

# MR01

## Particulars of a charge

238028/7-23



Companies House



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

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You may not use this form to  
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instrument Use form MR02



LD3 18/11/2016 #36  
COMPANIES HOUSE

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



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

### 1 Company details

Company number 09728202

Company name in full BRASS NO 5 PLC

For official use

→ **Filling in this form**  
Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

### 2 Charge creation date

Charge creation date 18/11/2016

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

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

Name U S Bank Trustees Limited (and its successors in title and permitted  
transferees, acting as Security Trustee for the Secured Creditors,

Name as defined in the accompanying instrument)

Name

Name

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

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

MR01  
Particulars of a charge

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

# MR01

## Particulars of a charge



### Presenter information

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

Contact name  
Jamie Long

Company name  
Allen & Overy LLP

Address  
One Bishops Square

Post town  
London

County/Region

Postcode  
E 1 6 A D

Country  
United Kingdom

DX

Telephone  
020 3088 0000



### Certificate

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



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



### Important information

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



### How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

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



### Where to send

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

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

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

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



### Further information

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)



**FILE COPY**

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

Company number: 9728202

Charge code: 0972 8202 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th November 2016 and created by BRASS NO 5 PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th November 2016

P

Given at Companies House, Cardiff on 24th November 2016



**Companies House**



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

EXECUTION VERSION

Except for material redacted pursuant  
to a 859G of the Companies Act 2008.  
I certify that this is a copy of  
the original document

Name ANNEE BACKER  
Qualified as SOLICITOR  
Allen Overy LLP  
One Bishops Square  
London E1 6AD  
United Kingdom  
Date 18/11/16



## DEED OF CHARGE

18 NOVEMBER 2016

**BRASS NO 5 PLC**  
as Issuer

and

**ACCORD MORTGAGES LIMITED**  
as Seller and Class Z VFN Holder

and

**YORKSHIRE BUILDING SOCIETY**  
as Servicer, Cash Manager, Account Bank, GIC Provider and Class Z VFN Registrar

and

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

and

**ELAVON FINANCIAL SERVICES DAC, ACTING THROUGH ITS UK BRANCH**  
as Principal Paying Agent, Agent Bank and Swap Collateral Account Bank

and

**YORKSHIRE BUILDING SOCIETY**  
as Interest Rate Swap Provider

and

**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**  
as Corporate Services Provider and Back-Up Servicer Facilitator

## ALLEN & OVERY

Allen & Overy LLP

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**THIS DEED OF CHARGE** is made on 18 November 2016

**BETWEEN**

- (1) **BRASS NO.5 PLC** (registered number 09728202), a public limited company incorporated under the laws of England and Wales, whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Issuer**),
- (2) **YORKSHIRE BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (in its capacity as the **Account Bank**, which expression shall include such person and all other persons for the time being acting as the account bank pursuant to the Bank Account Agreement),
- (3) **YORKSHIRE BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (in its capacity as the **GIC Provider**),
- (4) **ACCORD MORTGAGES LIMITED** (registered number 02139881), a private limited company incorporated under the laws of England and Wales whose registered office is at Yorkshire House, Yorkshire Drive, Bradford, BD5 8LJ (**Accord** and in its capacities as the **Seller** and the **Class Z VFN Holder**),
- (5) **US BANK TRUSTEES LIMITED** (registered number 02379632), a private limited company incorporated under the laws of England and Wales whose principal office is 125 Old Broad Street, Fifth Floor, London EC2N 1AR (acting in its capacities as the **Security Trustee**, which expression shall include such company and all other persons or companies for the time being acting as security trustee pursuant to the terms of this Deed and as the **Note Trustee**, for the Noteholders, which expression includes such company and all other persons or companies for the time being trustee or trustees pursuant to the Trust Deed),
- (6) **ELAVON FINANCIAL SERVICES DAC, ACTING THROUGH ITS UK BRANCH**, (registered number FC027535), a private limited company incorporated under the laws of Ireland, operating in the United Kingdom under branch registration number BR009373, acting through its London branch at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (in its capacities as the **Principal Paying Agent** and **Agent Bank** which expressions shall include such person and all other persons for the time being acting as principal paying agent or agent bank, as appropriate, pursuant to the Agency Agreement),
- (7) **YORKSHIRE BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (in its capacities as **Servicer** under the Servicing Agreement, which expression shall include such person and all other persons for the time being acting as servicer pursuant to the Servicing Agreement, as **Cash Manager**, which expression shall include such person and all other persons for the time being acting as cash manager pursuant to the Cash Management Agreement and as **Class Z VFN Registrar**, which expression shall include such person and all other persons for the time being acting as Class Z VFN Registrar pursuant to the Agency Agreement),
- (8) **YORKSHIRE BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (in its capacity as **Interest Rate Swap Provider**),

- (9) **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED** (registered number 02548079), a limited company incorporated under the laws of England and Wales whose registered office is at Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Corporate Services Provider**, which expression shall include such person and all other persons for the time being acting as the corporate services provider pursuant to the Corporate Services Agreement and the **Back-Up Servicer Facilitator**), and
- (10) **ELAVON FINANCIAL SERVICES DAC**, (registered number FC027535), a private limited company incorporated under the laws of Ireland, operating in the United Kingdom under branch registration number BR009373, acting through its London branch at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Swap Collateral Account Bank**)

#### **WHEREAS**

- (A) This Deed secures, *inter alia*, the Secured Obligations
- (B) The Issuer will on or about the date of this Deed issue the Notes pursuant to the Trust Deed
- (C) By the Mortgage Sale Agreement, the Seller has agreed to sell its interest in a portfolio of residential mortgage loans comprising the Loans and their Related Security and any Further Advances thereon, and all amounts derived therefrom from time to time, to the Issuer
- (D) By the Servicing Agreement, the Servicer has agreed to act as servicer and to service the Portfolio on behalf of the Issuer and the Back-Up Servicer Facilitator has agreed under certain circumstances to assist the Issuer in appointing a back-up servicer
- (E) By the Cash Management Agreement, the Cash Manager has agreed to act as cash manager and to provide certain administration and cash management services to the Issuer
- (F) By the Bank Account Agreement, the Account Bank and the GIC Provider have agreed to provide certain bank account services to the Issuer in respect of the Bank Accounts
- (G) By the Guaranteed Investment Contract, the GIC Provider has agreed to provide a guaranteed interest rate on the GIC Account
- (H) By the Interest Rate Swap Agreement, the Interest Rate Swap Provider has agreed to enter into fixed interest rate swaps with the Issuer
- (I) By the Agency Agreement, the Principal Paying Agent, Agent Bank and Class Z VFN Registrar have agreed to provide certain agency services on behalf of the Issuer for the benefit of the Noteholders
- (J) By the Corporate Services Agreement, the Corporate Services Provider has agreed to act as corporate services provider to the Issuer and Holdings
- (K) By the Swap Collateral Account Bank Agreement, the Swap Collateral Account Bank has agreed to provide certain bank account and custodian services to the Issuer in respect of any Swap Collateral Accounts
- (L) The Issuer has agreed to provide the Security Trustee with the benefit of the Security described in this Deed to secure the Secured Obligations. The Security Trustee shall hold the benefit of such Security on trust for itself and the other Secured Creditors on the terms set out in this Deed

**IT IS HEREBY AGREED** as follows



## **1. INTERPRETATION**

### **1.1 Definitions**

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

### **1.2 Construction**

In this Deed, except where the context otherwise requires

- (a) The terms of the Trust Deed, the Master Definitions and Construction Schedule and of any other agreement in existence at the date hereof between the parties hereto in relation to any such documents are incorporated in this Deed to the extent required to ensure that any proposed disposition of the Charged Assets contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989 (the LP (MP) Act)
- (b) A reference in this Deed to any property, assets, undertakings or rights includes, unless the context otherwise requires, present and future property, assets, undertakings or rights
- (c) This Deed means this Deed of Charge and all the Schedules hereto (as from time to time modified and/or supplemented in accordance with the provisions set out herein) and/or expressed to be supplemented hereto and each other document or deed entered into pursuant hereto (as from time to time modified and/or supplemented as aforesaid) and/or expressed to be supplemental hereto
- (d) The term **full title guarantee** will be construed in accordance with the LP (MP) Act
- (e) All references in the Transaction Documents involving compliance by the Security Trustee with a test of reasonableness shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference to the interests of the Noteholders, or if there are no Notes outstanding, the interests of all of the other Secured Creditors

## **2. ISSUER'S COVENANT TO PAY**

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

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

## **3. SECURITY AND DECLARATION OF TRUST**

### **3.1 Contractual Rights**

- (a) The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to **Clause 4 (Release of Charged Assets)**, hereby assigns by way of security (and, to the

extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than the Trust Deed and this Deed) to which it is a party including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof, TO HOLD the same unto the Security Trustee absolutely

- (b) The term all of its rights as used in this **Clause 3** includes, unless the context requires otherwise
- (i) the benefit of all covenants, undertakings, representations, warranties and indemnities,
  - (ii) all powers and remedies of enforcement and/or protection,
  - (iii) all rights to receive payment of all amounts assured or payable (or to become payable) (subject, in the case of payments under the Interest Rate Swap Agreement, to all applicable set-off and netting provisions therein, including Sections 2 and 6 of the Interest Rate Swap Agreement) and all rights to take such steps as are required to cause payment to become due and payable, and
  - (iv) all causes and rights of action,

in each case, in respect of the relevant Charged Assets

### **3.2 Loans, Mortgages and other Related Security**

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

### **3.3 Insurance Policies**

The Issuer, by way of first fixed security for the payment and discharge of the Secured Obligations, (or as beneficial owner) and subject to **Clause 4** (Release of Charged Assets), hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Insurance Policies to the extent that such rights, title, interest and benefit in, to and under the Insurance Policies have been assigned to the Issuer pursuant to the Mortgage Sale Agreement, and including, without limitation, all amounts which may become payable thereunder and the benefit of all covenants,

undertakings and rights relating thereto and all powers and remedies for enforcing the same, TO HOLD the same unto the Security Trustee absolutely

### **3.4 Accounts**

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

### **3.5 Authorised Investments**

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

### **3.6 Floating Charge**

The Issuer, by way of first floating security for the payment or discharge of the Secured Obligations, subject to **Clause 4** (Release of Charged Assets), hereby charges to the Security Trustee by way of first floating charge the whole of its undertaking and all its property and assets, rights and revenues, whatsoever and wheresoever, both present and future, including without limitation its uncalled capital, other than any property or assets from time to time or for the time being subject of fixed charges pursuant to **Clauses 3.1** (Contractual Rights) to **3.3** (Insurance Policies) and **Clauses 3.4** (Accounts) to **3.5** (Authorised Investments) (inclusive) or otherwise effectively assigned by way of security or charged by way of fixed security (whether or not the subject of fixed charges as aforesaid) The floating charge created hereby is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 of the Insolvency Act 1986 and accordingly paragraph 14 of Schedule B1 of the Insolvency Act 1986 applies to the floating charge

### **3.7 Full Title Guarantee**

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

### **3.8 Further Acquired Rights**

For the avoidance of doubt, it is hereby confirmed that reference herein to Mortgage Loans, their Related Security and Insurance Policies and related rights under the same include those which are hereafter sold or transferred to or otherwise acquired by the Issuer and that the Security created by or pursuant to **Clause 3.1** (Contractual Rights) to **Clause 3.5** (Authorised Investments) (inclusive) are, and are intended to be, specific and fixed assignments by way of security of, or specific and fixed charges or standard securities over (as the case may be), the items to which they relate, both present and future acquired

### **3.9 Notice and Acknowledgement**

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

### **3.10 Charged Transaction Documents**

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

### **3.11 Notice of Transaction Documents**

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

### **3.12 Payments to the Issuer**

Notwithstanding the Security but subject as provided otherwise in this Deed, each of the parties acknowledges that each Secured Creditor and each other party to any Charged Transaction Document may continue to make all payments becoming due to the Issuer under any Transaction

Document in the manner envisaged by that document until receipt of written notice from the Security Trustee or any Receiver requiring payments to be made otherwise

### **3.13 Declaration of Trust**

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

### **3.14 General**

(a) All the security

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

(b) The term "all of its rights" as used in this **Clause 3** includes, unless the context requires otherwise

- (i) the benefit of all covenants, undertakings, representations, warranties and indemnities,
- (ii) all powers and remedies of enforcement and/or protection,
- (iii) all rights to receive payment of all amounts assured or payable (or to become payable) (subject, in the case of payments under the Interest Rate Swap Agreement after giving effect to all applicable netting provisions therein including, Section 2 of the Interest Rate Swap Agreement), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable, and
- (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof,

in each case, in respect of the relevant Charged Assets

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

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

Notwithstanding anything to the contrary contained herein, the Issuer may make cash payments out of the Bank Accounts or any Swap Collateral Account as and to the extent permitted or required by the Transaction Documents

#### **4.2 On Payment or Discharge of Secured Obligations**

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

#### **4.3 On Disposal of Authorised Investments**

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

#### **4.4 On Withdrawals from Bank Accounts**

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

#### **4.5 Repurchase of Loans**

In the event of any repurchase of Loans and their Related Security (and any Further Advance, Underpayment Option or Product Switch and any other related rights under the same) by the Seller (or YBS or any of its subsidiaries) pursuant to and in accordance with the Transaction Documents, such Loans and their Related Security (and any Further Advance, Underpayment Option or Product Switch and any other related rights under the same) shall no longer form part of the Portfolio and shall be released from the Security Interests created under or pursuant to this Deed and the Security Trustee shall, if so requested in writing by the Issuer (at the sole cost and expense of the Issuer), release, reassign, retrocess or discharge those Loans and their Related Security (and any Further Advance, Underpayment Option or Product Switch and any other related rights under the same) from the Security Interests created hereunder or pursuant to this Deed in respect thereof on or prior to the date of any such repurchase provided that the Issuer shall have provided to the Security Trustee a certificate from two directors of the Issuer (or two Authorised Signatories of the Cash Manager on behalf of the Issuer) that such sale of Loans and their Related Security has been made in accordance with the terms of the Transaction Documents

## **5. CONTINUANCE OF SECURITY**

### **5.1 Continuing Security**

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

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

### **5.2 Acknowledgement**

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

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

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

Notwithstanding the provisions of **Clause 7.3** (Application of Amounts in Respect of Swap Collateral, Excess Swap Collateral, Swap Tax Credits and Replacement Swap Premium), no payment, transfer or withdrawal from the Bank Accounts or any Swap Collateral Account may be made under this **Clause 6** at any time after a Note Acceleration Notice has been served (which has not been withdrawn) other than with the prior written consent of the Security Trustee. Following service of a Note Acceleration Notice, the Interest Rate Swap Provider may direct the Security Trustee in the application of funds standing to the credit of the Swap Collateral Account. The Security Trustee shall be bound to accept such instructions from the Interest Rate Swap Provider, without any liability whatsoever on the part of the Security Trustee for accepting and acting on such instructions.

