the Transaction Documents, any security to be constituted thereby or any other report or other document, statement or information circulated, delivered or made, whether orally or otherwise and whether before, on or after the date thereof;
- 19.16.3 to check or enquire on its behalf into the due execution, delivery, validity, legality, adequacy, suitability, performance, enforceability or admissibility in evidence of any of the Transaction Documents or any other document referred to in Clause 19.16.2 or of any guarantee, indemnity or security given or created thereby or any obligations imposed thereby or assumed thereunder;
- 19.16.4 to check or enquire on its behalf into the ownership, value or sufficiency of any property the subject of any of the security created under this deed, the priority of any such security, the right or title of any person in or to any property comprised therein or the existence of any encumbrance affecting the same; or
- 19.16.5 to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Issuer or any member of the Group.

19.17 No responsibility to perfect Transaction Security

- 19.17.1 The Security Trustee assumes no responsibility to, nor shall it be liable for any failure to:
 - 19.17.1.1 require the deposit with it of any deed or document certifying, representing or constituting the title of the Issuer to any of the property mortgaged, charged, assigned or otherwise encumbered by or pursuant to this deed;

- 19.17.1.2 obtain any licence, consent or other authority for the execution, delivery, validity, legality, adequacy, performance, enforceability or admissibility in evidence of any of the Transaction Documents;
 - 19.17.1.3 register or notify any of the foregoing in accordance with the provisions of any of the documents of title of the Issuer;
 - 19.17.1.4 effect or procure registration of or otherwise protect any of the security created under this deed by registering the same under any applicable registration laws in any territory;
 - 19.17.1.5 take, or to require the Issuer to take, any steps to render the security created under this deed effective or to secure the creation of any ancillary charge under the laws of any other jurisdiction; or
 - 19.17.1.6 require any further assurances in relation to any of the Transaction Documents.
- 19.17.2 The Security Trustee shall not be responsible for the perfection, priority, maintenance, adequacy, sufficiency or validity of any security interest in the Security and in particular it shall not be responsible for the making, maintenance, continuation or accuracy of any required filing.
- 19.18 Insurance by Security Trustee**
- 19.18.1 Without prejudice to the provisions of any of the Transaction Documents, the Security Trustee shall not be under any obligation to insure any property or to require any other person to maintain any such insurance and shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy or insufficiency of any such insurance.
- 19.18.2 Where the Security Trustee is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind.
- 19.19 Custodians and nominees**
- The Security Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Trustee may determine and the Security Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this deed or be bound to supervise the proceedings or acts of any person.
- 19.20 Delegation**
- The Security Trustee may, whenever it thinks fit, delegate by power of attorney or otherwise to any person or persons, or fluctuating body of persons, all or any of the rights, powers, authorities and discretions vested in it by any of the Transaction Documents and such delegation may be made upon such terms (including the power to sub-delegate) and subject to such conditions and subject to such regulations as it may think fit and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of, any such delegate or sub-delegate.
- 19.21 Acceptance of title**
- The Security Trustee shall be entitled to accept without enquiry, requisition or objection such right and title as the Issuer may have to the property belonging to it (or any part thereof)

which is the subject matter of any of the security created under this deed and shall not be bound or concerned to investigate or make any enquiry into the right or title of the Issuer to such property (or any part thereof) or, without prejudice to the foregoing, to require the Issuer to remedy any defect in its right or title as aforesaid.

20 **Resignation or removal of the Security Trustee**

20.1 **Resignation**

The Security Trustee, subject to Clause 20.3 (*Appointment of Successor*), may at any time resign and be discharged from its obligations and duties hereby created by giving written notice thereof to the Issuer and the Secured Parties without giving any reason and without being responsible for any Liabilities incurred by reason of such resignation. Upon receiving such notice of resignation, the Issuer shall be vested with the power to appoint a successor Security Trustee (a "**Successor Security Trustee**") and shall promptly appoint such Successor Security Trustee as detailed in Clause 20.4 (*Successor Security Trustee*) by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Security Trustee and one copy to the Successor Security Trustee. If no Successor Security Trustee shall have been appointed within 30 days after the giving of such notice of resignation, the resigning Security Trustee shall be entitled (at the cost of the Issuer) to appoint a Successor Security Trustee.

20.2 **Removal of Security Trustee**

20.2.1 If at any time the Security Trustee shall be legally unable to act, or shall be adjudged insolvent, or a receiver of the Security Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Security Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer shall with prior written notice to the Security Trustee and the Secured Parties remove the Security Trustee and promptly appoint a Successor Security Trustee as detailed in Clause 20.4 (*Successor Security Trustee*) by written instrument, in duplicate, one copy of which instrument shall be delivered to the Security Trustee so removed and one copy to the Successor Security Trustee.

20.2.2 The Secured Parties may at any time by direction in writing signed by all the Secured Parties (other than the Security Trustee) addressed to the Security Trustee and the Issuer remove the Security Trustee and shall do so by giving 90 days' written notice thereof to the Security Trustee. Upon such notice of removal being given, the Issuer shall be vested with the power to appoint a Successor Security Trustee and shall promptly appoint such Successor Security Trustee as detailed in Clause 20.4 (*Successor Security Trustee*) by written instrument, in duplicate, one copy of which instrument shall be delivered to the Security Trustee being removed and one copy to the Successor Security Trustee.

20.3 **Appointment of Successor**

Any resignation or removal of the Security Trustee and appointment of a Successor Security Trustee pursuant to any of the provisions of this Clause 20 shall not become effective until the acceptance of appointment by the successor Security Trustee as provided in Clause 20.4 (*Successor Security Trustee*).

20.4 **Successor Security Trustee**

20.4.1 Any Successor Security Trustee appointed as provided in this Clause 20.4 shall execute, acknowledge and deliver to the Issuer and to its predecessor Security Trustee an instrument accepting such appointment hereunder and the transfer of the interests of the predecessor Security Trustee in the Charged Property to such Successor Security Trustee, and thereupon the resignation or removal of the predecessor Security Trustee shall become effective and such

Successor Security Trustee, without any further act, deed or conveyance, shall become fully vested with such interests in the Charged Property and all the rights, powers, duties and obligations of its predecessor hereunder, with the like effect as if originally named as Security Trustee herein. The predecessor Security Trustee shall (i) deliver to the Successor Security Trustee all documents and statements held by it hereunder, and the parties to this deed and the predecessor Security Trustee shall execute and deliver such instruments and (ii) do such other things as may reasonably be required by the Successor Security Trustee for fully and certainly vesting and confirming in the Successor Security Trustee all such interests in Charged Property and such rights, powers, duties and obligations, in each case at the cost of the Issuer.