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

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

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

Notwithstanding the security rights created by or pursuant to **Clause 3** (Security and Declaration of Trust), (a) but prior to the service of a Note Acceleration Notice, the Cash Manager, on behalf of the Issuer, shall withdraw, or shall instruct the Account Bank or the GIC Provider, or cause the Account Bank or the GIC Provider to be instructed, to withdraw (unless the intended recipient of the relevant payment agrees otherwise and subject to the terms of the Cash Management Agreement) monies from the Bank Accounts (but only to the extent that such withdrawal does not cause the applicable Bank Account to become overdrawn) for application on any Business Day in investing in Authorised Investments and making any payments due to be made subject to and in accordance with the Cash Management Agreement and (b) the Account Bank and the GIC Provider may withdraw amounts standing to the credit of the Transaction Account and the GIC Account in accordance with **Clause 3.3** (Bank Charges) of the Bank Account Agreement

### **6.4 Investments in Authorised Investments**

On behalf of the Issuer, the Cash Manager may in the name of the Issuer, invest monies standing from time to time and at any time standing to the credit of the Bank Accounts (other than the Swap Collateral Account) in Authorised Investments subject to the following provisions

- (a) any costs properly and reasonably incurred in making and changing investments will be reimbursed to the Cash Manager, and
- (b) all income or proceeds following the disposal or maturity of Authorised Investments shall be credited to the Bank Account(s) from which the monies to invest in Authorised Investments were originally drawn

### **6.5 Authorised Investments**

Notwithstanding the security rights created by or pursuant to **Clause 3** (Security and Declaration of Trust) but prior to the service of a Note Acceleration Notice, Authorised Investments may, at the request of the Cash Manager, on any Business Day, be sold or redeemed or disposed of or realised or otherwise deposited subject always to the other provisions hereof (including without limitation **Clause 3.5** (Authorised Investments) and **Clause 4.3** (On Disposal of Authorised Investments))

### **6.6 Management and Application of Funds**

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

- (a) all Revenue Receipts and all Principal Receipts,
- (b) amounts received by the Issuer pursuant to the Interest Rate Swap Agreement, from the Transaction Account,
- (c) the proceeds arising from the disposal of any Authorised Investments and any and all income or other distributions received by the Issuer in respect thereof or arising from the proceeds of any Authorised Investments,
- (d) any payments received from the Seller (or YBS or any of its subsidiaries) in payment of any repurchase price for the Loans or any Further Advance, Underpayment Option and/or Product Switch, and



- (e) such other payments received by the Issuer as are, or ought in accordance with this Deed to be, comprised in the Charged Assets

#### **6.7 Enforcement When Not All Amounts Due and Payable**

If the Security Trustee enforces the Security at a time when either no amounts or not all amounts owing in respect of the Secured Obligations have become due and payable, the Security Trustee (or a Receiver) may, for so long as no such amounts or not all such amounts have become due and payable, pay any monies received or recovered by the Security Trustee or the Receiver for the benefit of the Secured Creditors in respect of such Secured Obligations into, and retain such monies in, an interest bearing account to be held by it as security (a **retention account**) and applied by it in accordance with **Clause 6.2** (Pre-Acceleration Priority of Payments) on any subsequent Interest Payment Dates or, following the service of a Note Acceleration Notice, in accordance with **Clause 7** (Payments Out of the Bank Accounts Upon Acceleration)

#### **6.8 VAT**

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

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

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

### **7. PAYMENTS OUT OF THE BANK ACCOUNTS UPON ACCELERATION**

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

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

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

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

Following the service of a Note Acceleration Notice (which has not been revoked) on the Issuer, the Security Trustee (or the Cash Manager on its behalf) or a Receiver will apply amounts, received or recovered following the service of a Note Acceleration Notice on the Issuer (including, for the avoidance of doubt, on enforcement of the Security) other than

- (a) amounts representing any Excess Swap Collateral (which such amounts shall be returned directly to the Interest Rate Swap Provider under the Interest Rate Swap Agreement),
- (b) any Swap Collateral (including to the extent that (i) the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap Agreement, to reduce the amount that would otherwise be payable to the Interest Rate Swap Provider, by the Issuer on early termination of the Fixed Interest Rate Swap under the Interest Rate Swap Agreement, or (ii) any such Swap Collateral required to be returned to the Interest Rate Swap Provider pursuant to the Interest Rate Swap Agreement which such amounts shall be returned directly to the Interest Rate Swap Provider),
- (c) any Swap Tax Credits which shall be returned directly to the Interest Rate Swap Provider,
- (d) any Replacement Swap Premium (only to the extent it is applied directly to pay a termination payment due and payable by the Issuer to the Interest Rate Swap Provider) which shall be paid directly to the Interest Rate Swap Provider, and
- (e) any amounts standing to the credit of the Issuer Profit Ledger or any Issuer Profit Amount (which such amounts shall be used by the Issuer in or towards satisfaction of any amounts due and payable by the Issuer to third parties (and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period) and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere)) and any amounts required to pay or discharge any liability of the Issuer for corporation tax on any income or chargeable gain of the Issuer (which such amounts shall be used for such purpose),

in the following order of priority (in each case, only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Post-Acceleration Priority of Payments** and together with the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments, the **Priority of Payments**)

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of
  - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee and any Appointee under the provisions of the Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein, and
  - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee, any Receiver appointed by the Security Trustee and any Appointee under the provisions of this Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein,
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of
  - (i) any remuneration then due and payable to the Agent Bank and the Paying Agents and any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein,

- (ii) any amounts then due and payable to the Swap Collateral Account Bank and any fees, costs, charges, liabilities and expenses then due and payable to the Swap Collateral Account Bank under the provisions of the Swap Collateral Account Bank Agreement, together with (if payable) VAT thereon as provided therein,
  - (iii) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement together with (if payable) VAT thereon as provided therein,
  - (iv) any amounts then due and payable to the Class Z VFN Registrar and any fees, costs, charges, liabilities and expenses then due and payable to the Class Z VFN Registrar under the provisions of the Agency Agreement together with (if payable) VAT thereon as provided therein, and
  - (v) any amounts then due and payable to the Account Bank for itself and on behalf of the GIC Provider and any fees, costs, charges, liabilities and expenses then due and payable to the Account Bank for itself and on behalf of the GIC Provider under the provisions of the Bank Account Agreement, together with (if payable) VAT thereon as provided therein,
- (c) *third*, to pay, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of
- (i) any amounts due and payable to the Servicer and any fees, costs, charges, liabilities and expenses then due and payable to the Servicer under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein,
  - (ii) any amounts then due and payable to the Cash Manager and any fees, costs, charges, liabilities and expenses then due and payable to the Cash Manager under the provisions of the Cash Management Agreement, together with (if payable) VAT thereon as provided therein, and
  - (iii) any amounts then due and payable to the Back-Up Servicer Facilitator and any costs, charges, liabilities and expenses then due and payable to the Back-Up Servicer Facilitator under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein,
- (d) *fourth*, to pay amounts due and payable *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due to the Interest Rate Swap Provider in respect of the Interest Rate Swap Agreement including any termination payment due and payable by the Issuer to the extent it is not satisfied by the payment by the Issuer to the Interest Rate Swap Provider of excess collateral amounts standing to the credit of the Swap Collateral Account but excluding, where applicable, any related Interest Rate Swap Excluded Termination Amount,
- (e) *fifth*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof, any interest and principal due and payable on the Class A Notes, until the Principal Amount Outstanding on the Class A Notes has been reduced to zero,
- (f) *sixth*, to pay according to the respective outstanding amounts interest and principal due and payable on the Class Z VFN, until the Principal Amount Outstanding on the Class Z VFN has been reduced to zero,

- (g) *seventh*, to pay *pro rata* and *pari passu* according to the amount thereof and in accordance with the terms of the Interest Rate Swap Agreement, to the Interest Rate Swap Provider in respect of any Interest Rate Swap Excluded Termination Amount,
- (h) *eighth*, to pay the Issuer the Issuer Profit Amount to be retained by the Issuer in the Bank Accounts as profit in respect of the business of the Issuer, and
- (i) *ninth*, to pay any Deferred Consideration due and payable under the Mortgage Sale Agreement to the Seller

### **7.3 Application of Amounts in Respect of Swap Collateral, Excess Swap Collateral, Swap Tax Credits and Replacement Swap Premium**

Amounts received or held by the Issuer in respect of Excess Swap Collateral, Swap Collateral (except to the extent that (a) the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap Agreement, to reduce the amount that would otherwise be payable by the Interest Rate Swap Provider to the Issuer on early termination of the Fixed Interest Rate Swap under the Interest Rate Swap Agreement or (b) any such Swap Collateral is required to be returned to the Interest Rate Swap Provider pursuant to the Interest Rate Swap Agreement, and, to the extent so applied in reduction of the amount otherwise payable by the Interest Rate Swap Provider, such Swap Collateral is not to be applied in acquiring a replacement swap), Swap Tax Credits and Replacement Swap Premium (only to the extent it is applied directly to pay a termination payment due and payable by the Issuer to the Interest Rate Swap Provider) shall, to the extent due and payable under the terms of the Interest Rate Swap Agreement, including as part of any termination payment, be paid directly to the Interest Rate Swap Provider, without regard to the Post-Acceleration Priority of Payments

### **7.4 Subordination**

- (a) Each of the Secured Creditors hereby agrees to be bound by the order of priority set out in the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) Without prejudice to **Clause 21** (Exercise of Certain Rights), each of the Secured Creditors (other than the Security Trustee and Note Trustee) further agrees with each other party to this Deed that, notwithstanding any other provision contained herein or in any other Transaction Document
  - (i) it will not demand or receive payment of any distribution in respect of, or on account of, any amounts payable by the Issuer or the Security Trustee (as applicable) to that Secured Creditor under the Transaction Documents (other than, in relation to the Interest Rate Swap Agreement, amounts permitted or required to be paid directly to the Interest Rate Swap Provider, including under **Clause 7.3** (Application of Amounts in Respect of Swap Collateral, Excess Swap Collateral, Swap Tax Credits and Replacement Swap Premium)), 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 other than, for the avoidance of doubt, pursuant to Sections 2 and 6 of the Interest Rate Swap Agreement and, in the case of the Account Bank and the GIC Provider in accordance with **Clause 3.3** (Bank Charges) of the Bank Account Agreement, unless all amounts then due and payable by the Issuer to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) have been paid in full, and
  - (ii) without prejudice to the foregoing, whether in the liquidation of the Issuer or any other party to the Transaction Documents or otherwise, if any payment or distribution (including by way of set-off other than, for the avoidance of doubt,

pursuant to Sections 2 and 6 of the Interest Rate Swap Agreement or the proceeds of any enforcement of any Security) is received by a Secured Creditor in respect of any amount payable by the Issuer or the Security Trustee (as applicable) to that Secured Creditor under the relevant Transaction Document at a time when, by virtue of the provisions of the relevant Transaction Document and this Deed, no payment or distribution should have been made, the amount so received shall be held by the Secured Creditor upon trust for the Issuer or, as applicable, the Security Trustee and shall be paid over to the Issuer or, as applicable, the Security Trustee as soon as is reasonably practicable following the earlier of (A) receipt of written notice from the Issuer or, as applicable, the Security Trustee and (B) actual knowledge of such Secured Creditor, in each case, that such payment or distribution should not have been made (whereupon the relevant payment or distribution shall be deemed not to have been made or received)

- (b) The Security Trustee shall not pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor under the relevant Transaction Documents (other than, in relation to the Interest Rate Swap Agreement, amounts permitted or required to be paid directly to the Interest Rate Swap Provider, including under **Clause 7.3** (Application of Amounts in Respect of Swap Collateral, Excess Swap Collateral, Swap Tax Credits and Replacement Swap Premium), such amount to be provided directly to the Interest Rate Swap Provider pursuant to and in accordance with **Clause 6.1** (Following service of a Note Acceleration Notice)), in cash or in kind, except as expressly provided for in the relevant Transaction Documents, unless and until all amounts then payable by the Security Trustee to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) have been paid in full based on the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor. Subject to **Clause 12** (Protection of Security Trustee and Receiver), the Security Trustee shall not be held liable for any incorrect payment, repayment or distribution if such payment, repayment or distribution is made in reliance upon the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor
- (c) Where amounts owing to a group of Secured Creditors under the relevant Transaction Document are expressed to be required to be made *pari passu* and pro rata among such group, the Security Trustee shall not pay or repay, or make any distribution in respect of, such amounts to any Secured Creditor of such group, in cash or in kind, except on a *pari passu* and pro rata basis among such group
- (d) The perpetuity period for the trusts in this **Clause 7.4** shall be 125 years

## **8. CONFLICT**

### **8.1 Noteholders and Secured Creditors**

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

Creditors subject to the provisions of Conditions 12.4 (*Modification*) and 12.5 (*Additional Right of Modification*), **Clauses 24.7** (*Modification to Transaction Documents*) and 24.8 (*Additional right of modification*)

## **8.2 Conflict between Noteholders**

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

## **8.3 Conflict between other Secured Creditors**

Where the Security Trustee is required to have regard to the interests of the Secured Creditors when the Notes are no longer outstanding it shall have regard to their interests equally provided

- (a) if (in the Security Trustee's sole opinion) there is or may be a conflict between the respective interests of the Interest Rate Swap Provider and any of the other Secured Creditors, the Security Trustee will have regard to the interests of the Interest Rate Swap Provider only, and
- (b) if (in the Security Trustee's sole opinion) there is or may be a conflict between the respective interests of the Secured Creditors other than the Interest Rate Swap Provider, the Security Trustee will have regard to the interests of the Secured Creditor who ranks highest in the order of priority of payments set out in **Clause 7.2** (Post-Acceleration Priority of Payments)

## **8.4 Acknowledgement**

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

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

## **9.1 Prior Notification**

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

## **9.2 Enforceable**

Without prejudice to the provisions of **Clauses 9.5** (Law of Property Act 1925) and **10.1** (Appointment) (a) the Security created under this Deed shall become immediately enforceable and (b) the power of sale and other powers conferred by Section 101 of the Law of Property Act 1925 (the **1925 Act**) and Section 19 of the 1881 Act and Section 4 of the 1911 Act as varied or amended by this Deed, shall, in accordance with this **Clause 9** be exercisable by the Security Trustee, in each case at any time following the service of a Note Acceleration Notice (which has not been withdrawn) or, if there are no Notes outstanding, following a default in payment of any other Secured Obligations on its due date. Without prejudice to the effectiveness of any service of the Note Acceleration Notice or the obligation to deliver the same in accordance with Condition 10 (*Events of Default*), the Security Trustee shall deliver a copy of any Note Acceleration Notice (which has not been withdrawn) to each of the Secured Creditors and the Rating Agencies.

## **9.3 Amounts Due**

Notwithstanding any other provision of this Deed, all amounts under the Secured Obligations shall become due for the purposes of Section 101 of the 1925 Act and Section 19 of the 1881 Act and Section 4 of the 1911 Act and the statutory powers of sale and appointment of a Receiver which are conferred on the Security Trustee under the 1925 Act and the Conveyancing Acts 1881-1911 (as varied or extended by this Deed) only (and for no other purpose) and all other powers shall be deemed to arise immediately after execution of this Deed but shall only become enforceable in accordance with **Clause 9.2** (Enforceable) above.

## **9.4 Power of Sale**

Section 103 of the 1925 Act and Section 20 of the 1881 Act shall not apply in relation to any of the charges contained in this Deed and at any time after the service of a Note Acceleration Notice (which has not been withdrawn) the statutory power of sale (as extended by this Deed) and all other powers shall be immediately exercisable (without the restrictions contained in either the 1925 Act or the Conveyancing Acts 1881-1911).