20.4.2 Upon the appointment of a Successor Security Trustee, the retiring Security Trustee shall be discharged from any further obligation in respect of the Transaction Documents (other than its obligations under Clause 20.4.1 above, and subject to Clause 20.3 (*Appointment of Successor*)) but shall remain entitled to the benefit of this Clause 20.4.2 and Clause 28 (*Remuneration, costs, expenses and indemnities*) (and any Security Trustee fees for the account of the retiring Security Trustee shall cease to accrue from that date).

20.4.3 Upon acceptance of appointment by a Successor Security Trustee as provided in this Clause 20.4, such Successor Security Trustee shall give notice of such succession hereunder to all Secured Parties and the Originator.

20.5 **Appointment of Co-Security Trustee or Separate Security Trustee**

20.5.1 Notwithstanding any other provisions of this deed, at any time, for the purpose of (a) meeting any legal requirements of any jurisdiction in which any part of the Charged Property may at the time be located, (b) if the Security Trustee considers it in the interest of the Secured Parties, or (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction either of a judgment already obtained or this deed, the Security Trustee shall have the power and may execute and deliver all instruments to appoint one or more persons to act as a co-Security Trustee or co-Security Trustees, or separate Security Trustee or separate Security Trustees, with respect to all or any part of the Charged Property and to vest in such person or persons, in such capacity and for the benefit of the Secured Parties, such title to the Charged Property or any part thereof, and, subject to the other provisions of this Clause 20.5, such powers, duties, obligations, rights and trusts as the Security Trustee may consider necessary or desirable.

20.5.2 Upon acceptance of appointment by any co-Security Trustee as provided in this Clause 20.5, such co-Security Trustee shall give notice of such succession hereunder to all Secured Parties.

20.5.3 Every separate Security Trustee and co-Security Trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

20.5.3.1 all rights, powers, duties and obligations conferred or imposed upon the Security Trustee shall be conferred or imposed upon and exercised or performed by the Security Trustee and such separate Security Trustee or co-Security Trustee jointly (it being understood that such separate Security Trustee or co-Security Trustee is not authorised to act separately without the Security Trustee joining in such act), except to the extent that under any laws of any jurisdiction in which any particular act or acts are to be performed (whether as Security Trustee hereunder or as successor to the Security Trustee hereunder), the Security Trustee shall be incompetent or unqualified to

perform such act or acts, in which circumstances such rights, powers, duties and obligations (including the holding of title to the Charged Property or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate Security Trustee or co-Security Trustee, but solely at the direction of the Security Trustee;

20.5.3.2 no Security Trustee hereunder shall be personally liable by reason of any act or omission of any other Security Trustee hereunder; and

20.5.3.3 the Security Trustee may at any time accept the resignation of or remove any separate Security Trustee or co-Security Trustee provided that upon such resignation or removal, all title to any Charged Property, powers, duties, obligations, rights and trusts previously vested in such separate Security Trustee shall immediately revert to the Security Trustee.

20.5.4 Every instrument appointing any separate Security Trustee or co-Security Trustee shall refer to this deed and the conditions of this Clause 20. Each separate Security Trustee and co-Security Trustee, upon its acceptance of the trusts conferred, shall be vested with the rights, trusts, powers, duties and obligations specified in its instrument of appointment, either jointly with the Security Trustee or separately, as may be provided therein, subject to all the provisions of this deed, specifically including every provision of this deed relating to the conduct of, affecting the liability of, or affording protection to, the Security Trustee. Every such instrument shall be filed with the Security Trustee and a copy thereof given to the Issuer and the Primary Servicer.

20.5.5 Any separate Security Trustee or co-Security Trustee may at any time constitute the Security Trustee as its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect to this deed or any Transaction Document on its behalf and in its name. If any separate Security Trustee or co-Security Trustee shall die, become incapable of acting, resign or be removed, all of its rights, trusts, powers, duties and obligations shall vest in and be exercised by the Security Trustee, to the extent permitted by law, without the appointment of a new or successor Security Trustee.

20.5.6 Such remuneration as the Security Trustee may pay to any such person, together with any costs, charges and expenses properly incurred by it in performing its functions as separate trustee or co-trustee shall for the purposes of this deed be treated as costs, charges and expenses incurred by the Security Trustee.

21 **Waiver, authorisation, consent and determination on instruction**

Subject to any express consent rights set out in the Transaction Documents and subject to Clauses 19.3 (*Instructions*) and 28 (*Remuneration, costs, expenses and indemnities*), the Security Trustee shall, acting on the written direction of the Majority Noteholders only and having been indemnified, secured or prefund to its satisfaction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, waive, authorise or consent to any breach or proposed breach by the Issuer or any other party of any of the covenants or provisions contained in this deed or any of the other Transaction Documents or determine that any Event of Default or a Default shall not be treated as an Event of Default or a Default for the purposes of this deed or to any such other ancillary act, but so that no such request shall affect any waiver, authorisation, consent or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Secured Parties and shall be notified by the Issuer to the Secured Parties as soon as practicable thereafter.

22 **Modification on instruction**

- 22.1 Subject to any express consent rights set out in the Transaction Documents, Clauses 19.3 (Instructions) and 28 (*Remuneration, costs, expenses and indemnities*), the Security Trustee shall, acting on the written direction of the Majority Noteholders only and having been indemnified, secured or prefund to its satisfaction, concur with the Issuer in making any modification to this deed, the Facility Agreement, the Subordinated Loan Agreement and any other Transaction Documents, where the Issuer so requests.
- 22.2 Any such modification may be made on such terms and subject to such conditions as may seem fit and proper to the Security Trustee, shall (acting on the written direct of the Majority Noteholders) be binding upon the Majority Noteholders and any other Secured Party and, shall be notified by the Issuer to the Secured Parties as soon as practicable thereafter.

23 **Entrenched Rights of the Hedge Counterparties**

- 23.1 No modification to, or consent or waiver under or in respect of any Transaction Document will be effective against any Hedge Counterparty if the proposed consent or waiver would (in the opinion of the Hedge Counterparty acting reasonably):

- 23.1.1 affect any Transaction Security created by the Security Documents in any manner detrimental to the Hedge Counterparty;
- 23.1.2 amend the Payment Priorities;
- 23.1.3 affect the rights or obligations of the Hedge Counterparty such that the Hedge Counterparty would be required to pay more or receive less pursuant to any Transaction Document (including, for the avoidance of doubt, if the Hedge Counterparty were to replace itself as Hedge Counterparty under and pursuant to the terms of the Hedge Agreement and this deed, in connection with such replacement) than would otherwise have been the case immediately prior to such amendment;
- 23.1.4 cause a delay in the timing subject to which the Hedge Counterparty is entitled to receive an amount due to it under any Transaction Document; or
- 23.1.5 amend the Hedge Counterparty's rights and and/or obligations under the Transaction Documents,

unless the Security Trustee has received prior written consent to such modification, consent or waiver from each Hedge Counterparty.