## **9.5 Law of Property Act 1925**

- (a) The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of Section 99 or 100 of the 1925 Act and Section 18 of the 1881 Act and Section 3 of the 1911 Act.
- (b) The provisions of the 1925 Act and the Conveyancing Acts 1881-1911 relating to the power of sale and the other powers conferred by Section 101(1) and (2) of the 1925 Act and Section 19 of the 1881 Act and Section 4 of the 1911 Act, are hereby extended in relation to the Issuer (as if such extensions were contained therein) to authorise the Security Trustee at its absolute discretion at any time following the service of a Note Acceleration Notice (which has not been withdrawn) and subject to the Security Trustee being satisfied as to the indemnification and/or security and/or prefunding available to it in relation to the exercise of such powers
  - (i) to make demand in the name of the Secured Creditors or in its own right for any monies and liabilities in respect of the Charged Assets,
  - (ii) to sell the Issuer's title to or interest in the Charged Assets, and to do so for any shares, debentures or other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by

an Encumbrance or a guarantee, or for such other consideration whatsoever as the Security Trustee may think fit, and also to grant any option to purchase, and to effect exchanges of, any of the Charged Assets,

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

#### **9.6 Delegation to Receiver**

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

#### **9.7 Application to Court**

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

#### **9.8 Authorised Investments**

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

#### **9.9 Deficiency or Additional Payment**

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



## **10. RECEIVER**

### **10.1 Appointment**

- (a) Except as provided below, at any time following the service of a Note Acceleration Notice (which has not been withdrawn), the Security Trustee may, at its absolute discretion, appoint, by writing or by deed, such person or persons (including an officer or officers of the Security Trustee) as the Security Trustee thinks fit, to be Receiver, of the Charged Assets or any part thereof and, in the case of an appointment of more than one person, to act together or independently of the other or others
- (b) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under Section 109(1) of the 1925 Act and Section 24(1) of the 1881 Act) does not apply to this Deed
- (c) The Security Trustee is not entitled to appoint a Receiver solely as a result of
  - (i) obtaining a moratorium, or
  - (ii) anything done with a view to obtaining a moratorium under the Insolvency Act 2000 except with leave of the court

### **10.2 Removal and Replacement**

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

### **10.3 Extent of Appointment**

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

### **10.4 Agent of the Issuer**

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

### **10.5 Remuneration**

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

## 10.6 Powers

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

- (xiii) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, receipts, registrations, acts or things which it may consider appropriate,
- (xiv) to exercise any powers, discretions, voting, conversion or other rights or entitlements in relation to any of the Charged Assets or incidental to the ownership of or rights in or to any of the Charged Assets and to complete or effect any transaction entered into by the Issuer and complete, disclaim, abandon or modify all or any of the outstanding contracts or arrangements of the Issuer relating to or affecting the Charged Assets,
- (xv) to exercise all powers as are described in Schedule 1 to the Insolvency Act 1986, whether or not the Receiver is an "administrative receiver" as defined in the Insolvency Act 1986,
- (xvi) to delegate its powers by way of power of attorney, or in any other manner to any person, any right, power or discretion exercisable by it under this Deed on the terms (including the power to sub-delegate) and subject to any regulations which such Receiver may think fit and such Receiver shall not be liable or responsible in any way to the Issuer or the Security Trustee for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate,
- (xvii) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Assets which it may consider expedient as effectually as if he were solely and absolutely entitled to the Charged Assets,
- (xviii) in addition
  - (A) to do all other acts and things which it may consider desirable or necessary for realising any Charged Assets or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed, and
  - (B) to exercise in relation to any Charged Assets all the powers, authorities and things which it would be capable of exercising if he were the absolute beneficial owner of the same,

and may use the name of the Issuer for any of the above purposes, and

- (xix) to pay and discharge out of the profits and income of the relevant Charged Assets and the monies to be made by it in carrying on the business of the Issuer the expenses incurred in and about the carrying on and management of the business or in the exercise of any of the powers conferred by this **Clause 10.6 (Powers)** or otherwise in respect of such Charged Assets and all outgoings which it shall think fit to pay and to apply the residue of the said profits, income or monies in the manner provided by **Clause 7.2 (Post-Acceleration Priority of Payments)** hereof
- (b) The Security Trustee may pay over to the Receiver or the Receiver may receive or recover any monies constituting part of the Charged Assets to the extent that the same may be applied for the purposes referred to in **Clause 7.2 (Post-Acceleration Priority of Payments)** by such Receiver and the Security Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver

## **10.7 Appointment of Administrator**

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

## **11. PROTECTION OF THIRD PARTIES**

### **11.1 Enquiry**

No purchaser from, or other person dealing with, the Security Trustee or a Receiver shall be concerned to enquire whether any of the powers exercised or purported to be exercised has arisen or become exercisable, whether the Secured Obligations remain outstanding or have become payable, whether the Receiver is authorised to act or as to the propriety or validity of the exercise or purported exercise of any power, and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters and the protections contained in Sections 104 to 107 of the 1925 Act, Section 21 of the 1881 Act and Section 5 of the 1911 Act shall apply to any person purchasing from or dealing with a Receiver or the Security Trustee or Section 2(3) of the Insolvency Act 1986 to any person dealing with an administrative receiver.

### **11.2 Receipts**

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

## **12. PROTECTION OF SECURITY TRUSTEE AND RECEIVER**

### **12.1 Liability**

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

### **12.2 Possession**

Without prejudice to the generality of **Clause 12.3 (Mortgagee in Possession)**, entry into possession of the Charged Assets of the Issuer shall not render the Security Trustee or the Receiver of that

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

### **12.3 Mortgagee in Possession**

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

## **13 UNDERTAKINGS BY THE SELLER**

The Seller undertakes to the Issuer, the Interest Rate Swap Provider, the Security Trustee and the Note Trustee (on behalf of itself and the Noteholders) that it will, whilst any of the Notes remain outstanding, retain a material net economic interest of not less than 5 per cent in the transaction (for the life of the transaction) in accordance with the text, as on the Closing Date, of each of Article 405 of Regulation (EU) No 575/2013 (the **CRR**), Article 51 of Regulation (EU) No 231/2013 and the Solvency II Requirement (which, in each case, does not take into account any corresponding national measures) and to comply with the disclosure obligations imposed on sponsor and originator credit institutions under Article 405 of the CRR, subject always to any requirement of law, provided that the Seller will not be in breach of such undertaking if the Seller fails to so comply due to events, actions or circumstances beyond the Seller's control.

## **14. PROTECTION OF SECURITY**

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

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

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

## 15. CRYSTALLISATION

### 15.1 Notice

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

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

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

### 15.2 Automatic Crystallisation

- (a) Subject as set out below, in addition and without prejudice to any other event resulting in a crystallisation of the floating charge, the floating charge contained herein shall automatically be converted into a fixed charge over all property, assets or undertaking of the Issuer subject to the floating charge, if and when
  - (i) a Note Acceleration Notice is served on the Issuer,
  - (ii) the Issuer ceases to carry on all or (in the opinion of the Note Trustee) a substantial part of its business or ceases to be a going concern or thereafter to do any of the foregoing,
  - (iii) the Issuer stops making payments to its creditors or gives notice to creditors that it intends to stop payment,
  - (iv) the holder of any other Encumbrance in relation to the Issuer, whether ranking in priority to or *pari passu* with or after the charges contained in this Deed, appoints a Receiver, or
  - (v) any floating charge granted by the Issuer to any other person (whether permitted by the Transaction Documents or not) crystallises for any reason whatsoever
- (b) The floating charge created by **Clause 3.6 (Floating Charge)** above may not be converted into a fixed charge solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with leave of the court

### **15.3 Failure of Petition for Administration or Winding-up**

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

## **16 POWER OF ATTORNEY**

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

## **17. OTHER SECURITY, ETC.**

### **17.1 No Merger**

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

### **17.2 Consolidation**

Section 93 of the 1925 Act and Section 17 of the 1881 Act shall not apply in relation to any of the charges contained in this Deed

### **17.3 Ruling Off**

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

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

#### **17.4 Change of Name, etc.**

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

### **18. AVOIDANCE OF PAYMENTS**

#### **18.1 No Release**

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

#### **18.2 Retention of Charges**

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

### **19 SET OFF**

The Security Trustee may at any time following the service of a Note Acceleration Notice which has not been withdrawn (without notice and notwithstanding any settlement of account or other matter whatsoever) combine or consolidate all or any existing accounts of the Issuer (other than any Swap Collateral Account) whether in its own name or jointly with others and held by it or any Secured Creditor and may set off or transfer all or any part of any credit balance or any sum standing to the credit of any such account (whether or not the same is due to the Issuer from the Security Trustee or relevant Secured Creditor and whether or not the credit balance and the account in debit or the Secured Obligations are expressed in the same currency in which case the Security Trustee is hereby authorised to effect any necessary conversions at its prevailing rates of exchange) in or towards satisfaction of any of the Secured Obligations and may in its absolute discretion estimate the amount



of any liability of the Issuer which is contingent or unascertained and thereafter set off such estimated amount and no amount shall be payable by the Security Trustee to the Issuer unless and until all Secured Obligations have been ascertained and fully repaid or discharged

## **20 EXECUTION OF DOCUMENTS**

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

## **21. EXERCISE OF CERTAIN RIGHTS**

### **21.1 No Enforcement by Secured Creditors**

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

- (a) only the Security Trustee may enforce the Security created in favour of the Security Trustee by this Deed in accordance with the provisions hereof, and
- (b) it shall not take any steps for the purpose of recovering any of the Secured Obligations (including, without limitation, by exercise of any rights of set off (other than express rights of netting under Section 6 and Section 2 of the Interest Rate Swap Agreement or in respect of the Account Bank and the GIC Provider in accordance with **Clause 3.3** (Bank Charges) of the Bank Account Agreement)) or enforcing any rights arising out of the Transaction Documents against the Issuer or procuring the winding up, administration (including, for the avoidance of doubt, the filing of documents with the court or the service of a notice of intention to appoint an administrator) or liquidation of the Issuer in respect of any of its liabilities whatsoever,

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

### **21.2 Limited Recourse**

- (a) Each of the Secured Creditors agrees that, notwithstanding any other provision of any Transaction Document, all obligations of the Issuer to each such Secured Creditor are limited in recourse to the Charged Assets. If
  - (i) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash,
  - (ii) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of this Deed, and

- (iii) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of this Deed, amounts outstanding in respect of the Secured Obligations,

then the Secured Creditors shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease

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

### **21.3 Discretionary Enforcement**

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

### **21.4 Mandatory Enforcement**

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

- (i) directed to do so by (A) the Note Trustee in its discretion or acting on a direction given by way of an Extraordinary Resolution of the Class A Noteholders or the Class Z VFN Holder or in writing by the holders of at least 25 per cent in Principal Amount Outstanding of the Class A Notes or the Class Z VFN Notes then outstanding or (B) if there are no Notes then outstanding, all the other Secured Creditors (in each case the "Instructing Party"), and
- (ii) in all cases, it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable and all Liabilities which it may incur by so doing and the terms of such indemnity and/or security and/or prefunding may include the provision of a fighting fund, non-recourse loan or other similar arrangement,

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

- (b) The Security Trustee shall not be liable to any Secured Creditors for any action it may take in accordance with any instructions received pursuant to this **Clause 21.4**. The Security Trustee shall be entitled to seek clarification from the relevant Instructing Party with regard to such instructions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction from such relevant Instructing Party and shall not be liable to any person for any loss occasioned thereby
- (c) The Security Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction,

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

## **21.5 Disposal of Charged Assets**

Notwithstanding **Clause 9** (The Security Trustee's Powers), if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Security Trustee will not be entitled to dispose of any of the Charged Assets on any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the Class A Noteholders (and all persons ranking in priority) or, once all of the Class A Noteholders have been repaid, to the Class Z VFN Holder (and all persons ranking in priority thereto) or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional adviser selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Class A Noteholders (and all persons ranking in priority to the Class A Noteholders as set out in the Priority of Payments) (or, once all of the Class A Noteholders have been repaid, to the Class Z VFN Holder (and all persons ranking in priority thereto)). The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer.

## **22. COVENANTS AND WARRANTIES**

### **22.1 Warranty**

- (a) The Issuer warrants to the Security Trustee that it has taken all necessary steps to enable it to charge or assign as Security the Charged Assets in accordance with **Clause 3** (Security and Declaration of Trust), and that it has taken no action or steps to prejudice its right, title and interest in and to the Charged Assets.
- (b) The Issuer warrants to the Security Trustee (on behalf of the Secured Creditors) as at the date of this Deed that
  - (i) it is duly incorporated in England and Wales with limited liability and with full power and authority to own its property and assets and conduct its business and is resident for tax purposes solely in, and has its usual place of abode in, the United Kingdom,
  - (ii) it has obtained and maintained in effect all authorisations, approvals, licences and consents required in connection with its business and the consummation of the transactions contemplated by the Transaction Documents to which it is a party pursuant to any requirement of law or any regulatory direction applicable to the Issuer in each other jurisdiction in which the Issuer carries on business,
  - (iii) it has the requisite power and authority to enter into this Deed and to undertake and perform the obligations expressed to be assumed by it therein,
  - (iv) all acts, conditions and things required to be done, fulfilled and performed in order to enable it lawfully to enter into this Deed, to exercise its rights under and perform

and comply with the obligations expressed to be assumed by it in this Deed, are legal, valid, binding and enforceable against it and to make this Deed admissible in evidence in England and Wales have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected, and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected, and

- (v) the entry by it into and the execution (and, where appropriate, delivery) of this Deed and the performance by the Issuer of its obligations under this Deed does not and will not conflict with or constitute a breach or infringement by the Issuer of its Memorandum and Articles of Association or any requirement of law or any regulatory direction or any other agreement to which the Issuer is a party or which is binding on it or any of its assets
- (c) The Issuer warrants to the Security Trustee that it does not hold, and has not at any time held any capital assets and will not at any time hold any assets other than the Portfolio save to the extent reasonably incidental to the activities envisaged by the Transaction Documents
- (d) The Issuer warrants to the Security Trustee that the obligations expressed to be assumed by the Issuer under this Deed are legal and valid obligations, binding on it and enforceable against it in accordance with their terms except
  - (i) as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally,
  - (ii) as such enforceability may be limited by the effect of general principles of equity, and
  - (iii) obligations relating to stamp duties may be void by virtue of Section 117 of the Stamp Act 1891
- (e) The Issuer represents and warrants to the Security Trustee that it does not have, and has not had since the date of its incorporation, a source of income prior to the Closing Date
- (f) The Issuer hereby covenants to the Security Trustee that no director will be connected to the YBS Group
- (g) The Issuer represents and warrants to the Security Trustee that it is the beneficial owner of the Charged Assets and the Charged Assets are free of any Security Interests (except for those created by or under this Deed) and any other rights or interests (including any licences) in favour of third parties
- (h) The Issuer represents and warrants to the Security Trustee that, as at the Closing Date, none of its property, assets and/or undertaking are subject to any restriction (whether contractual or otherwise) that may render the Security Interests granted by the Issuer under this Deed ineffective or which otherwise prohibit the grant of such Security Interests
- (i) No Encumbrance exists over or in respect of any asset of the Issuer, other than as created by or pursuant to this Deed

## 22.2 Negative Covenants

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

- (a) create or permit to subsist any mortgage, assignment, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law) upon the whole or any part of its assets (including any uncalled capital) or its undertaking, present or future,
- (b)
  - (i) carry on any trade or business or any other activities other than as contemplated by the Transaction Documents and the related activities described therein, or
  - (ii) hold (and confirms it has not held) any shares or other interest in any company (including but not limited to an interest in the capital, income or voting rights in any company) nor have any employees (but shall procure that, at all times, it shall retain at least one Independent Director) or premises,
- (c) transfer, sell, assign, lend, part with, declare a trust over, create a beneficial interest in or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein or thereto or agree or attempts or purport to do so,
- (d) make any other distributions other than as contemplated by the Transaction Documents,
- (e) pay any dividend or make any other distribution to its shareholder other than out of its after Tax profit and net of any applicable taxes (if any) payable by the Issuer in relation to such dividend or distribution nor shall it issue any further shares,
- (f) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person,
- (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person,
- (h) permit any of the Transaction Documents to become invalid or ineffective, or the priority of the Security Interests created thereby to be reduced, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Charged Assets to be released from its respective obligations,
- (i) have an interest in any bank account other than the Bank Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee,
- (j) become or be a party to any transaction for the purposes of securing a tax advantage within the meaning of Section 1139 of the Corporation Tax Act 2010 for itself or any other person,
- (k) do any act or thing the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the United Kingdom,

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

### 22.3 Positive Covenants

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

- (a) at all times to carry on and conduct its affairs in a proper and efficient manner and in accordance with its constitutive documents and all laws and regulation applicable to it,
- (b) to give to the Security Trustee within a reasonable time after request such information and evidence as it shall require and in such form as it shall reasonably require, including without prejudice to the generality of the foregoing the procurement by the Issuer of all such certificates called for by the Security Trustee pursuant to this Deed or any other Transaction Document for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or any other Transaction Document to which the Security Trustee is a party or by operation of law,
- (c) to cause to be prepared and certified by its Auditors in respect of each financial year accounts in such form as will comply with relevant legal and accounting requirements for the time being,
- (d) at all times to keep or procure the keeping of proper books of account and records and allow the Security Trustee and any person or persons appointed by the Security Trustee to whom the Issuer shall have no reasonable objection free access to such books of account and records at all times during normal business hours upon reasonable notice in writing provided that such inspection shall only be for the purposes of carrying out its duties under this Deed and any information so obtained shall only be used and passed on to any other person for the purpose of the Security Trustee carrying out its duties under this Deed,
- (e) to send to the Security Trustee a copy of every balance sheet, profit and loss account, source and application of funds statement (if any), report, or other notice, statement, circular or document issued or given to any holder of securities (including Noteholders and shareholders in their capacity as such) or creditors of the Issuer as soon as reasonably practicable after issue of the same,
- (f) to give notice in writing to the Security Trustee of the occurrence of any Event of Default and/or service of a Note Acceleration Notice (such notice to be effective by the delivery of a copy of the Note Acceleration Notice to the Security Trustee) immediately upon becoming aware thereof and without waiting for the Security Trustee to take any further action,
- (g) give to the Security Trustee (i) within seven (7) days after demand by the Security Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial year commencing with the financial period ending 31 December 2013 and in any event not later than one hundred and eighty (180) days after the end of each such financial year a certificate signed by two directors of the Issuer to the effect that, as at a date not more than seven (7) days before delivering such certificate (the **certification date**), to the best of the knowledge, information and belief of the Issuer, there did not exist and had not existed since the certification date of the previous certificate (or in the case of the first such certificate the date hereof) any Event of Default (or

if such exists or existed specifying the same) and that during the period from and including the certification date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the certification date of such certificate the Issuer has complied, to the best of their knowledge, information and belief, with all its obligations contained in this Deed and each of the other Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not complied,

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

- (q) the Issuer's Profit has been determined by the directors of the Issuer on the basis of due consideration of all relevant corporate and regulatory matters as being an adequate commercial return for the risks undertaken by the Issuer in entering into the transactions pursuant to and in accordance with the Transaction Documents

#### **22.4 Form MR01**

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

### **23 PROVISIONS SUPPLEMENTAL TO THE TRUSTEE ACT 1925**

#### **23.1 Powers of Security Trustee**

- (a) Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts constituted by this Deed. Where there are any inconsistencies between the Trustee Act 1925, the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000 the provisions of this Deed shall constitute a restriction or exclusion for the purposes of that Act
- (b) By way of supplement to the Trustee Act 1925 and the Trustee Act 2000 it is expressly declared as follows
  - (i) the Security Trustee may in relation to these presents and the other Transaction Documents rely or act on the advice, or report, or opinion or advice of or any information obtained from any Auditor, any lawyer, banker, valuer, accountant, surveyor, professional adviser, broker, auctioneer, or other expert, whether obtained by the Issuer, the Servicer, the Seller, the Principal Paying Agent, the Security Trustee, or otherwise and whether or not addressed to the Security Trustee notwithstanding that such advice, report, opinion, information, or any engagement letter or any other document entered into by the Security Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person and the Security Trustee shall not be responsible for any Liability occasioned by so acting or relying,
  - (ii) any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, facsimile reproduction, electronic mail or in any other form and the Security Trustee shall not be liable for acting in good faith on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic,
  - (iii) the Security Trustee (A) shall (save as expressly otherwise provided in this Deed or any of the other Transaction Documents) as regards all rights, powers, authorities and discretions vested in it by this Deed or any of the other Transaction Documents, or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and (B) may at its discretion and without notice, take such proceedings and/or other steps as it may think fit against the Issuer or any other person or party to any of the Transaction Documents to enforce the provisions of the Notes and any of its rights under this Deed or any other Transaction Document in such manner as it thinks fit,
  - (iv) the Security Trustee shall be at liberty to place this Deed and all deeds and other documents relating to this Deed with any bank or banking company, or lawyer or



firm of lawyers believed by it to be of good repute, in any part of the world, and the Security Trustee shall not be responsible for or be required to insure against any loss incurred in connection with any such deposit and the Issuer shall pay all sums required to be paid on account of or in respect of any such deposit,

- (v) the Security Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Security Trustee (including the receipt and payment of money) Subject to **Clause 24.2** (Delegation), the Security Trustee shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons,
- (vi) where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or required by law) be converted at such rate or rates in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Security Trustee in its absolute discretion but having regard to current rates of exchange if available and the Security Trustee shall not be liable for any loss occasioned by the said conversion under this **paragraph (vi)**,
- (vii) subject to **Clause 24.5** (Consent of Security Trustee), any consent or approval given by the Security Trustee for the purposes of this Deed or any of the other Transaction Documents may be given on such terms and subject to such conditions (if any) as the Security Trustee thinks fit and, notwithstanding anything to the contrary contained in this Deed or any of the other Transaction Documents, may be given retrospectively,
- (viii) the Security Trustee shall be entitled to rely upon a certificate, believed by it to be genuine, of the Issuer, the Servicer or the Seller or any other person in respect of every matter and circumstance for which a certificate is expressly provided for under this Deed or the other Transaction Documents and to call for and rely upon a certificate of the Issuer, the Servicer or the Seller or any other person reasonably believed by it to be genuine as to any other fact or matter *prima facie* within the knowledge of the Issuer or such person as sufficient evidence thereof and the Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused by it failing to do so,
- (ix) the Security Trustee shall not be responsible for acting upon any resolution in writing or resolution purporting to have been passed at any meeting of the Noteholders in respect whereof minutes have been made and purporting to have been signed by the chairman thereof, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Noteholders,
- (x) the Security Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of Class A Notes standing to the account of any person or, in relation to the Class Z VFN, any confirmation as to the Principal Amount Outstanding of the Class Z VFN from the Class Z VFN Registrar Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes Any such

certificate or other document may comprise any form of statement or print out of electronic records provided by (A) in relation to the Class A Notes, the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular Principal Amount Outstanding of Class A Notes is clearly identified together with the amount of such holding, or (B) in relation to the Class Z VFN, any form of document from the Class Z VFN Registrar identifying the Principal Amount Outstanding of the Class Z VFN and the Class Z VFN Holder. The Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg or the Class Z VFN Registrar, as applicable, and subsequently found to be forged or not authentic,

- (xi) subject to **Clause 21 4** (Mandatory Enforcement), the Security Trustee shall, in connection with the exercise by it of any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents
  - (A) where it is required to have regard to Noteholders of any Class, it shall have regard to the interests of the Noteholders as a Class and shall not have regard to any interest arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise or performance thereof for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, and
  - (B) notwithstanding that none of the Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by it and relied upon by the Security Trustee pursuant to this **paragraph (xi)(B)**, the Security Trustee may, among other things, for the purposes of exercising any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents and determining if such exercise will not be materially prejudicial to the interests of the Class A Noteholders, have regard to any Ratings Confirmation. It is agreed and acknowledged by the Security Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders. In being entitled to take into account any Ratings Confirmation, it is agreed and acknowledged by the Security Trustee that such reliance does not impose or extend any actual or contingent liability of the Rating Agencies to the Security Trustee, the Class A Noteholders or any other person or create any legal relations between the Rating Agencies and the Security Trustee, the Noteholders or any other person whether by way of contract or otherwise,
- (xii) the Security Trustee shall have no responsibility for the maintenance of any rating of the Class A Notes by the Rating Agencies or any other person,
- (xiii) 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,

- (xiv) no provision of this Deed or any other Transaction Document shall require the Security Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers or otherwise in connection with this Deed or any other Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it,
- (xv) the Security Trustee shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be required to disclose to any Secured Creditor any information made available to the Security Trustee by the Issuer in connection with the trusts of this Deed or the other Transaction Documents and no Secured Creditor shall be entitled to take any action to obtain from the Security Trustee any such information,
- (xvi) the Security Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Security Trustee may determine, including for the purpose of depositing with a custodian this Deed or any documents relating to the trusts created hereunder. The Security Trustee shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons,
- (xvii) unless notified to the contrary, the Security Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to **Clause 22.3(l)** (Positive Covenants)) that no Notes are held by, for the benefit of, or on behalf of, the Issuer, YBS or the Seller, any holding company of any of them or any other Subsidiary of such holding company,
- (xviii) the Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic,
- (xix) the Security Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience occasioned to the Security however caused, whether by an act or omission of the Issuer or any other party to the Transaction Documents or any other person (including any bank, broker, depositary, or other intermediary or any clearing system or operator thereof) acting in accordance with or contrary to the provisions of any Transaction Documents or otherwise and irrespective of whether the Security is held by or to the order of any such persons,
- (xx) the Security Trustee shall not be under any obligation to insure any of the Security or any deeds or documents of title or other evidence in respect of the Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience which may be suffered by any person as a result of the lack of or inadequacy of any such insurance,
- (xxi) the Security Trustee will not be liable for any decline in value nor any loss realised upon any sale or other disposition pursuant to this Deed of, any of the Charged Assets. In particular and without limitation, the Security Trustee shall not be liable for any such decline or loss directly or indirectly arising from its acting or failing to

act as a consequence of an opinion reached by it in good faith based on advice received by it in accordance with this Deed and the Conditions,

- (xxii) the Security Trustee shall have no responsibility whatsoever to the Issuer or Secured Creditors as regards any deficiency which might arise because the Security Trustee is subject to any Tax in respect of all or any of the Charged Assets, the income therefrom or the proceeds thereof,
- (xxiii) it is a term of the trust created in these presents, that, except where expressly provided otherwise in the Transaction Documents, any information provided to the Security Trustee under the terms of the Transaction Documents is for information purposes only and the Security Trustee will not and is not expected to routinely review or monitor such information,
- (xxiv) in determining whether to serve a notice to terminate the Servicer's appointment following a Servicer Termination Event (a **Servicer Termination Notice**) the Security Trustee shall be entitled to seek directions from the Note Trustee, itself acting on directions by an Extraordinary Resolution of the Class A Notes while they remain outstanding and thereafter Class Z VFN Notes and shall not be responsible for any delays in taking action occasioned by so doing. The Security Trustee has no obligation to assume the role or responsibilities of the Servicer,
- (xxv) the Security Trustee shall not be responsible for
  - (A) identifying the occurrence of a Seller Insolvency Event or a Servicer Termination Event and shall assume that no such event has occurred unless notified thereof by the Seller in accordance with the provisions of **Clause 7** (Undertakings) of the Mortgage Sale Agreement regarding a Seller Insolvency Event, or by the Servicer pursuant to **Clause 19** (Termination) of the Servicing Agreement, regarding a Servicer Termination Event,
  - (B) serving a Servicer Termination Notice, unless notified by the Servicer or the Issuer of the circumstances entitling it to serve such notice, or
  - (C) analysing the circumstances which have informed the Servicer or the Issuer when notifying the Security Trustee of a Servicer Termination Event,
- (xxvi) in connection with the Security Trustee's entitlement to take action to terminate the appointment of the Servicer, the Security Trustee
  - (A) will not be responsible for carrying out the role of Servicer itself during the time the Issuer is attempting to identify such replacement Servicer or thereafter if the Issuer is unable to find such replacement, and
  - (B) will not be required to take any action to find a replacement Servicer, and
- (xxvii) the Security Trustee shall be entitled to assume that (A) no event has occurred which is a breach of the Servicer's obligations under the Servicing Agreement and (B) no event has occurred which would, under the terms of the Servicing Agreement or other Transaction Documents, lead to the replacement of the Servicer, unless it is told otherwise as specified in the Transaction Documents

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

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

## **23.3 Perfection**

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

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

## **23.4 Enforceability, etc.**

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

- (a) the nature, status, creditworthiness or solvency of the Issuer,
- (b) the title, ownership, value, sufficiency, enforceability, unsuitability, inadequacy, unfitness or existence of any Charged Assets or any security (howsoever described) relating thereto as security for the Secured Obligations,

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

### **23.5 No Supervision**

The Security Trustee shall be under no obligation to monitor or supervise the respective functions of the Account Bank and the GIC Provider under the Bank Account Agreement, the Swap Collateral Account Bank under the Swap Collateral Account Bank Agreement, the GIC Provider under the Guaranteed Investment Contract, the Cash Manager under the Cash Management Agreement or the Servicer under the Servicing Agreement or of any other person under or pursuant to any of the other Transaction Documents

### **23.6 No Liability**

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

### **23.7 Conclusive and Binding Determinations**

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

### **23.8 Use of Proceeds**

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

### **23.9 No Indemnity**

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

### **23.10 Consequential losses**

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

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

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

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

### **24.1 Assumption of No Default**

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

### **24.2 Delegation**

The Security Trustee may, in the execution of all or any of the trusts, powers, authorities and discretions vested in it by this Deed or any of the other Transaction Documents, act by responsible

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

### **24.3 Commercial Transactions**

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

### **24.4 Additional Powers**

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

### **24.5 Consent of Security Trustee**

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

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



#### **24.6 Interests of Secured Creditors**

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

#### **24.7 Modification to Transaction Documents**

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

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

provided that in respect of any modifications to any of the Transaction Documents which would (in the opinion of the Interest Rate Swap Provider, which shall be confirmed in writing within twenty (20) Business Days of the Interest Rate Swap Provider receiving notice of such modifications to the Note Trustee and the Security Trustee prior to such modification) have (A) the effect that immediately after such modification, the Interest Rate Swap Provider would be reasonably required to pay more or receive less under the Interest Rate Swap Agreement if the Interest Rate Swap Provider were to replace itself under the Fixed Interest Rate Swap than it would otherwise have been required to prior to such modification, or (B) the effect of altering the amount, timing or priority of any payments or deliveries due from the Issuer to the Interest Rate Swap Provider or from the Interest Rate Swap Provider to the Issuer, or (C) a material adverse effect on the rights of the Interest Rate Swap Provider under the Transaction Documents (including for the avoidance of doubt and without limitation, its rights and obligations under the Interest Rate Swap Agreement and its regulatory treatment of the Interest Rate Swap Agreement and the transactions thereunder), the prior written consent of the Interest Rate Swap Provider is required

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

#### **24.8 Additional right of modification**

- (a) Notwithstanding the provisions of **Clause 24.7** (Modification to Transaction Documents), the Security Trustee shall be obliged, only with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents or whose ranking in any Priority of Payments is affected, to concur with the Issuer in making any modification to any Transaction Document or enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary
- (i) in order to enable the Issuer to comply with any requirements which apply to it under EMIR, subject to receipt by the Note Trustee and the Security Trustee of a certificate issued by (A) the Issuer or (B) the Cash Manager on behalf of the Issuer certifying to the Note Trustee and the Security Trustee the requested amendments

are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR and have been drafted solely to that effect,

- (ii) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that in relation to any amendment under this **Clause 24.8**
- (A) the Issuer or the Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria, and
- (B) in the case of any modification to a Transaction Document proposed by any of YBS, the Cash Manager, the Seller, the Servicer, the Account Bank, the GIC Provider, the Interest Rate Swap Provider and/or the Swap Collateral Account Bank (for the purposes of this **Clause 24.8** only, each a **Relevant Party**) in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds)
  - I the Relevant Party certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in **paragraph (B)(x) and/or (y)** above,
  - II either
    - (a) the Issuer or Cash Manager (on behalf of the Issuer) obtains from each of the Rating Agencies a Ratings Confirmation and, if relevant, delivers a copy of each such confirmation to the Issuer, the Note Trustee and the Security Trustee, or
    - (b) the Issuer or the Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent), and
  - (C) YBS pays all costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee and the Security Trustee or any other Transaction Party in connection with such modification,
- (iii) for the purpose of complying with any changes in the requirements of Article 405 of the CRR, Article 17 of Directive 2011/61/EU (as amended), Article 51 of the AIFMR or the Solvency II Requirement, after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRR or the AIFMR or any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,

- (iv) for the purpose of enabling the Class A Notes to be (or to remain) listed on the Irish Stock Exchange, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,
- (v) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA, provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect, or
- (vi) for the purpose of complying with any changes in the requirements of the CRA Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRA Regulation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,