- 23.2 A Hedge Counterparty may amend or waive any term of a Hedging Agreement in accordance with the terms of that Hedging Agreement if that amendment or waiver does not breach any term of this deed.

24 **Total Interest Rate Hedging**

- 24.1 The Issuer shall enter into derivative transactions with a Hedge Counterparty for the purpose of hedging actual or projected interest rate exposures arising under or in relation to the Facility in order to ensure that neither an Interest Rate Hedge Excess, nor an Interest Rate Hedge Shortfall shall occur or be continuing on any Interest Payment Date.
- 24.2 Subject to Clause 24.1, the Issuer shall enter into additional hedging arrangements with one or more Hedge Counterparties to increase the Total Interest Rate Hedging in order to remedy any Interest Rate Hedge Shortfall that may arise from time to time by no later than the next Interest Payment Date following the occurrence of an Interest Rate Hedge Shortfall, or if either (a) the Issuer requests that the Original Hedge Counterparty execute additional hedge transactions in order to remedy an Interest Rate Hedge Shortfall and the Original Hedge Counterparty declines to execute such additional hedge transactions; or (b) at the

time of such Interest Rate Hedge Shortfall an Event of Default (as defined in the Hedging Agreement) where the Original Hedge Counterparty is the Defaulting Party (as defined in the Hedging Agreement) has occurred in either case, within 60 days of the occurrence of the Interest Rate Hedge Shortfall provided that entry into such additional hedging arrangements will not result in an Interest Rate Hedge Excess.

- 24.3 Subject to Clause 24.1, if at any time an Interest Rate Hedge Excess occurs then the Issuer shall on an Excess Reduction Date terminate or close out any relevant hedging transaction(s) in full or in part with the Hedge Counterparty, or, if there is more than one Hedge Counterparty, with each Hedge Counterparty pro-rata to the extent necessary to ensure that on such date there is no Interest Rate Hedge Excess (the termination or close out of such transactions being an "**Over-Hedging Reduction**"), provided that any such Over-Hedging Reduction will not cause an Interest Rate Hedge Shortfall to occur.
- 24.4 The Issuer shall pay to each Hedge Counterparty (in accordance with the relevant Hedging Agreement and this deed) an amount equal to the sum of all payments (if any) that become due from the Issuer to a Hedge Counterparty under the relevant Hedging Agreement as a result of any Over-Hedging Reduction.
- 24.5 Each Hedge Counterparty shall co-operate in any process described in Clause 24.3 and shall pay (in accordance with the relevant Hedging Agreement(s) and this deed) any amount that becomes due from it under the relevant Hedging Agreement(s) to the Issuer as a result of any action described in Clause 24.3.

25 **Amounts received**

25.1 **Section 109(8) Law of Property Act 1925**

Neither the Security Trustee nor any Receiver or Administrator shall be bound (whether by virtue of s.109(8) LPA, which is hereby varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Liabilities.

25.2 **Currencies of denomination**

For the purpose of or pending the discharge of any of the Secured Liabilities the Security Trustee may convert any monies received, recovered or realised by the Security Trustee under this deed from their existing denominations and/or currencies of denomination into such other denominations and/or currencies of denomination as the Security Trustee may think fit and any such conversion shall be effected at the Security Trustee's then prevailing spot selling rate of exchange.

25.3 **Suspense account**

All monies received recovered or realised by the Security Trustee under this deed may at the discretion of the Security Trustee be credited to any interest bearing suspense or impersonal account and may be held in such account for so long as the Security Trustee thinks fit pending the application from time to time (as the Security Trustee shall be entitled to do as it may think fit and 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).

25.4 **New Accounts**

If the Security Trustee receives notice of any subsequent charge or other interest affecting all or part of the Charged Property, the Security Trustee may open a new account or accounts for the Issuer in its books and (without prejudice to the Security Trustee's right to combine accounts) no money paid to the credit of the Issuer in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Liabilities. If the Security Trustee does not open a new account or accounts immediately on receipt of such notice then unless the Security Trustee gives express notice to the contrary to the

Issuer as from the time of receipt of such notice by the Security Trustee all payments made by the Issuer to the Security Trustee in the absence of any express appropriation by the Issuer to the contrary shall be treated as having been credited to a new account of the Issuer and not as having been applied in reduction of the Secured Liabilities.

25.5 Security Trustee set-off rights

If the Security Trustee shall have more than one account for the Issuer in its books the Security Trustee may at any time after the security constituted by this deed has become enforceable or the Security Trustee has received notice of any subsequent charge or other interest affecting all or any part of the Charged Property and without prior notice forthwith transfer all or any part of the balance standing to the credit of any such account to any other such account which may be in debit but the Security Trustee shall notify the Issuer of the transfer having been made.

26 Power of attorney and delegation

26.1 Power of attorney

The Issuer shall, on execution of this deed, execute and deliver to the Security Trustee a power of attorney substantially in the form of schedule 1 (*Form of Issuer Power of Attorney*).

26.2 Ratification

The Issuer ratifies and confirms and agrees to ratify and confirm:

26.2.1 all transactions entered into by the Security Trustee and/or any Administrator or Receiver; and

26.2.2 all transactions entered into by the Security Trustee and/or any Administrator or Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, document or other act,

in each case in the proper exercise of its or their powers in accordance with this deed.

26.3 The Security Trustee and any Administrator or Receiver shall have full power to delegate the powers, authorities and discretions conferred on it or him by this deed (including the power of attorney referred to in Clause 26.1), on such terms and conditions as it or he shall see fit which shall not preclude exercise of these powers, authorities or discretions by it or him or any revocation of the delegation or subsequent delegation. The Security Trustee shall not be liable for the delegate's act or omissions.

27 Protection of security and further assurance

27.1 Independent security

This deed shall be in addition to and independent of every other security or guarantee that the Security Trustee or any other Secured Party may at any time hold for any of the Secured Liabilities. No prior security held by the Security Trustee or any other Secured Party over the whole or any part of the Charged Property shall merge in the security created by this deed.

27.2 Continuing security

This deed shall remain in full force and effect as a continuing security for the Secured Liabilities, notwithstanding any settlement of account or intermediate payment or discharge in whole or in part.