(the certificate to be provided by (A) the Issuer, (B) the Cash Manager on behalf of the Issuer, and/or (C) the Relevant Party, as the case may be, pursuant to **paragraphs (i) to (vi)** above being a **Modification Certificate**), provided that

- I at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee, the Security Trustee and the Interest Rate Swap Provider,
- II the Modification Certificate in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee is notified of the proposed modification and on the date that such modification takes effect, and
- III the consent of each Secured Creditor which is party to the relevant Transaction Document or whose ranking in any Priority of Payments is affected has been obtained,

and provided further that, other than in the case of a modification pursuant to **paragraph (i)** above

- IV other than in the case of a modification pursuant to **paragraph (ii)(B)** above, either
  - (a) the Issuer or Cash Manager (on behalf of the Issuer) obtains from each of the Rating Agencies a Ratings Confirmation, or
  - (b) the Issuer or the Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent), and
- V the Issuer certifies in writing to the Note Trustee and the Security Trustee that (a) the Issuer has provided at least 30 days' notice to the Noteholders of

each Class of the proposed modification in accordance with Condition 15 (Notice to Noteholders) and by publication on Bloomberg on the "Company News" screen relating to the Notes and (b) Noteholders representing at least 10 per cent of the aggregate Principal Amount Outstanding of the most senior Class of Notes then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification

- (b) Other than where specifically provided in this **Clause 24.8** or any Transaction Document
  - (i) when implementing any modification pursuant to this **Clause 24.8**, the Security Trustee shall not consider the interests of any Secured Creditor or any other person and the Security Trustee shall act and rely solely and without further investigation on any certificate or evidence provided to them by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this **Clause 24.8** and shall not be liable to any Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person, and
  - (ii) the Security Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Security Trustee would have the effect of (A) exposing the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection of the Security Trustee in the Transaction Documents
- (c) Any such modification may be made on such terms and subject to such conditions (if any) as the Security Trustee may determine. Each Secured Creditor agrees that such modification shall be binding on it and, unless the Security Trustee otherwise agrees, notice thereof shall be given by the Cash Manager to the Secured Creditors as soon as practicable thereafter

#### **24.9 Authorisation or Waiver of Breach**

The Security Trustee may, only with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents but without the consent or sanction of the other Secured Creditors, without prejudice to its right in respect of any further or other breach, from time to time and at any time authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to any of the Transaction Documents by any party thereto, but only if and in so far as it receives written confirmation from the Note Trustee that in its opinion the interests of the Noteholders will not be materially prejudiced thereby. Any such authorisation or waiver shall be binding on the Secured Creditors and, unless the Security Trustee otherwise agrees, notice thereof shall be given by the Cash Manager to the Secured Creditors and to the Rating Agencies as soon as practicable thereafter

#### **24.10 Incorporation by Reference**

The provisions of **Schedule 2** (Form of Permanent Global Note) and **Clause 27** (Substitution) of the Trust Deed shall be deemed to be incorporated in this Deed but (except as the context otherwise requires) as if references therein to the Note Trustee were to the Security Trustee other than the references therein to an Extraordinary Resolution directing the Note Trustee to give a Note Acceleration Notice under Condition 10 (*Events of Default*)

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

### **25.1 Remuneration**

- (a) The Issuer shall (subject as hereinafter provided) pay to the Security Trustee annually a fee of such amount and payable on such dates as shall from time to time be agreed in a separate fee letter by the Issuer and the Security Trustee, provided that (i) if and for so long as the Note Trustee and the Security Trustee are the same person, no such fee shall be payable under this Deed and (ii) if the Note Trustee and the Security Trustee are not the same entity, the Security Trustee will have the ability to revise any fees payable to it from time to time. All such remuneration shall be payable in accordance with the Pre-Acceleration Revenue Priority of Payments or, as the case may be, the Post-Acceleration Priority of Payments. Such remuneration shall accrue from day to day and be payable up to and including the date when all of the Secured Obligations have been paid or discharged and the Security Trustee has released, reassigned, retrocessed and/or discharged the Charged Assets as provided in **Clause 4.2** (On Payment or Discharge of Secured Obligations)
- (b) All sums of whatsoever nature which are payable by the Issuer under this Deed and which are now or at any time hereafter become subject to VAT or any similar turnover tax shall be deemed to be inclusive of VAT or any such similar turnover tax

### **25.2 Additional Remuneration**

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

### **25.3 Disputes**

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

### **25.4 Expenses**

In addition to remuneration hereunder, the Issuer shall pay (on an indemnity basis) all other costs, charges and expenses not expressly waived in the fee letter referenced in **Clause 25.1** (Remuneration) which the Security Trustee or the Receiver of the Issuer and any other Appointee may properly incur in relation to the negotiation, preparation and execution of, the exercise or attempted exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Deed, the Security and any of the other Transaction Documents to which the Security

Trustee is a party including but not limited to travelling and legal expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Security Trustee or the Receiver of the Issuer in connection with any action taken or contemplated by or on behalf of the Security Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Deed, the Security or any of the other Transaction Documents (including, in each case, any Irrecoverable VAT in respect thereof)

## **25.5 Indemnity**

Subject to **Clause 23.9** (No Indemnity) and without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Security Trustee and the Receiver of the Issuer and any other Appointee, on an after Tax basis, in respect of all Liabilities whether in contract, tort, delict or otherwise now or hereafter to which it (or any person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by or pursuant to this Deed and any of the other Transaction Documents) may be or become liable or which may be properly incurred by it (or any such person as aforesaid) in the execution or purported execution of any of its trusts, powers, authorities and discretions hereunder or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Deed and any of the other Transaction Documents, or any such appointment (including, in each case, any Irrecoverable VAT in respect thereof) and the Security Trustee and the Receiver of the Issuer and any other Appointee shall be entitled to be indemnified out of the Charged Assets in respect thereof save where the same arises as the result of the fraud, negligence or wilful default of the Security Trustee or its officers or employees. The Security Trustee shall not be entitled to be paid twice in respect of the same matter pursuant to this **Clause 25.5**

## **25.6 Interest**

- (a) All sums payable by the Issuer under **Clauses 25.3** (Disputes), **25.4** (Expenses) and **25.5** (Indemnity) shall be payable on demand and
- (i) in the case of payments actually made by the Security Trustee prior to the demand, shall carry interest at the rate per annum which is 1 per cent per annum above the Bank of England Base Rate for the time being from the first Business Day following the date of the same being demanded to the date of actual payment (provided that such demand shall be made on a Business Day, otherwise interest shall be payable from the second Business Day following the date of the demand to the date of actual payment), and
  - (ii) in all other cases, shall carry interest at such rate from the date fifteen (15) days after the date of the same being demanded or (where the demand specifies that payment by the Security Trustee will be made on an earlier date provided such earlier date is a business day) from such earlier date (not being earlier than the Business Day following the date of such demand) to the date of actual payment

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

## **25.7 Stamp Duties**

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

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

## **25.8 Survival**

Unless otherwise specifically stated in any discharge of this Deed, the provisions of this **Clause 25** shall continue in full force and effect notwithstanding such discharge

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

### **26.1 Power of Issuer**

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

### **26.2 Power of Security Trustee**

- (a) Notwithstanding the provisions of **Clause 26.1** (Power of Issuer), the Security Trustee may (as attorney for the Issuer) upon giving prior notice to the Issuer but without the consent of the Issuer or the Secured Creditors appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate security trustee or as a co-trustee jointly with the Security Trustee
  - (i) if the Security Trustee considers such appointment to be in the interests of the Secured Creditors (or any of them),
  - (ii) for the purposes of conforming to any legal requirement, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed or any Charged Assets is or is to be located, or
  - (iii) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of this Deed or any of the other Transaction Documents to which the Security Trustee is a party or obligations arising pursuant thereto or any of the security constituted by or pursuant to this Deed
- (b) The Issuer hereby irrevocably appoints the Security Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment Such a person shall (subject always to the provisions of this Deed or any of the other Transaction Documents to which the Security Trustee is a party) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Security Trustee by this Deed or any of the other Transaction Documents to which the Security Trustee is a party) and such duties and obligations as shall be conferred or imposed on it by the instrument of appointment The Security Trustee shall have power in like manner to remove any such person Such proper remuneration as the Security Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such

separate trustee or co-trustee, shall for the purposes of this Deed be treated as costs, charges and expenses incurred by the Security Trustee

### **26.3 Multiple Trustees**

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

## **27. RETIREMENT OF SECURITY TRUSTEE**

Any security trustee for the time being of this Deed may retire at any time upon giving not less than sixty (60) days' prior notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs resulting from such retirement. The Class A Noteholders may, by Extraordinary Resolution, remove all trustee or trustees (but not some only) for the time being of this Deed and the Trust Deed. The retirement or removal of any security trustee shall not become effective unless there remains at least one security trustee hereof being a Trust Corporation in office upon such retirement or removal. The Issuer covenants that, in the event of a security trustee (being a sole security trustee or the only Trust Corporation) giving notice under this **Clause 27** or being removed as referred to in **Clause 26.1** (Power of Issuer), it shall use its best endeavours to procure a new security trustee of this Deed (being a Trust Corporation) to be appointed as soon as reasonably practicable thereafter. If the Issuer has not appointed a new security trustee prior to the expiry of the notice period given by the Security Trustee, the Security Trustee shall be entitled to nominate a replacement, being a Trust Corporation provided such replacement is acceptable to the Issuer and the Note Trustee (acting reasonably)

## **28. NOTICES AND DEMANDS**

### **28.1 Service of Notices**

Any notices to be given pursuant to this Deed to any of the parties hereto shall be sufficiently served if sent to the addresses given in **Clause 28.2** (Address) by prepaid first class post, by hand or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched, (where delivered by hand) on the day of delivery if delivered before 5 00 pm (London time) on a Business Day or on the next Business Day if delivered thereafter or on a day which is not a Business Day or (in the case of first class post) when it would be received in the ordinary course of the post. Any notices to be given pursuant to this Deed to Noteholders will be given in accordance with the relevant Conditions

### **28.2 Address**

The addresses referred to in this **Clause 28** are as follows

- (a) in the case of the Issuer, to Brass No 5 PLC, c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (for the attention of the Directors), with copies to (i) Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ for the attention of Treasury Operations Manager and (ii) Accord Mortgages Limited, c/o Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ for the attention of Treasury Operations Manager,



- (b) in the case of the Seller, Accord Mortgages Limited, c/o Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ for the attention of Treasury Operations Manager,
- (c) in the case of the Account Bank, Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (facsimile number +44 (0)12743 91858) for the attention of Treasury Operations Manager,
- (d) in the case of the GIC Provider, Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (facsimile number +44 (0)12743 91858) for the attention of Treasury Operations Manager,
- (e) in the case of the Security Trustee and/or the Note Trustee, to U S Bank Trustees Limited, 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (facsimile number +44 (0)20 7365 2577) for the attention of Structured Finance Relationship Management,
- (f) in the case of the Principal Paying Agent and/or the Agent Bank, to Elavon Financial Services DAC, acting through its UK Branch, 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, (facsimile number +44 (0)20 7365 2577) for the attention of Structured Finance Relationship Management,
- (g) in the case of the Servicer and/or Cash Manager, to Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ for the attention of Treasury Operations Manager,
- (h) in the case of the Interest Rate Swap Provider, to Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (facsimile number +44 (0)12743 91858) for the attention of Treasury Operations Manager,
- (i) in the case of the Corporate Services Provider, to Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF for the attention of The Directors,
- (j) in the case of the Back-Up Servicer Facilitator, to Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF for the attention of The Directors,
- (k) in the case of the Swap Collateral Account Bank, to Elavon Financial Services DAC, acting through its UK Branch, 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (facsimile number +44 (0)20 7365 2577) for the attention of Structured Finance Relationship Management,
- (l) in the case of Moody's, to Moody's Investors Service Limited, One Canada Square, Canary Wharf, London E14 5FA (email [monitor\\_rmbs@moodys.com](mailto:monitor_rmbs@moodys.com)), and
- (m) in the case of Fitch, to Fitch Ratings Limited, 30 North Colonnade, Canary Wharf, London E14 5GN, United Kingdom (email [sf\\_surveillance@fitchratings.com](mailto:sf_surveillance@fitchratings.com)),

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

## **29 FURTHER PROVISIONS**

### **29.1 Evidence of Indebtedness**

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

### **29.2 Rights Cumulative, Waivers**

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

### **29.3 Invalidity of any Provision**

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

### **29.4 Severability**

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

### **29.5 Counterparts**

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

### **29.6 Further Assurance**

- (a) The Issuer shall (at its own cost) do and execute, or arrange for the doing and executing of, each act, document and thing requested of it by the Security Trustee or any Receiver (including, without limitation, the giving of notices of assignment and the effecting of filings of registration in any jurisdiction) for perfecting or protecting the Security from time to time and, at any time after the

Security or any part thereof has become enforceable, shall do and execute, or arrange for the doing and executing of, each necessary act, document and thing within its power and as may be requested of it by the Security Trustee or any Receiver for facilitating the realisation of, or enforcement of rights in respect of, all of any of the Charged Assets and the exercise of all rights vested in the Security Trustee or in any Receiver in respect of all or any of such Security

- (b) Each of the parties hereto (other than the Note Trustee and the Security Trustee) hereby agree to enter into any necessary document required in connection with the termination of the appointment of any party to any of the Transaction Documents and their replacement with a successor or replacement party (including, without limitation, any deed of accession or deed of novation), any costs in relation to which shall be borne by the Issuer
- (c) A corporation into which the Security Trustee may be merged or converted, or any corporation with which the Security Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Security Trustee shall be a party, shall, on the date when the merger, conversion or consolidation becomes effective and to the extent permitted by any applicable laws and subject to any requirements set out in this Deed become the successor security trustee under this Deed without the execution or filing of any paper or any further act on the part of the parties to this Deed, unless otherwise required by the Issuer, and after the said effective date, all references in this Deed to the Security Trustee shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion or consolidation shall immediately be given to the Issuer and the Note Trustee by the Security Trustee

### **30. VARIATION**

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

### **31. SECURED CREDITORS**

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

### **32. ASSIGNMENT**

- 32.1 Save as provided in **Clause 32.2** below in the case of the Interest Rate Swap Provider, neither the Issuer nor any of the other Secured Creditors may assign, encumber or transfer all or any part of its rights or benefits and/or transfer its obligations under or pursuant to this Deed without the prior written consent of the Security Trustee
- 32.2 The Interest Rate Swap Provider may assign its rights or benefits and or transfer its obligations under or pursuant to this Deed to any third party who accedes to the Transaction Documents as a new interest rate swap provider pursuant to and in accordance with the terms of the Interest Rate Swap Agreement

### **33. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

### **34. NOTIFICATION AGENT**

- 34 1 Following the failure of the Seller to comply with its obligations under **Clause 6.1** (Perfection of the Sale) of the Mortgage Sale Agreement, the Issuer shall send to the Security Trustee a notice in the form set out in **Schedule 2** (Form of Notification Agent Notice) hereto notifying the Security Trustee of such failure (the Notification Agent Notice)
- 34 2 As soon as reasonably practicable following receipt of the Notification Agent Notice, the Security Trustee agrees that
- (a) it will use reasonable endeavours to identify an entity who will act as agent of the Issuer in order to effect the delivery of such notices (such entity, the **Notification Agent**) and shall have no liability to any person if, having used its reasonable endeavours, it is unable to identify a suitable Notification Agent,
  - (b) it will only be required to attempt to identify such Notification Agent for ninety (90) days,
  - (c) it shall not be responsible for carrying out the duties of the Seller set out in **Clause 6** (Perfection of the Sale) of the Mortgage Sale Agreement or for performing the duties of any Notification Agent itself during the time it is attempting to identify such Notification Agent or thereafter if it is unable to find such replacement, and
  - (d) shall not be required to take any action to find a Notification Agent unless it has been previously indemnified and/or secured to its satisfaction
- 34 3 The Security Trustee shall be entitled to assume that the Seller has complied with its obligations under **Clause 6** (Perfection of the Sale) of the Mortgage Sale Agreement, unless it receives a Notification Agent Notice

### **35. CHOICE OF LAW**

#### **35.1 Governing Law**

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

#### **35.2 Submission to Jurisdiction**

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

## SIGNATORIES

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

### Issuer

**EXECUTED and DELIVERED** as a **DEED**  
for and on behalf of **BRASS NO.5 PLC**  
acting by its authorised signatory

in the presence of  
**REDACTED UNDER S.859G OF  
COMPANIES ACT 2006**

Witness

Name

Address  
1 King's Arms Yard  
London  
EC2R 7AF

**REDACTED UNDER S.859G OF  
COMPANIES ACT 2006**

Mark Filer  
Director

### Account Bank

The **COMMON SEAL** of )  
**YORKSHIRE BUILDING SOCIETY** )  
is affixed to this **DEED** in the presence of )

By authority of the Board of Directors

### GIC Provider

The **COMMON SEAL** of )  
**YORKSHIRE BUILDING SOCIETY** )  
is affixed to this **DEED** in the presence of )

By authority of the Board of Directors

### Servicer

The **COMMON SEAL** of )  
**YORKSHIRE BUILDING SOCIETY** )  
is affixed to this **DEED** in the presence of )

By authority of the Board of Directors

## SIGNATORIES

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

### Issuer

EXECUTED and DELIVERED as a DEED )  
for and on behalf of BRASS NO.5 PLC )  
acting by its authorised signatory )

in the presence of:

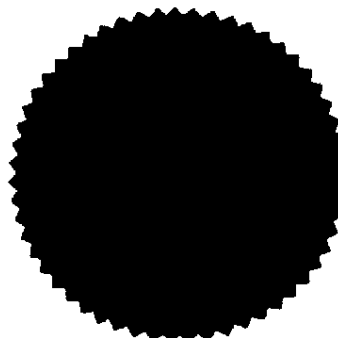
Witness:

Name:

Address

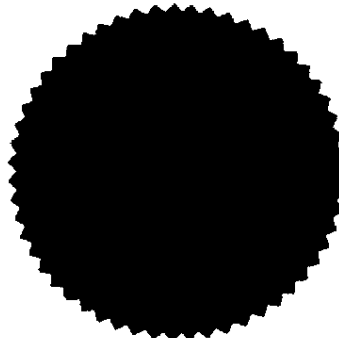
### Account Bank

The COMMON SEAL of )  
YORKSHIRE BUILDING SOCIETY )  
is affixed to this Deed )  
REDACTED UNDER S.859G OF )  
COMPANIES ACT 2006 )  
By authority of )



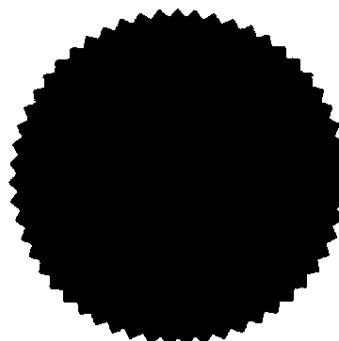
### GIC Provider

The COMMON SEAL of )  
YORKSHIRE BUILDING SOCIETY )  
is affixed to this Deed )  
REDACTED UNDER S.859G OF )  
COMPANIES ACT 2006 )  
By authority of )



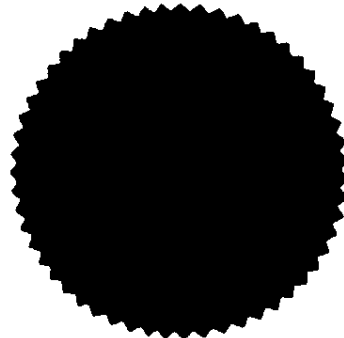
### Servicer

The COMMON SEAL of )  
YORKSHIRE BUILDING SOCIETY )  
is affixed to this Deed )  
REDACTED UNDER S.859G OF )  
COMPANIES ACT 2006 )  
By authority of )



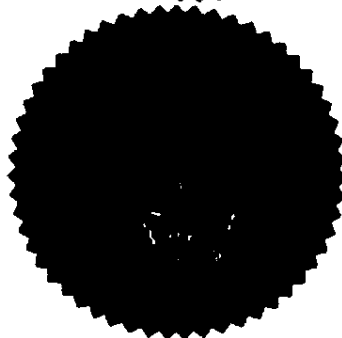
**Cash Manager**

The **COMMON SEAL** of )  
**YORKSHIRE BUILDING SOCIETY** )  
is affixed to this DEED in the presence of )  
By **REDACTED UNDER S.859G OF** )  
**COMPANIES ACT 2006** )



**Class Z VFN Registrar**

The **COMMON SEAL** of )  
**YORKSHIRE BUILDING SOCIETY** )  
is affixed to this DEED in the presence of )  
By **REDACTED UNDER S.859G OF** )  
**COMPANIES ACT 2006** )



**Seller**

**EXECUTED and DELIVERED as a DEED** )  
by **ACCORD MORTGAGES LIMITED** )  
acting by its Attorney **REDACTED UNDER S.859G OF** )  
**COMPANIES ACT 2006** )

**REDACTED UNDER S.859G OF**  
**COMPANIES ACT 2006**

**Attorney**

in the presence of **REDACTED UNDER S.859G OF**  
**COMPANIES ACT 2006**

**Witness:**

**Name:**

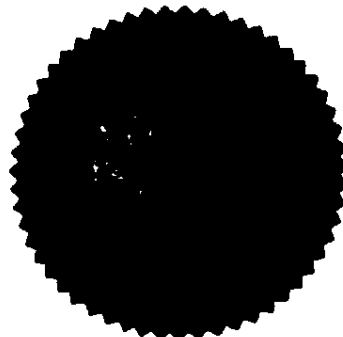
*CECILIA WHITLEY*

**Address:**

*YORKSHIRE BUILDING SOCIETY  
YORKSHIRE HOUSE  
YORKSHIRE DRIVE  
BRAND  
B25 8LT*

**Interest Rate Swap Provider**

The **COMMON SEAL** of )  
**YORKSHIRE BUILDING SOCIETY** )  
is affixed to this DEED in the presence of )  
By **REDACTED UNDER S.859G OF** )  
**COMPANIES ACT 2006** )  
By authority of the Board of Directors



Security Trustee

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

REDACTED UNDER S.859G OF  
COMPANIES ACT 2006

Laurence Griffiths  
Authorised Signatory

Note Trustee

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

REDACTED UNDER S.859G OF  
COMPANIES ACT 2006

Chris Hobbs  
Authorised Signatory

Paying Agent, Agent Bank and Swap  
Account Bank

EXECUTED and DELIVERED as a DEED  
ELAVON FINANCIAL SERVICES LTD  
ACTING THROUGH ITS UK BRANCH  
acting by two duly authorised Attorneys

REDACTED UNDER S.859G OF  
COMPANIES ACT 2006

Laurence Griffiths  
Authorised Signatory

Corporate Services Provider

EXECUTED and DELIVERED as a DEED  
by WILMINGTON TRUST SP SERVICES  
(LONDON) LIMITED  
acting by its authorised signatory

REDACTED UNDER S.859G OF  
COMPANIES ACT 2006

Chris Hobbs  
Authorised Signatory

in the presence of

Witness  
Name

Address



**Security Trustee**

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

**Note Trustee**

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

**Paying Agent, Agent Bank and Swap Collateral  
Account Bank**

**EXECUTED and DELIVERED as a DEED by** )  
**ELAVON FINANCIAL SERVICES DAC,** )  
**ACTING THROUGH ITS UK BRANCH** )  
acting by two duly authorised Attorneys )  
)  
)

**Corporate Services Provider**

**EXECUTED and DELIVERED as a DEED** )  
**by WILMINGTON TRUST SP SERVICES** )  
**(LONDON) LIMITED** )  
acting by its authorised signatory )  
in the presence of )

Witness )  
Name )

Address )  
1 King's Arms Yard  
London  
EC2R 7AF

REDACTED UNDER  
S.859G OF  
COMPANIES ACT 2006

Mark Filer  
Director

**Back-Up Servicer Facilitator**

**EXECUTED and DELIVERED as a DEED  
by WILMINGTON TRUST SP SERVICES  
(LONDON) LIMITED**

acting by its authorised signatory

in the presence

Witness  
Name

Address

REDACTED UNDER S.859G OF  
COMPANIES ACT 2006

Third Floor  
1 King's Arms Yard  
London  
EC2R 7AF

REDACTED UNDER S.859G  
OF COMPANIES ACT 2006

Mark Filer  
Director

## SCHEDULE 1

### ISSUER POWER OF ATTORNEY

**THIS POWER OF ATTORNEY** is made on [●] 2016 by **BRASS NO 5 PLC** (registered number 09728202), whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Principal**)

#### Whereas

- (1) By virtue of a deed of charge (the **Deed of Charge**) dated on or about [●] 2016 and made between, *inter alios*, the Principal, the Cash Manager, the Security Trustee, the Note Trustee, the Agent Bank, the Account Bank, the GIC Provider, the Principal Paying Agent, the Corporate Services Provider, the Swap Collateral Account Bank and the Interest Rate Swap Provider (each as referred to therein) provision was made for the execution by the Principal of this Power of Attorney
- (2) Words and phrases in this Power of Attorney shall (save where expressed to the contrary) have the same meanings respectively as the words and phrases in the Deed of Charge

#### NOW THIS POWER OF ATTORNEY WITNESSETH

- 1 The Principal hereby irrevocably and by way of security for the performance of the covenants, conditions, obligations and undertakings on the part of the Principal contained in the Deed of Charge appoints U S Bank Trustees Limited in its capacity as Security Trustee, and any other person or persons for the time being the security trustee or security trustees of and under the Deed of Charge (the **Attorney**) and any Receiver (including any administrative receiver) and any manager (the **Receiver**) and/or administrator (the **Administrator**) appointed from time to time by the Attorney or on its behalf its true and lawful attorney for and in the Principal's name or otherwise jointly and severally to do any act matter or thing which the Attorney, Receiver or Administrator considers in each case *bona fide* necessary for the protection or preservation of the Attorney's interests and rights in and to the Charged Assets or which ought to be done under the covenants, undertakings and provisions contained in the Deed of Charge in any circumstances where the Attorney has become entitled to take the steps referred to in **Clauses 9.5** (Law of Property Act 1925) to **9.9** (Deficiency or Additional Payment) (inclusive) of the Deed of Charge including (without limitation) any or all of the following
  - (a) to do every act or thing which the Attorney, Receiver or Administrator may deem to be necessary, proper or expedient for fully and effectually vesting, transferring or assigning the Security and/or the Charged Assets or any part thereof and/or the Principal's estate, right, title, benefit and/or interest therein or thereto in or to the Attorney and its successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Principal could have done, and
  - (b) the power by writing under its hand by an officer of the Attorney (including every Receiver appointed under the Deed of Charge) from time to time to appoint a substitute attorney (each a **Substitute**) who shall have power to act on behalf of the Principal as if that Substitute shall have been originally appointed Attorney by this Power of Attorney and/or to revoke any such appointment at any time without assigning any reason therefore
- 2 In favour of the Attorney, any Receiver and/or Administrator and/or Substitute, or a person dealing with any of them and the successors and assigns of such a person, all acts done and documents executed or signed by the Attorney, a Receiver, an Administrator or a Substitute in the purported

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

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

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

**EXECUTED** and **DELIVERED** as a **DEED** )  
for and on behalf of **BRASS NO.5 PLC** )  
 )

Director

Director

## SCHEDULE 2

### FORM OF NOTIFICATION AGENT NOTICE

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

From Brass No 5 PLC  
c/o Wilmington Trust SP Services (London) Limited  
Third Floor, 1 King's Arms Yard  
London EC2R 7AF  
(the **Issuer**)

Copy Accord Mortgages Limited  
Yorkshire House, Yorkshire Drive,  
Bradford, BD5 8LJ (the **Seller**)

Dated [●]

- 1 Expressions defined in the Master Definitions and Construction Schedule dated on or about [●] 2016 by, among others, the Issuer, the Seller and the Security Trustee (as amended, restated, varied, supplemented, replaced and/or novated from time to time) shall, unless the context otherwise requires, have the same meaning in this Notice
- 2 Pursuant to **Clause 34.1** (Notification Agent) of the Deed of Charge, the Issuer hereby gives notice to the Security Trustee of the Seller's failure to comply with its obligations under **Clause 6.1** (Perfection of the Sale) of the Mortgage Sale Agreement
- 3 The Issuer hereby requests that the Security Trustee identifies (in accordance with **Clause 34** (Notification Agent) of the Deed of Charge) an entity who will act as agent of the Issuer in order to effect the delivery of the perfection notices specified in **Clause 6** (Perfection of the Sale) of the Mortgage Sale Agreement

Signed for and on behalf of the Issuer

Brass No 5 PLC

### SCHEDULE 3

#### DEFINITIONS

**€, EUR or euro** means the lawful currency for the time being of the member states of the European Union that have adopted or may adopt the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act of 1986 and the Treaty of European Union of 7 February 1992 and the Treaty of Amsterdam of 2 October 1997 establishing the European Community,

**1881 Act** means the Conveyancing and the Law of Property Act 1881,

**1911 Act** means the Conveyancing Act 1911,

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

**1999 Regulations** means the Unfair Terms in Consumer Contracts Regulations 1999 (SI 1999/2083) as amended from time to time,

**Account Bank** means Yorkshire Building Society,

**Account Bank Rating** means a short-term issuer default rating of at least F1 or a long-term issuer default rating of at least A by Fitch and a long-term bank deposit rating of at least A3 by Moody's (or (i) such other rating which is consistent with the then current rating methodology of the relevant Rating Agency or (ii) such other lower rating that the Cash Manager certifies in writing to the Note Trustee and the Security Trustee would not have an adverse effect on the ratings of the Class A Notes or (iii) such other lower rating as the Note Trustee may (but shall not be obliged to) agree,

**Account Bank Termination Event** has the meaning set out in Clause 9.1 (Termination Events) of the Bank Account Agreement,

**Account Mandates** means the GIC Account Mandate and/or the Transaction Account Mandate and/or the Swap Collateral Account Mandate,

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

**Advance Date** means the date that the relevant Further Advance is advanced to the relevant Borrowers by the Seller,

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

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

**Agent Bank** means Elavon Financial Services DAC, acting through its UK Branch,

**Agents** means the Paying Agents, the Class Z VFN Registrar and the Agent Bank,

**Agreed Currency** means Sterling,

**AIFMR** means Regulation (EU) No 231/2013, referred to as the Alternative Investment Fund Managers Regulation,

**Annual Review** means an interest rate review conducted annually by the Seller in relation to the Loans as more fully described in the Prospectus,

**Applicable Entity** has the meaning given to it in Clause 21 (Appointment of Servicer for Reporting under Regulation (EU) No 2015/3) of the Servicing Agreement,

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

**Arranger** means Barclays Bank PLC,

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

**Article 8b Requirements** has the meaning given to it in Clause 21 (Appointment of Servicer for Reporting under Regulation (EU) No 2015/3) of the Servicing Agreement,

**Asset Conditions** has the meaning given in Clause 4.6 (Asset Conditions) of the Mortgage Sale Agreement,

**Assignment of Third Party Rights** means an assignment of Related Security and rights of action against third parties each substantially in the form set out in Schedule 5 (Assignment of Third Party Rights) to the Mortgage Sale Agreement,

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

**Authorised Investments** means

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

provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments (i) have a maturity date of ninety (90) days or less and mature before the next following Interest Payment Date or within ninety (90) days, whichever is sooner, (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) before the next following Interest Payment Date or within ninety (90) days, whichever is sooner, and (iii) are rated at least F1+ by Fitch and P-1 by Moody's (and AA- (long-term) by Fitch and Aa3 by Moody's if the investments have a long-term rating),

**Authorised Signatory** means

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

- (b) in relation to the Mortgage Sale Agreement, an officer(s) or director(s) of the Seller or YBS (as the case may be) authorised to act as an authorised signatory on behalf of such company, and
- (c) in all other cases, (i) an officer of the Issuer, or such other person appointed by the Issuer to act as authorised signatory or (ii) in respect of any party to the Transaction Documents, an officer of such party, or such other person appointed by such party to act as authorised signatory,