27.3 **No waivers; rights cumulative**

No failure to exercise, nor delay in exercising, on the part of the Security Trustee or any Secured Party, any right or remedy under this deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy preclude any further or other exercise, or the exercise of any other right or remedy. The rights and remedies of the Security Trustee and each Secured Party provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.

27.4 **No Issuer set-off**

Without prejudice to clause 6.3 (*Advance of Subordinated Loans*) of the Subordinated Loan Agreement, the Issuer waives any right of set-off it may have now or at any time in the future in respect of the Secured Liabilities (including sums payable by the Issuer under this deed).

27.5 **Further assurance**

27.5.1 The Issuer shall, promptly upon request by the Security Trustee or any Receiver or Administrator, at its own expense, take whatever action the Security Trustee or a Receiver or Administrator may require for:

27.5.1.1 creating, perfecting or protecting any security intended to be created by or pursuant to this deed;

27.5.1.2 facilitating the realisation of any Charged Property;

27.5.1.3 exercising any right, power or discretion conferred on the Security Trustee, or any Receiver or any Administrator or any of their respective delegates or sub-delegates in respect of any Charged Property; or

27.5.1.4 creating and perfecting security in favour of the Security Trustee (equivalent to the security intended to be created by this deed) over any assets of the Issuer located in any jurisdiction outside England and Wales.

27.5.2 This includes:

27.5.2.1 the re-execution of this deed;

27.5.2.2 the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Security Trustee or to its nominee; and

27.5.2.3 the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Trustee (or the Receiver or Administrator, as appropriate) may think expedient.

28 **Remuneration, costs, expenses and indemnities**

28.1.1 So long as any Note is outstanding the Issuer will pay the Security Trustee as remuneration for its services as Security Trustee such sums on such dates in each case as they may from time to time agree in writing in accordance with the Security Trustee Fee Letter. Such remuneration will accrue from day to day from the date of this deed.

28.1.2 If an Event of Default or Default shall have occurred the Issuer hereby agrees that the Security Trustee shall be entitled to be paid additional remuneration

calculated at its normal hourly rates in force from time to time. In any other case, if the Security Trustee finds it expedient or necessary or is requested by the Issuer to undertake duties which they both agree to be of an exceptional nature or otherwise outside the scope of the Security Trustee's normal duties under this deed, the Issuer will pay or procure the payment of such additional remuneration as they may agree (and which may be calculated by reference to the Security Trustee's normal hourly rates in force from time to time) or, failing agreement as to any of the matters in this sub-Clause (or as to such sums referred to in Clause 28.1.1), as determined by a person (acting as an expert) (which may be a financial institution of international repute) selected by the Security Trustee and approved by the Issuer or, failing such selection or approval, nominated (on application by the Security Trustee) by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such person's fee will be borne by the Issuer. The determination of such person will be conclusive and binding on the Issuer, the Security Trustee and the Noteholders. For the avoidance of doubt, any duties in connection with investments, amendments, 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.

- 28.1.3 In addition to remuneration hereunder, the Issuer shall pay (on an indemnity basis) all other costs, charges and expenses which the Security Trustee, any Receiver or any Delegate may properly incur in relation to the negotiation, preparation and execution of, the exercise or attempted exercise of its powers and the performance of its duties under, and in any other manner in relation to, this deed, the Transaction Security and any of the other Transaction Documents to which the Security Trustee is a party including but not limited to travelling and legal expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Security Trustee, Delegate or Receiver 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 Transaction Security or any of the other Transaction Documents.
- 28.1.4 The Issuer shall, in accordance with the Payment Priorities, indemnify the Security Trustee (and its directors, officers, employees and agents) and every Receiver and Delegate against any Liability incurred by any of them as a result of but not limited to:
- 28.1.4.1 any failure by the Issuer to comply with its obligations under Clause 23 (*Costs and Expenses*) of the Facility Agreement;
 - 28.1.4.2 acting or relying on any notice, request or instruction which it believes to be genuine;
 - 28.1.4.3 the taking, holding, protection or enforcement of the Transaction Security;
 - 28.1.4.4 the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Trustee and each Receiver and Delegate by the Transaction Documents or by law;
 - 28.1.4.5 any default by the Issuer in the performance of any of the obligations expressed to be assumed by it in the Transaction Documents; or
 - 28.1.4.6 acting as Security Trustee, Receiver or Delegate under the Transaction Documents or which otherwise relates to any of the Charged Property,

in each case save to the extent such Liability has arisen as a result of the Security Trustee's Breach of Duty.

- 28.1.5 Without prejudice to the right of indemnity by law given to trustees and subject to the provisions of s.750 Companies Act 2006 (if applicable), the Security Trustee and every Receiver and Delegate shall be entitled to be indemnified out of the Charged Property in respect of all liabilities and expenses properly incurred by them or him in the execution or purported execution of the trusts hereof or of any powers, authorities or discretions vested in them or him pursuant to this deed and the other Transaction Documents and against all actions, proceedings, costs, claims and demands in respect of any matter or things done or omitted in any way relating to the Charged Property, and after enforcement of the security created by this deed the Security Trustee may retain any part of any moneys in its hands arising from the trusts of this deed necessary to effect such indemnity and also to meet the remuneration of the Security Trustee hereinbefore provided and the Security Trustee shall have a lien on such Charged Property for all moneys payable to it under this deed, the other Transaction Documents or otherwise howsoever.
- 28.1.6 If a Tax Deduction is required by law to be made by the Issuer, the amount of the payment due from the Issuer shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- 28.1.7 Clauses 28.1.3 to 28.1.5 will continue in full force and effect as regards the Security Trustee even if it no longer is Security Trustee and notwithstanding any discharge of this deed.

29 **Miscellaneous**

29.1 **Certificates conclusive**

A certificate or determination by the Security Trustee as to any amount or rate under this deed shall be conclusive evidence of that amount or rate in the absence of any manifest error.

29.2 **Financial collateral**

- 29.2.1 To the extent that the Charged Property constitute "financial collateral" and this deed and the obligations of the Issuer under this deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)), the Security Trustee shall have the right after the Security constituted by this deed has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- 29.2.2 For the purpose of Clause 29.2.1, the value of the financial collateral appropriated shall be such amount as the Security Trustee reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

29.3 **Section 2(1) Law of Property (Miscellaneous Provisions) Act 1989**

The terms of the Transaction Documents and of any side letters between any parties in relation to the Transaction Documents are incorporated in this deed to the extent required to ensure that any purported disposition of Charged Property contained in this deed is a valid disposition in accordance with s.2(1) Law of Property (Miscellaneous Provisions) Act 1989.