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

- (a) all Principal Receipts or, if in a Determination Period, any Calculated Principal Receipts, in each case, excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date

- (i) received by the Issuer during the immediately preceding Collection Period,

*minus*

- (A) an amount equal to the aggregate of all Further Advance Purchase Prices paid by the Issuer in such Collection Period (but excluding from this deduction any Further Advance Purchase Prices paid by the Issuer on an Interest Payment Date (where such Interest Payment Date is also a Monthly Pool Date), and
    - (B) an amount equal to the aggregate of all Further Advance Purchase Prices to be paid by the Issuer on that Interest Payment Date (where such Interest Payment Date is also a Monthly Pool Date),

but in an aggregate amount not exceeding all such Principal Receipts, and

- (ii) received by the Issuer from the Seller (or, as applicable, YBS or one of its subsidiaries) during the immediately preceding Collection Period in respect of any repurchases of Loans and their Related Security that were repurchased by the Seller (or, as applicable, YBS or one of its subsidiaries) pursuant to the Mortgage Sale Agreement,
- (b) the amount standing to the credit of the Liquidity Reserve Fund (if established) (to the extent not utilised on such Interest Payment Date pursuant to item (k) of the definition of Available Revenue Receipts),
- (c) (in respect of the first Interest Payment Date only) the amount paid into the GIC Account on the Closing Date from the excess of the proceeds of the Notes (excluding the proceeds of the Class Z VFN used to establish the General Reserve Fund and to pay the initial expenses of the Issuer incurred in connection with the issue of the Notes on the Closing Date) over the Initial Consideration,
- (d) following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 5 9(c) (*Determinations and Reconciliation*),



*less*

- (e) an amount equal to the aggregate of the SVR Contractual Difference Amounts in relation to the SVR Loans, which such amounts shall be deemed to be Available Revenue Receipts (and which such amounts shall not, for the avoidance of doubt, incur entries in the Principal Deficiency Ledger),

*less*

- (f) any amounts utilised to pay a Revenue Deficiency pursuant to item (l) of the definition of Available Revenue Receipts,

*plus*

- (g) the amounts (if any) calculated on that Interest Payment Date pursuant to the Pre-Acceleration Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Ledger and/or the Class Z VFN Principal Deficiency Ledger is reduced

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

- (a) Revenue Receipts received during the immediately preceding Collection Period or, if in a Determination Period, Calculated Revenue Receipts, in each case, excluding any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date,
- (b) interest payable to the Issuer on the Bank Accounts (other than the Swap Collateral Account) and income from any Authorised Investments in each case received during the immediately preceding Collection Period,
- (c) amounts received by the Issuer under the Interest Rate Swap Agreement (other than (i) any early termination amount received by the Issuer under the Interest Rate Swap Agreement which is to be applied in acquiring a replacement swap, (ii) Excess Swap Collateral or Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap Agreement, to reduce the amount that would otherwise be payable by the Interest Rate Swap Provider to the Issuer on early termination of the Fixed Interest Rate Swap under the Interest Rate Swap Agreement and, to the extent so applied in reduction of the amount otherwise payable by the Interest Rate Swap Provider such Swap Collateral is not to be applied in acquiring a replacement swap in which case such amounts will be included in Available Revenue Receipts), (iii) any Replacement Swap Premium but only to the extent applied directly to pay any termination payment due and payable by the Issuer to the Interest Rate Swap Provider and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date),
- (d) other net income of the Issuer received during the immediately preceding Collection Period (excluding any Principal Receipts),
- (e) amounts credited to the GIC Account on the immediately preceding Interest Payment Date in accordance with item (m) of the Pre-Acceleration Revenue Priority of Payments,
- (f) following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 5 9(c) (*Determinations and Reconciliation*),

- (g) any amounts deemed to be Available Revenue Receipts in accordance with item (e) of the definition of Available Principal Receipts,
- (h) the amounts standing to the credit of the General Reserve Ledger as at the last day of the immediately preceding Collection Period,

*less*

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

(items within (i) of the definition of Available Revenue Receipts being collectively referred to herein as **Third Party Amounts**) Third Party Amounts may be deducted by the Cash Manager on a daily basis from the GIC Account, to make payment to the persons entitled thereto except where such payments have already been provided for elsewhere,

*plus*

- (j) on the Interest Payment Date on which the Class A Notes are fully repaid or otherwise redeemed in full, any amounts standing to the credit of the General Reserve Fund (to the extent not utilised on such Interest Payment Date pursuant to item (h) above),

*plus*

- (k) if a Revenue Deficiency occurs such that the aggregate of items (a) to (h) less (i) plus (j) above is insufficient to pay or provide for items (a) to (f) of the Pre-Acceleration Revenue Priority of Payments the amount then standing to the credit of the Liquidity Reserve Fund (if established) and available to be drawn to the extent necessary to pay such Revenue Deficiency,

*plus*

- (l) if a Revenue Deficiency occurs such that the aggregate of items (a) to (h) less (i) plus (j) and (k) above is insufficient to pay or provide for items (a) to (f) of the Pre-Acceleration Revenue Priority of Payments, Available Principal Receipts in an aggregate amount sufficient to cover such Revenue Deficiency,

*plus*

- (m) following repayment of the Notes in full, amounts deemed to be Available Revenue Receipts in accordance with item (d) of the Pre-Acceleration Principal Priority of Payments,

**Back-Up Servicer** means a back-up servicer appointed pursuant to Clause 18 (Appointment of a Back-Up Servicer) of the Servicing Agreement,

**Back-Up Servicer Facilitator** means Wilmington Trust SP Services (London) Limited or such other person as may from time to time be appointed as Back-Up Servicer Facilitator of the relevant Loans in the Portfolio pursuant to the Servicing Agreement,

**Back-Up Servicer Facilitator Fee** has the meaning given to such term in the Servicing Agreement,

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

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

**Bank Accounts** means

- (a) the Transaction Account and the GIC Account and any additional accounts to be established by the Issuer pursuant to the Bank Account Agreement, and
- (b) the Swap Collateral Account and any additional accounts to be established by the Issuer pursuant to the Swap Collateral Account Bank Agreement

**Banking Act** means the Banking Act 2009, as amended,

**Basic Terms Modification** has the meaning given to it in paragraph 7 of Schedule 4 to the Trust Deed,

**Block Voting Instruction** has the meaning given to it in paragraph 1 of Schedule 4 to the Trust Deed,

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

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

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

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

**Buy to Let Loans** means Loans taken out by Borrowers in relation to the purchase or re-mortgage of properties for letting purposes,

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

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

**Calculation Date** means the 9th of February, May, August and November of each year or if such day is not a Business Day, the next following Business Day,

**Calculation Period** means the quarterly period commencing on and including each Calculation Date and ending on but excluding the immediately following Calculation Date except that the first Calculation Period will commence on the Closing Date and end on but exclude the Calculation Date falling in February 2017,

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

**Cash Management Services** means the cash management services set out in the Cash Management Agreement, including Schedule 1 and Schedule 5 thereto,

**Cash Manager** means YBS in its capacity as cash manager or any successor cash manager appointed from time to time as Cash Manager pursuant to the Cash Management Agreement,

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

**CCA and Consumer Credit Act** means the Consumer Credit Act 1974 as amended from time to time,

**Central Bank** means the Central Bank of Ireland in its capacity as competent authority in Ireland under the Prospectus Directive,

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

**Charged Assets** means the assets charged by the Issuer pursuant to Clause 3 (Security and Declaration of Trust) of the Deed of Charge,

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

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

**Class A Noteholders** means the holders of the Class A Notes,

**Class A Notes** means the Class A mortgage backed floating rate notes due August 2054,

**Class A Principal Deficiency Ledger** means the Principal Deficiency Ledger relating to the Class A Notes,

**Class Z Repayment Amount** means, as at an Interest Payment Date, the greater of (a) (i) the Principal Amount Outstanding of the Class Z VFN on such Interest Payment Date (taking into account any amounts to be applied to pay principal on the Class Z VFN on such Interest Payment

Date in accordance with the Pre-Acceleration Principal Priority of Payments) less (ii) the Current Balance of the Loans as at the day before such Interest Payment Date and (b) zero

**Class Z VFN** means the Class Z variable funded note due August 2054,

**Class Z VFN Commitment Termination Date** means the date on which the commitment of the VFN Holder in respect of the Class Z VFN will be extinguished, such date being the earlier to occur of

(a) the Interest Payment Date falling in August 2054, and

(b) an Event of Default,

**Class Z VFN Holder** means the holder of the Class Z VFN,

**Class Z VFN Principal Deficiency Ledger** means the Principal Deficiency Ledger relating to the Class Z VFN,

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

**Class Z VFN Register** means the register for the Class Z VFN,

**Class Z VFN Registrar** means YBS acting as Class Z VFN registrar,

**Clear Days** has the meaning given to it in paragraph 1 of Schedule 4 to the Trust Deed,

**Clearing System** has the meaning given to it in paragraph 1 of Schedule 4 to the Trust Deed,

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

**Client Money Rules** means the FCA Rules in relation to client money from time to time,

**Closing Date** means \_\_ November 2016,

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

**Collection Period Start Date** means the 1st of February, May, August and November of each year,

**Common Safekeeper** means Elavon Financial Services DAC, or such other person as may from time to time be appointed as Common Safekeeper

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

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

**CONC** means the FCA Handbook module known as the Consumer Credit sourcebook,

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

**Consideration** means the Initial Consideration and the Deferred Consideration,

**Control** has the meaning given in Section 1124 of the Corporation Taxes Act 2010,

**Convention** means the Modified Following Business Day Convention as defined in the 2006 ISDA Definitions published by ISDA,

**Corporate Services** has the meaning given to it in Clause 7.1 of the Corporate Services Agreement,

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

**Corporate Services Provider** means Wilmington Trust SP Corporate Services (London) Limited (registered number 02548079), a private limited company incorporated under the laws of England and Wales, whose registered office is at Third Floor, 1 King's Arms Yard, London EC2R 7AF or such other person or persons for the time being acting as Corporate Services Provider to the Issuer and Holdings under the Corporate Services Agreement,

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

**CRA Regulation** means Regulation (EU) No 1060/2009 (as amended),

**CRD** means the Capital Requirements Directive,

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

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

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

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

the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by the related Mortgage,

less any prepayment, repayment or payment of any of the foregoing made on or before that given date and excluding any retentions made but not released and any Further Advances committed to be made but not made by that given date,

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

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

whether original documentation, in electronic form or otherwise,

**Cut-Off Date** means 31 July 2016,

**D D. Date** means the date of delivery to the Account Bank or BACS (as the case may be) of such instructions as may be necessary from time to time for the debit of a Borrower's account in respect of which there is a direct debit mandate,

**Data Controller** means the Issuer or, where relevant, the Seller,

**Data Processor** means the Servicer,

**Data Protection Act** or **DPA** means the Data Protection Act 1998 as amended from time to time,

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

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

**Deed of Consent** means a deed whereby residents at a Property in relation to that Property agree with the Seller that any rights which they have in that Property will rank after the sums secured by the relevant Mortgage,

**Deferred Consideration** means the consideration due and payable to the Seller pursuant to the Mortgage Sale Agreement in respect of the sale of the Portfolio, which shall be an amount equal to the amount remaining after making payment of (as applicable) (a) the items described in (a) to (n) inclusive of the Pre-Acceleration Revenue Priority of Payments on each Interest Payment Date, or (b) the items described in (a) to (h) inclusive of the Post-Acceleration Priority of Payments,

**Deferred Interest** has the meaning given to it in Condition 16 (*Subordination by Deferral*) of the Notes

**Definitive Notes** means Notes in definitive form,

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

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

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

**Discretionary Rate Loans** means loans which are subject to either the Seller Standard Variable Rates, Standard Variable Rates or to other Discretionary Rates for the life of the mortgage loan,

**Dispute Resolution Risk Mitigation Techniques** means the dispute resolution risk mitigation techniques for OTC derivative transactions set out in Article 11(1)(b) of EMIR as supplemented by Article 15 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 and published on 23 February 2013 in the Official Journal of the European Union,

**Distribution Compliance Period** means the period until and including the 40th day after the later of the commencement of the offering of the Notes and the closing of the offering of the Notes,

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

**Early Termination Event** means certain circumstances in which the Fixed Interest Rate Swap may be terminated, as more specifically defined in the Interest Rate Swap Agreement,

**Electronic Consent** has the meaning given to it in Schedule 4 (Provisions for Meetings of Noteholders) of the Trust Deed,

**Electronic Notification of Discharge** means an electronic notification of the discharge of a mortgage or charge, sent to the Land Registry in lieu of a paper discharge,

**Eligibility Criterion** has the meaning given in Clause 2.1 of the Mortgage Sale Agreement,

**Eligible Person** has the meaning given to it in paragraph 1 of Schedule 4 to the Trust Deed,

**EMIR** or the **European Market Infrastructure Regulation** means Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators,

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

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

**Euroclear** means Euroclear Bank S A /N V , and any successor to such business,

**ESMA** has the meaning given to it in Clause 21 (Appointment of Servicer for Reporting under Regulation (EU) No 2015/3) of the Servicing Agreement,

**Event of Default** means an Event of Default as defined in Condition 10 (*Events of Default*) of the Notes,

**Excess Swap Collateral** means, in respect of the Interest Rate Swap Agreement, an amount (which will be transferred directly to the Interest Rate Swap Provider in accordance with such Interest Rate



Swap Agreement) equal to the amount by which the value of the Swap Collateral (or the applicable part of any Swap Collateral) provided by the Interest Rate Swap Provider to the Issuer pursuant to the Interest Rate Swap Agreement exceeds the Interest Rate Swap Provider's liability under the Interest Rate Swap Agreement as at the date of termination of the Interest Rate Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the Interest Rate Swap Agreement,

**Extraordinary Resolution** has the meaning given to it in Schedule 4 (Provisions for Meetings of Noteholders) of the Trust Deed,

**Fast Track Loan** means a Loan where, based upon an assessment of risk, the application was underwritten without requesting the applicants to provide evidence of the declared income and such Loan was subject to a maximum LTV of 75%,

**FATCA** means Sections 1471 through 1474 of the US Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto,

**FATCA Withholding** means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U S Internal Revenue Code 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the U S Internal Revenue Code 1986 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement),

**FCA** means the Financial Conduct Authority,

**FCA Rules** means the rules established by the FCA in the FCA's Handbook of rules and guidance from time to time,

**Final Maturity Date** means the Interest Payment Date falling in August 2054,

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

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

**Fixed Interest Period Issuer Amount** means in respect of each calendar month ending in an Interest Period the amount required to be paid by the Issuer to the Interest Rate Swap Provider in respect of such Interest Period in accordance with the terms of the Fixed Interest Rate Swap,

**Fixed Interest Period Swap Provider Amount** means in respect of each calendar month ending in an Interest Period the amount required to be paid by the Interest Rate Swap Provider to the Issuer in respect of such Interest Period in accordance with the terms of the Fixed Interest Rate Swap,

**Fixed Interest Rate Swap** means the swap transaction entered into between the Issuer and the Interest Rate Swap Provider on or about the Closing Date governed by the Interest Rate Swap Agreement pursuant to which the Issuer will hedge against the possible variance between the fixed rates of interest received on the Fixed Rate Loans in the Portfolio and the rates of interest payable on the Notes,

**Fixed Monthly Amount** means the fixed monthly payments which Borrowers are required to make during each Fixed Payment Period and which are adjusted annually during the Annual Review,

**Fixed Payment Period** means the 12 month period between each Annual Review during which time a Borrower's Monthly Payments remain fixed,

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

**Fixed Rate Notional Amount** means the Notional Amount (as defined in the Interest Rate Swap Agreement) of the Fixed Interest Rate Swap,