30 **Contracts (Rights of Third Parties) Act 1999**

Save as expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this deed but this does not affect any right or remedy of any person which exists or is available apart from that Act. Notwithstanding any term of any Finance Document, the consent of such third party is not required to rescind or vary this deed at any time.

31 **Partial Invalidity**

If, at any time, any provision of this deed is or becomes illegal, invalid or unenforceable, in whole or in part, in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

32 **Demands and notices**

Any demand, notice, consent or communication to be made or given by or to the Issuer or the Security Trustee under or in connection with this deed shall be made and delivered as provided in paragraph 16 (*Notices*) of part 1 (*General Legal Terms*) of the Common Terms. Any demand on the Issuer shall be validly made whether or not it contains an accurate statement of the amount of the Secured Liabilities.

33 **Changes to parties**

33.1 **Assignment by Security Trustee**

33.1.1 The Security Trustee may at any time without the consent of the Issuer, assign or transfer the whole or any part of its rights under this deed to any person.

33.1.2 The Security Trustee shall not assign any of its rights and benefits or transfer by novation any of its rights, benefits and obligations under this deed unless the proposed replacement Security Trustee has agreed to become a Party to and become bound by all the terms of this deed as the replacement Security Trustee by the execution and delivery to the Parties of a duly completed Accession Deed in accordance with Clause 33.6 (*Accession Deed*).

33.2 **Assignment by the Issuer**

The Issuer may not assign any of its rights or transfer any of its obligations under this deed or enter into any transaction which would result in any of these rights or obligations passing to another person.

33.3 **Change of Noteholder**

A Noteholder may:

33.3.1 assign any of its rights; or

33.3.2 transfer by novation any of its rights and obligations,

in respect of any Finance Document if:

33.3.3 that assignment or transfer is in accordance with the terms of the Facility Agreement; and

33.3.4 any assignee or transferee has (if not already a Party as a Noteholder) acceded to this deed, as a Noteholder, pursuant to Clause 33.6 (*Accession Deed*).

33.4 **Change of Hedge Counterparty**

A Hedge Counterparty may (in accordance with the terms of the relevant Hedging Agreement and subject to any consent required under that Hedging Agreement) transfer any of its rights or obligations in respect of the Hedging Agreements to which it is a party if any transferee has (if not already a Party as a Hedge Counterparty and a party to the Facility Agreement as a Hedge Counterparty) acceded to this deed, pursuant to Clause 33.6 (*Accession Deed*) as a Hedge Counterparty.

33.5 **Assignment by other Parties**

The Parties (other than the Parties referred to in Clauses 33.1 to 33.4) may not assign or transfer all or any part of their rights, benefits and/or obligations under this deed without the prior written consent of the Security Trustee.

33.6 **Accession Deed**

33.6.1 Notwithstanding the other provisions of this deed, any person wishing to become a new Secured Party under this deed must, on or before the date of the proposed accession, deliver to the Security Trustee an Accession Deed duly executed by it and the Issuer.

33.6.2 Subject to the Security Trustee being satisfied it has complied with all necessary "know your customer" or similar checks under all applicable laws and regulations in relation to the transfer, with effect from the date of delivery to the Security Trustee (on behalf of the other Parties) of an Accession Deed duly executed and delivered by the relevant acceding party, or, if later, the date specified in that Accession Deed:

33.6.2.1 in the case of any Party ceasing entirely to be a Party, it shall be discharged from further obligations towards the other Parties under this deed and their respective rights against one another shall be cancelled (except in each case for any liabilities which accrued prior to that date);

33.6.2.2 in the case of a new Secured Party or a replacement Party, as from that date, it shall assume the same obligations and become entitled to the same rights and benefits, as if it had been an original Party in that capacity; and

33.6.2.3 to the extent envisaged by the Facility Agreement, any party acceding to this deed as a Hedge Counterparty shall also become party to the Facility Agreement as a Hedge Counterparty and shall assume the same obligations and become entitled to the same rights as if it had been an original party to the Facility Agreement as a Hedge Counterparty.

33.6.3 Each Party irrevocably authorises the Security Trustee to execute on its behalf any duly completed and signed Accession Deed.

33.7 **Additional parties**

Each of the Parties appoints the Security Trustee to receive on its behalf each Accession Deed delivered to the Security Trustee and the Security Trustee shall, as soon as reasonably practicable after receipt by it, sign and accept the same if it appears on its face to have been completed, executed and, where applicable, delivered in the form contemplated by this deed or, where applicable, by the Facility Agreement.

34 Release of Security

34.1 Release of Mortgage Loans prior to the Final Discharge Date

If the Issuer sells any Mortgage Loan back to the Originator pursuant to, and in accordance with, clause 13 (*Repurchase or Substitution of Mortgage Loans*) of the Mortgage Sale Agreement or pursuant to Clause 10 (*Security Trustee Sale Demand Notice*), the Security Trustee's security over such Mortgage Loan and its related Collateral Security, the Issuer's interest therein and the custody of the Loan Files relating thereto shall thereby be released without any further action being required, provided that, if necessary, the Security Trustee, at the written request and cost of the Issuer and the Originator, shall execute a release or discharge of its interest in such Mortgage Loan (and its related Collateral Security) in writing.

34.2 Release upon the Final Discharge Date

Subject to Clause 34.4 (*Discharge conditional*), upon the Final Discharge Date (but not otherwise) the Security Trustee shall, at the written request and cost of the Issuer and upon receiving evidence to its satisfaction, take whatever action is necessary to release the Charged Property from the Security constituted by this deed and re-assign the Charged Property to the Issuer.

34.3 Avoidance of payments and reinstatement

If any payment by an Obligor or any discharge given by a Secured Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is (a) capable of being avoided or reduced (in the opinion of the Security Trustee) or (b) avoided or reduced in each case as a result of insolvency or any similar event, then:

- 34.3.1 the liability of each Obligor will continue as if the payment, discharge, avoidance or reduction had not occurred;
- 34.3.2 each Secured Party will be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred; and
- 34.3.3 the Security Trustee shall be entitled to enforce this deed subsequently as if such payment, discharge, avoidance or reduction had not occurred.

34.4 Discharge conditional

Any release, discharge or settlement between the Issuer and the Security Trustee or any other Secured Party shall be deemed conditional upon no payment or security received by the Security Trustee or such other Secured Party in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement:

- 34.4.1 the Security Trustee or its nominee shall be at liberty to retain this deed and the Security created by or pursuant to this deed, including all certificates and documents relating to the Charged Property or any part thereof, for such period as the Security Trustee shall deem necessary to provide the Security Trustee with security against any such avoidance or reduction or order for refund; and
- 34.4.2 the Security Trustee shall be entitled to recover the value or amount of such security or payment from the Issuer subsequently as if such settlement, discharge or release had not occurred and the Issuer agrees with the Security Trustee accordingly and charges the Charged Property and the proceeds of sale thereof with any liability under this Clause, whether actual or contingent.

In Witness whereof this deed has been executed by the Issuer, the Originator, the Subordinated Lender, the Original Hedge Counterparty, the Primary Servicer, the Back-up Servicer and the Corporate Services Provider and is intended to be and is hereby delivered as a deed the day and year first above written and has been signed on behalf of the Original Noteholder, the Security Trustee, the Registrar, the Cash Manager, the Agent and the Account Bank.

SCHEDULE 1

Form of Issuer Power of Attorney

This Power of Attorney is made on [●] by **WOSL SPV 1 LIMITED** (registered number 10960869) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the "**Issuer**").

- (A) By a deed of charge (the "**Deed of Charge**") dated [●] between, among others, the Issuer and Intertrust Trustees Limited as security trustee for the Secured Parties (as defined therein) (the "**Security Trustee**", which expression includes any other person or persons for the time being the security trustee under the Deed of Charge), provision was made for the execution by the Issuer of this Power of Attorney.
- (B) Except where otherwise defined in this Power of Attorney, terms defined in the Deed of Charge have the same meanings in this Power of Attorney. This Power of Attorney shall be construed and interpreted in accordance with the provisions of clause 1 (*Definitions and interpretation*) of the Deed of Charge.

This Power of Attorney witnesses and it is declared as follows:

- 1 The Issuer hereby irrevocably and by way of security for the performance of the covenants, obligations and undertakings on the part of the Issuer contained in the Deed of Charge appoints each of the Security Trustee and any Receiver and any Delegate appointed from time to time by the Security Trustee (acting individually) to be its attorney (each an "**Attorney**", which expression includes any additional or substitute attorney appointed pursuant to paragraph 1.2 below), in the Issuer's name and on its behalf to take all actions and do all things which the Attorney considers in good faith to be necessary for the protection or preservation of the Security Trustee's interests in the Charged Property or which ought to be taken or done under the covenants, undertakings and provisions contained in the Deed of Charge and/or any Scottish Assignment in Security or Piggy-Back Standard Security entered into pursuant thereto, including (without limitation) any or all of the following:
 - 1.1 to take all actions and do all things which the Attorney considers in good faith to be necessary for fully and effectually vesting, transferring or assigning the security created by the Deed of Charge or the Charged Property or any part thereof to the Attorney or any other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Issuer could have; and
 - 1.2 the power by writing under its hand by an officer of the Attorney from time to time to appoint an additional or substitute attorney who shall have power to act on behalf of the Issuer as if that additional or substitute attorney had been originally appointed attorney by this Power of Attorney and to revoke any such appointment at any time without assigning any reason therefore.
- 2 In favour of the Attorney or a person dealing with the Attorney and the successors and assigns of such a person, all actions taken, things done and documents executed, signed or delivered by the Attorney in the purported exercise of any power conferred by this Power of Attorney shall for all purposes be valid and binding on the Issuer and its successors and assigns.
- 3 The Issuer irrevocably and unconditionally undertakes to indemnify the Attorney on an after tax basis against all actions, proceedings, costs, claims, liabilities and demands of every description arising from the exercise, or the purported exercise, of any of the powers conferred by this Power of Attorney, except such as may result from the wilful default or gross negligence of the indemnified party or its officers or employees.
- 4 The provisions of paragraph 3 above shall continue in force after the revocation or termination, howsoever arising, of this Power of Attorney.

- 5 This Power of Attorney and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- 6 The Issuer hereby agrees at all times hereafter to ratify and confirm whatsoever the Attorney properly and lawfully does or causes to be done concerning the security created by the Deed of Charge or the Charged Property.

In witness whereof this Power of Attorney has been executed and delivered as a deed by the Issuer on the date stated at the beginning.

EXECUTED as a DEED and)
DELIVERED by **WOSL SPV 1**)
LIMITED)
acting by:)
)
Intertrust Directors 1 Limited,)
as Director)
)
Intertrust Directors 2 Limited,)
as Director)

SCHEDULE 2

PART 1

Form of notice to counterparties of Assigned Agreements

From: **WOSL SPV 1 LIMITED**, a company incorporated in England and Wales under company number 10960869 with its registered office at 35 Great St. Helen's, London EC3A 6AP

To: [counterparty]

Date:

Dear Sirs

We refer to the [describe relevant Assigned Agreement] (the "**Agreement**").

We hereby notify you that pursuant to a deed of charge dated [] 2017 (the "**Deed of Charge**"), we have assigned to **INTERTRUST TRUSTEES LIMITED** as security trustee for the Secured Parties (as defined therein) (the "**Security Trustee**") absolutely (subject to a proviso for reassignment on redemption) all our right, title, interest and benefit in and to the Agreement.

We further notify you that:

- (a) we may not agree to amend, modify or terminate the Agreement without the prior written consent of the Security Trustee;
- (b) subject to paragraph (a) above you may continue to deal with us in relation to the Agreement until you receive written notice to the contrary from the Security Trustee. Thereafter we will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Security Trustee;
- (c) you are authorised to disclose information in relation to the Agreement to the Security Trustee on request;
- (d) you must pay all monies to which we are entitled under the Agreement direct to the Security Trustee (and not to us) unless the Security Trustee otherwise agrees in writing; and
- (e) the provisions of this notice may only be revoked with the written consent of the Security Trustee.

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to us) by way of confirmation that:

- (i) you agree to the terms set out in this notice and to act in accordance with its provisions; and
- (ii) you have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party.

This notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

.....
for and on behalf of
WOSL SPV 1 LIMITED

PART 2

Form of acknowledgement from counterparties of Assigned Agreements

From: [counterparty]
To: Intertrust Trustees Limited, as security trustee
Attention: []
Copy to: WOSL SPV 1 LIMITED
Date:

We hereby acknowledge receipt of the notice dated [] from WOSL SPV 1 LIMITED, a copy of which is attached to the acknowledgment (the "**Notice**") and confirm the matters set out in paragraphs (i) and (ii) of the Notice.

.....
for and on behalf of
[counterparty]

SCHEDULE 3

Form of Scottish Assignment in Security

ASSIGNATION IN SECURITY

BY:

- (1) **WOSL SPV 1 LIMITED**, a company incorporated in England and Wales under company number 10960869 with its registered office at 35 Great St. Helen's, London EC3A 6AP as issuer (the "**Issuer**"),

IN FAVOUR OF

- (2) **INTERTRUST TRUSTEES LIMITED** as security trustee for the Secured Parties (the "**Security Trustee**", which expression shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Deed of Charge and this deed),

WITH THE ACKNOWLEDGMENT OF

- (3) **WEST ONE SECURED LOANS LIMITED**, a company incorporated in England and Wales under company number 09425230 with its registered office at 3rd Floor, Premiere House, Elstree Way, Borehamwood, Hertfordshire, WD6 1JH as trustee pursuant to the Scottish Declaration of Trust (the "**Originator**").

WHEREAS

- (A) This deed is supplemental to a deed of charge dated [●] 2017 (the "**Deed of Charge**") made between, amongst others, the Issuer, the Originator and the Security Trustee.
- (B) The Security Trustee holds the security constituted or to be constituted by or pursuant to the Deed of Charge on trust for the Secured Parties.
- (C) A Scottish Declaration of Trust dated [●] (the "**Scottish Declaration of Trust**") has been entered into by the Originator in favour of the Issuer, pursuant to which certain Scottish Mortgage Loans together with their related Mortgages and Assigned Rights as more fully specified and defined therein (the "**Scottish Trust Property**") are held in trust by the Originator for the Issuer.
- (D) This deed is made by the Issuer in favour of the Security Trustee in accordance with and pursuant to clause 5.2 (*Scottish Assignment in Security*) of the Deed of Charge.

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

- Capitalised terms in this deed (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in the Deed of Charge and this deed shall be construed in accordance with the principles of interpretation and constructions set out therein.
- The Issuer undertakes to the Security Trustee as trustee for itself and for the Secured Parties that it will duly and punctually pay and discharge the Secured Liabilities in accordance with the terms of the Deed of Charge and each Transaction Document.
- The Issuer as beneficiary under the Scottish Declaration of Trust and with absolute warrandice HEREBY ASSIGNS to and in favour of the Security Trustee in security for the discharge and payment of the Secured Liabilities the Issuer's whole right, title and interest present and future, in and to the Scottish Trust Property (as defined in the Scottish Declaration of Trust) and in and to the Scottish Declaration of Trust (together, the "**Assigned**

Rights”), surrogating and substituting the Security Trustee in its full right and place therein and thereto.

4. The Issuer (for itself and on behalf of the Security Trustee) hereby gives notice of and intimates the assignation in security made in terms of Clause 3 hereof to the Originator as trustee under the Scottish Declaration of Trust and the Originator in its capacity as trustee pursuant to the Scottish Declaration of Trust by its execution and delivery hereof acknowledges such notice and intimation and confirms that save under or pursuant to the Transaction Documents as at the date hereof it has not received notification of any other dealing with the Scottish Trust Property or the Scottish Declaration of Trust or any part thereof.
5. The parties hereby agree that all the obligations, undertakings, covenants, rights and powers specified and contained in the Deed of Charge which relate to the property referred to in the Deed of Charge and the security and other rights and powers created under and pursuant to clause 5.1 (*Fixed Security*) of the Deed of Charge shall be deemed to be repeated herein and shall apply mutatis mutandis to the Assigned Rights and that the whole remaining terms of the Deed of Charge shall, except in so far as inconsistent herewith apply mutatis mutandis hereto provided always that this deed shall be without prejudice to the Deed of Charge and all of the rights, powers, obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this deed.
6. This deed and any non-contractual obligations arising out of or in connection with it shall be governed and construed in accordance with Scots law.

IN WITNESS WHEREOF these presents typewritten on this and the preceding page are executed in counterpart as follows and DELIVERED on:

EXECUTED by WOSL SPV 1 LIMITED acting by its directors:

Print Full Name

Director of Intertrust Directors 1
Limited, director

Print Full Name

Director of Intertrust Directors 2
Limited, director

at:

on:

altogether in the presence of the following witness:

Signature:

Name:

Address:

EXECUTED by **INTERTRUST**)
TRUSTEES LIMITED acting)
by:)

Attorney

at:

on:

in the presence of:

Signature:

Name:

Address:

EXECUTED by **WEST ONE**)
SECURED LOANS LIMITED)
acting by:)

Director

at:

on:

in the presence of:

Signature:

Name:

Address:

SCHEDULE 4

Form of Piggy-Back Standard Security

We, **WOSL SPV 1 LIMITED**, a company incorporated in England and Wales under company number 10960869 with its registered office at 35 Great St. Helen's, London EC3A 6AP as issuer (the "**Issuer**") CONSIDERING that:

- 1 we have entered into a variable funding note issuance facility agreement (the "**Facility Agreement**") dated on or about [●] 2017 and made between, among others, the Issuer and Intertrust Trustees Limited as security trustee for the Secured Parties (the "**Security Trustee**", which expression shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Deed of Charge (as defined below) and this deed) constituting certain asset-backed notes;
- 2 in security of the performance of the obligations specified therein, we have entered into a deed of charge (the "**Deed of Charge**") dated on or about [●] 2017 and made between, among others, the Issuer and the Security Trustee;
- 3 pursuant to the terms of the Deed of Charge, we have agreed to grant this deed; and
- 4 capitalised terms in this deed (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in the Deed of Charge and this deed shall be construed in accordance with the principles of interpretation and constructions set out therein.

NOW THEREFORE we, the Issuer, in security of the payment and discharge of all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) constituting or comprised within the Secured Liabilities and any variation or alteration thereof and in implement *pro tanto* of clause 5.2 (*Scottish Assignment in Security*) of the Deed of Charge HEREBY GRANT a Standard Security in favour of the Security Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 3 of the Schedule annexed and executed as relative hereto in favour of the party specified in Column 2 of the said Schedule for all sums due and to become due over the subjects therein described, the said respective Standard Securities being [registered/recorded] in the [Land Register of Scotland under the Title Number specified in the relevant entry in Column 5 of the said Schedule/General Register of Sasines for the County specified in the relevant entry in Column 5 of the said Schedule on the date specified in the relevant entry in Column 6 of the said Schedule] (which said respective Standard Securities are hereinafter together referred to as the "**Principal Securities**"): Together with our whole right, title and interest, present and future therein and thereto: The Standard Conditions (the "**Standard Conditions**") specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (the "**Act**") and any lawful variation thereof operative for the time being shall apply except where otherwise stated or varied herein: And we agree that:

- (First) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security;
- (Second) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Facility Agreement or the Deed of Charge (the terms of each of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said Standard Conditions, the provisions of the Facility Agreement or the Deed of Charge (as the case may be) shall, subject to the provisions of the Act, prevail and take effect;
- (Third) upon the service by the Security Trustee of an Enforcement Notice in accordance with the provisions of the Deed of Charge, we shall (in addition to the circumstances specified in the Act) be deemed to be in default within the meaning of Condition 9(1)(b) of the Standard Conditions whereupon and without prejudice to its whole other rights and powers under the Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in

accordance with the provisions of the Act;

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

And we grant warrandice: And we further ASSIGN to the Security Trustee in security of all monies, obligations and liabilities foresaid our whole right, title and interest in and to all and any personal bonds, credit agreements or agreements for loan (howsoever constituted) granted by or entered into with the said respective parties whose names are specified in Column 3 of the said Schedule and secured by the Principal Securities and we undertake to serve such notices of intimation as the Security Trustee may require:

IN WITNESS WHEREOF these presents typewritten on this and the preceding page are together with the Schedule annexed hereto executed at [•] on the [•] day of [•] as follows:

| | |
|---------------------------------|---|
| EXECUTED as a DEED and |) |
| DELIVERED by WOSL SPV 1 |) |
| LIMITED |) |
| acting by: |) |
| |) |
| Intertrust Directors 1 Limited, |) |
| as Director |) |
| |) |
| Intertrust Directors 2 Limited, |) |
| as Director |) |

SCHEDULE

**This is the Schedule referred to in the foregoing standard security by WOSL SPV 1 LIMITED in
favour of INTERTRUST TRUSTEES LIMITED**

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

.....
Director of Intertrust Directors 1 Limited, being a director of WOSL SPV 1 Limited

in the presence of the following witness:

Signature:

Name:

Address:

SIGNATORIES (TO DEED OF CHARGE)

The Issuer

EXECUTED as a DEED and
DELIVERED by **WOSL SPV 1
LIMITED**
acting by:

Intertrust Directors 1 Limited,
as Director

Intertrust Directors 2 Limited,
as Director

The Originator

EXECUTED as a DEED and
DELIVERED by **WEST ONE
SECURED LOANS LIMITED**
acting by:

Director

in the presence of:

Signature:

Name:

ALEXANDRA GAYNOR

Address:

Occupation:

MACFARLANES LLP
20 CURSITOR STREET
LONDON
EC4A 1LT

LEGAL SECRETARY.

The Subordinated Lender

EXECUTED as a DEED and)
DELIVERED by WEST ONE)
SECURED LOANS LIMITED)
acting by:)

Director

in the presence of:

Signature:

Name: ALEXANDRA CAYNOR.

Address:

Occupation: MACFARLANES LLP
20 CURSITOR STREET
LONDON LEGAL SECRETARY.
EC4A 1LT

The Original Noteholder

SIGNED by)
for and on behalf of THE ROYAL)
BANK OF SCOTLAND PLC)

The Security Trustee

SIGNED by)
for and on behalf of INTERTRUST)
TRUSTEES LIMITED)
acting by its lawful attorney)

in the presence of:

Signature:

Name:

Address:

Occupation:

The Subordinated Lender

EXECUTED as a DEED and)
DELIVERED by WEST ONE)
SECURED LOANS LIMITED)
acting by:)

Director

in the presence of:

Signature:

Name:

Address:

Occupation:

The Original Noteholder

SIGNED by)
for and on behalf of THE ROYAL)
BANK OF SCOTLAND PLC)

The Security Trustee

SIGNED by)
for and on behalf of INTERTRUST)
TRUSTEES LIMITED)
acting by its lawful attorney)

in the presence of:

Signature:

Name:

Marina Fidal

Address:

35 Great St Helens
London
EC3A 6AP

Occupation:

ASSISTANT TRANSACTION MANAGER

The Account Bank

SIGNED by)
for and on behalf of)
CITIBANK, N.A., LONDON BRANCH)

[REDACTED]
NICK HOILES
VP

The Cash Manager

SIGNED by)
for and on behalf of)
CITIBANK, N.A., LONDON BRANCH)

[REDACTED]

Stuart N. Hoare
Vice President

The Registrar

SIGNED by)
for and on behalf of)
CITIBANK, N.A., LONDON BRANCH)

[REDACTED]
NICK HOILES
VP

The Agent

SIGNED by)
for and on behalf of)
CITIBANK, N.A., LONDON BRANCH)

[REDACTED]
NICK HOILES
VP

The Primary Servicer

EXECUTED as a DEED and)
DELIVERED by **WEST ONE**)
SECURED LOANS LIMITED)
acting by:)

Director

in the presence of:

Signature:

Name:

ALEXANDRA CAMMOR

Address:

Occupation:

MACFARLANES LLP
20 CURSITOR STREET
LONDON
EC4A 1LT

LEGAL SECRETARY.

The Back-up Servicer

EXECUTED as a DEED and)
DELIVERED by **CAPITA**)
MORTGAGE SERVICES)
LIMITED acting by:)

Director

in the presence of:

Signature:

Name:

Address:

Occupation:

The Primary Servicer

EXECUTED as a DEED and)
DELIVERED by **WEST ONE**)
SECURED LOANS LIMITED)
acting by:)

Director

in the presence of:

Signature:

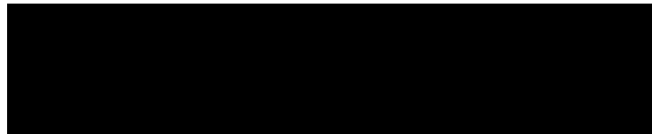
Name:

Address:

Occupation:

The Back-up Servicer

EXECUTED as a DEED and)
DELIVERED by **CAPITA**)
MORTGAGE SERVICES)
LIMITED acting by:)



Director

in the presence of:

Signature:



Name: *DEBORAH WINGET*

Address:



Occupation: *RECEPTIONIST*

The Corporate Services Provider

EXECUTED as a DEED and)
DELIVERED by INTERTRUST)
MANAGEMENT LIMITED)
acting by:)

Director)

Director/Secretary)

The Original Hedge Counterparty

EXECUTED as a DEED and)
DELIVERED by THE ROYAL)
BANK OF SCOTLAND PLC)
acting by:)

Authorised signatory

in the presence of:

Signature:

Name:

Address:

Occupation:

MACFARLANES LLP
20 CURSITOR STREET
LONDON
EC4A 1LT

LEGAL SECRETARY.