**FSA** means the Financial Services Authority, known on or after 1 April 2013 as the Financial Conduct Authority,

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

**Further Advance** means, in relation to a Loan, any advance of further money to the relevant Borrower (including any commitment to fund any further amount which has not yet been advanced or any further amount advanced but not yet drawn) following the making of the Initial Advance, which is secured by the same Mortgage as the Initial Advance, but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage,

**Further Advance Purchase Price** means an amount equal to the principal amount of the relevant Further Advance paid by the Issuer to the Seller on the Monthly Pool Date immediately succeeding the Monthly Period in which the relevant Advance Date occurred by using amounts standing to the credit of the Principal Ledger,

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

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

**General Reserve Amortisation Conditions** means each of the following conditions

- (a) no Event of Default has occurred and is continuing,
- (b) the Class A Principal Deficiency Ledger will not have a debit balance on that Interest Payment Date after applying all Available Revenue Receipts on that Interest Payment Date,
- (c) the Current Balance of the Loans comprising part of the Portfolio in respect of which the aggregate amount in arrears is more than three times the Monthly Payment then due, is less than 2 per cent of the aggregate Current Balance of the Loans comprising the Portfolio as at such relevant date, and
- (d) cumulative Losses on the Portfolio as at such relevant date represent less than 1 per cent of the aggregate Current Balance of the Loans comprising the Portfolio as at the day before the Closing Date

**General Reserve Fund** means the fund established on the Closing Date and deposited in the GIC Account which will be funded up to the General Reserve Required Amount and which will be funded from the proceeds of the Class Z VFN Holder's subscription of the Class Z VFN,

**General Reserve Ledger** means the ledger maintained by the Cash Manager on behalf of the Issuer which records amounts credited to the General Reserve Fund from the proceeds of the VFN Holder's funding of the Class Z VFN and thereafter from Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments and withdrawals of the General Reserve Required Debit Amount in relation to an Interest Payment Date (if any) from the General Reserve Ledger on such Interest Payment Date,

**General Reserve Required Amount** will be an amount equal to £37,710,000 on the Closing Date (being an amount at least equal to 1.5 per cent of the Current Balance of the Portfolio as at the calendar day immediately preceding the Closing Date) (the **Initial General Reserve Required Amount**) and thereafter shall on each Interest Payment Date be an amount equal to 1.5 per cent of the Current Balance of the Portfolio as at the calendar day immediately preceding the Closing Date, provided that if on such date the General Reserve Amortisation Conditions are met, the General Reserve Required Amount shall be an amount equal to 2 per cent of the Principal Amount Outstanding of the Class A Notes on the preceding Interest Payment Date (taking into account any redemptions of the Class A Notes on such Interest Payment Date), subject to a maximum of the Initial General Reserve Required Amount and a minimum of 0.75 per cent of the Current Balance of the Portfolio as at the calendar day immediately preceding the Closing Date. On any Interest Payment Date on which the Class A Notes are fully repaid or otherwise redeemed in full, the General Reserve Required Amount will be reduced to zero and any amounts held in the General Reserve Fund will form part of Available Revenue Receipts and will be applied in accordance with the relevant Priority of Payments,

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

**GIC Account Mandate** means the form of bank mandate relating to the GIC Account as set out in Schedule 2 (Form of GIC Account Mandate) to the Bank Account Agreement,

**GIC Balance** means amounts standing to the credit of the GIC Account from time to time,

**GIC Provider** means Yorkshire Building Society in its capacity as GIC provider or any successor GIC provider appointed from time to time,

**GIC Rate** means Three-Month Sterling LIBOR less 0.35 per cent or any other such rate agreed between any successor GIC provider and the Issuer,

**Global Note** means the Temporary Global Note and/or the Permanent Global Note as the context may require,

**Guaranteed Investment Contract** or **GIC** means the guaranteed investment contract dated the Closing Date between the Issuer, the Account Bank, the Cash Manager, the GIC Provider and the Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

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

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

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

**Holdings** means Brass No 5 Mortgage Holdings Limited (registered number 09728166), a limited company incorporated under the laws of England and Wales, whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF,

**Identified Person** has the meaning given to it in paragraph 3 of Schedule 4 (Provisions for Meetings of Noteholders) to the Trust Deed,

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

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

**Indemnified Persons** means, with respect to the Corporate Services Agreement, the Corporate Services Provider and all associated persons of the Corporate Services Provider,

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

**Indexed LTV** means the ratio (expressed as a percentage) of the Current Balance of the relevant Loan divided by the indexed valuation of the relevant Property based on the average of the Halifax House Price Index and the Nationwide House Price Index, from the date of the latest recorded valuation of the Property to the Cut-Off Date (for the avoidance of doubt, references to indices in this definition include any successor index to the relevant index),

**Initial Advance** means all amounts advanced by the Seller to a Borrower under a Loan other than a Further Advance,

**Initial Consideration** means an amount equal to the Current Balance of the Loans in the Portfolio on the calendar day immediately preceding the Closing Date,

**Initial General Reserve Required Amount** has the meaning given to it in the definition of General Reserve Required Amount,

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

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

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

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

**Insurance Policies** means the Buildings Insurance Policies and the Third Party Buildings Policies,

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

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

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

**Interest Payment Date** means the 16th day of February, May, August and November of each year or, if such day is not a Business Day, on the immediately succeeding Business Day with the first Interest Payment Date being in February 2017,

**Interest Period** means, in relation to a Note, the period from (and including) an Interest Payment Date for that Note (except in the case of the first Interest Period for the Notes, which commence on (and include) the Closing Date) to (but excluding) the following Interest Payment Date,

**Interest Rate Swap Agreement** means an ISDA Master Agreement (including a schedule and a credit support annex thereto and one or more confirmations thereunder) entered into between the Interest Rate Swap Provider and the Issuer on or about the Closing Date,

**Interest Rate Swap Excluded Termination Amount** means the amount of any termination payment due and payable to the Interest Rate Swap Provider as a result of an Interest Rate Swap Provider Default or Interest Rate Swap Provider Downgrade Event (to the extent such payment cannot be satisfied by (a) payment by the Issuer of any Replacement Swap Premium and/or (b) any excess collateral amounts standing to the credit of the Swap Collateral Account),

**Interest Rate Swap Provider** means Yorkshire Building Society and any successor or replacement swap provider under the Interest Rate Swap Agreement,

**Interest Rate Swap Provider Default** means the occurrence of an Event of Default (as defined in the Interest Rate Swap Agreement) where the Interest Rate Swap Provider is the Defaulting Party (as defined in the Interest Rate Swap Agreement),

**Interest Rate Swap Provider Downgrade Event** means the occurrence of an Additional Termination Event (as defined in the Interest Rate Swap Agreement) following the failure by the Interest Rate Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the Interest Rate Swap Agreement,

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

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

**Irish Stock Exchange** means the Irish Stock Exchange Limited,

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

**ISDA** means the International Swaps and Derivatives Association, Inc ,

**ISDA Definitions** means the 2006 ISDA Definitions, as published by ISDA,

**ISDA Master Agreement** means the 1992 ISDA Master Agreement (Multicurrency – Cross Border), as published by ISDA,

**Issuer** means Brass No 5 PLC (registered number 09728202), a public limited company incorporated under the laws of England and Wales, whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF,

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

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

**Issuer Profit Amount** means an amount equal to £1,125 as at each Interest Payment Date (£4,500 per annum),

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

**Issuer Standard Variable Rate** means the standard variable rate applicable to Loans in the Portfolio as set, other than in limited circumstances, by the Servicer, in accordance with Clause 4 (Issuer Standard Variable Rates) of the Servicing Agreement,

**ITA 2007** means the Income Tax Act 2007,

**Joint Lead Managers** means Barclays Bank PLC and Lloyds Bank plc in their capacity as joint lead managers

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

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

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

**Lending Criteria** means the lending criteria contained in Schedule 8 (Lending Criteria) to the Mortgage Sale Agreement or such other lending criteria of the Seller from time to time, or such other criteria as would be acceptable to a Reasonable, Prudent Mortgage Lender,

**Liability** means, in respect of any person, any loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability including, but without limitation, legal costs and expenses properly incurred (including, in each case, Irrecoverable VAT in respect thereof),

**LIBOR** means the London Interbank Offered Rate,

**Liquidity Reserve Fund** means a fund to be established on the date on which YBS ceases to be assigned a long-term unsecured, unguaranteed and unsubordinated debt obligation rating by Moody's of at least Baa2 or a long-term issuer default rating by Fitch of at least BBB or a short-term issuer default rating by Fitch of at least F2 and which will be deposited in the GIC Account and used to fund senior expenses and interest payments on the Class A Notes,

**Liquidity Reserve Fund Required Amount** means an amount equal to the greater of (a) 4% of the Principal Amount Outstanding of the Class A Notes at the beginning of the relevant Interest Period less the amount standing to the credit of the General Reserve Fund as determined by the Cash Manager on the relevant Calculation Date after taking into account the amount of Available Revenue Receipts to be credited to the General Reserve Fund on the Interest Payment Date immediately following such Calculation Date in accordance with the Pre-Acceleration Revenue Priority of Payments and (b) zero,

**Liquidity Reserve Ledger** means the ledger maintained by the Cash Manager on behalf of the Issuer to record amounts credited to and debited from (to fund senior expenses and interest payments on the Class A Notes) the Liquidity Reserve Fund in accordance with the applicable Priority of Payments contained in the Cash Management Agreement,

**Loan or Mortgage Loan** means the residential mortgage loans, secured by a Mortgage and Related Security, in the Portfolio to be sold to the Issuer on the Closing Date together with, where the context so requires, each Further Advance sold to the Issuer by the Seller after the Closing Date and any alteration to a Loan by the Seller pursuant to a Product Switch but excluding (for the avoidance of doubt) each Loan and its Related Security which is repurchased by the Seller (or, as applicable, YBS or one of its subsidiaries) pursuant to the Mortgage Sale Agreement or otherwise sold by the Issuer in accordance with the terms of the Transaction Documents and no longer beneficially owned by the Issuer,

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

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

**Loan Repurchase Notice** means a notice substantially in the form set out in Schedule 4 (Loan Repurchase Notice) to the Mortgage Sale Agreement,

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

**Losses** means all realised losses in respect of a Loan,

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

**LTV, LTV ratio or loan-to-value ratio** means the ratio (expressed as a percentage) of the outstanding balance of a Loan to the value of the Property securing that Loan,

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

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

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

**Maximum Class Z VFN Amount** means £500,000,000 or such other amount as may be agreed from time to time by the Issuer and the Class Z VFN Holder, and such amount to be notified to the Note Trustee,

**Member State** means a state of the European Union,

**MCOB** means the FCA Handbook module known as the Mortgages and Home Finance Conduct of Business sourcebook,



**Monthly Payment** means the amount which the relevant Mortgage Conditions require a Borrower to pay on each monthly payment date in respect of that Borrower's Loan,

**Monthly Period** means the monthly period commencing on and including the first calendar day of each month and ending on and including the last calendar day of each month except that the first Monthly Period will commence on the Closing Date and end on the last calendar day of November 2016,

**Monthly Pool Date** means the 16th of each month,

**Monthly Test Date** means the 9th of each month,

**Moody's** means Moody's Investors Service Limited and includes any successor to its rating business,

**Mortgage** means in respect of any Loan each first fixed charge by way of legal mortgage secured over a Property located in England or Wales which is, or is to be, sold by the Seller to the Issuer pursuant to the Mortgage Sale Agreement, which secures the repayment of the relevant Loan including the Mortgage Conditions applicable to it,

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

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

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

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

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

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

**New Build Loan** means a loan in respect of a property whose construction date is within 24 months of the mortgage application date,

**New Loan Type** means a new type of mortgage loan originated or acquired by the Seller, which the Seller intends to transfer to the Issuer, the terms and conditions of which are materially different (in the opinion of the Seller, acting reasonably) from the Loans comprised in the Portfolio (and for the avoidance of doubt, a mortgage loan will not constitute a New Loan Type if it differs from the Loans due to it having different interest rates and/or interest periods and/or time periods for which it is subject to a fixed rate or any other interest rate or the benefit of any discounts, cash backs and/or rate guarantees or if it has flexible features),

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

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

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

**Noteholders** means (a) the Class A Noteholders, and (b) the person(s) in whose name a Class Z VFN is registered in the Class Z VFN Register (or in the case of joint holders first named thereof) and the words **Noteholder** and **Noteholders** and related expressions shall (where appropriate) be construed accordingly,

**Notes** means the Class A Notes, and the Class Z VFN,

**Notice of Increase** means a notice substantially in the form in Schedule 5 (Form of Notice of Increase) to the Trust Deed,

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

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

**Option Date** means the date that the Underpayment Option or Tested Underpayment Option, as applicable, is made,

**Optional Redemption Date** has the meaning given to it in Condition 7 3(a) (*Optional Redemption of the Class A Notes in Full*) of the Notes,

**Ordinary Resolution** has the meaning given to it in paragraph 1 of Schedule 4 to the Trust Deed,

**Original LTV Ratio** means the ratio calculated by dividing the Total Debt Advanced by the Original Valuation,

**Original Valuation** means the property valuation at the time of the latest advance,

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

- (a) those Notes which have been redeemed in full and cancelled pursuant to the Conditions,
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest payable thereon) have been duly paid to the Note Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes,
- (c) those Notes which have been cancelled in accordance with Condition 7 8 (*Cancellation*) of the Notes,
- (d) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 9 (*Prescription*) of the Notes,
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Notes*) with respect to the Notes,

- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Note) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Notes*) with respect to the Notes, and
- (g) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant Class or for the Notes of the relevant Class in definitive form pursuant to its provisions,

provided that for each of the following purposes, namely

- (i) the right to attend and vote at any meeting of the Noteholders of any Class or Classes, an Ordinary Resolution in writing, a Written Resolution or an Electronic Consent as envisaged by paragraph 1 of Schedule 4 (Provisions for Meetings of Noteholders) to the Trust Deed and any direction or request by the holders of Notes of any Class or Classes,
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clauses 10 1 and 21 2 and Schedule 4 (Provisions for Meetings of Noteholders) to the Trust Deed and Conditions 10 (*Events of Default*), 11 (*Enforcement*) and 12 5 (*Additional Right of Modification*) of the Notes,
- (iii) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof, and
- (iv) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

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

**Overpayment Reserve** means a credit reserve on a Borrower's Mortgage Account relating to a Loan,

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

**Perfection** means the perfection of certain matters relating to the sale and purchase of the Portfolio as contemplated in, pursuant to and in accordance with Clause 6 (Perfection of the Sale) of the Mortgage Sale Agreement,

**Perfection Event** means each of the events set out in paragraphs (a) to (e) inclusive below

- (a) the Seller being required to (i) perfect transfer of legal title to the Loans and their Related Security by an order of a court of competent jurisdiction or (ii) by a regulatory authority which has jurisdiction over the Seller or (iii) by any organisation of which the Seller is a member, or whose members comprise (but are not necessarily limited to) mortgage lenders with whose instructions it is customary for the Seller to comply,
- (b) it becoming necessary by law to perfect legal title to the Loans and their Related Security,
- (c) the Security under the Deed of Charge or any material part of that Security being, in the opinion of the Security Trustee, in jeopardy and the Security Trustee being required by the Note Trustee (on behalf of the Noteholders) so long as any Notes are outstanding or the other Secured Creditors if no Notes are then outstanding to take action to reduce that jeopardy,
- (d) the Seller calling for Perfection by serving notice in writing to that effect on the Issuer and the Security Trustee, or
- (e) the occurrence of a Seller Insolvency Event,

**Performance Ratio** means in respect of the Fixed Interest Rate Swap and any calendar month the lesser of (a) X/Y and (b) 1, where

- X = the greater of (A) zero, and (B) the sum of all payments due in respect of the relevant Loans in the Portfolio being hedged pursuant to the Fixed Interest Rate Swap during that month less the increase in arrears (being the amount by which a Loan is in arrears for the current month less the amount by which it was in arrears during the previous month) for each relevant Loan in the Portfolio during that month
- Y = the sum of all payments due in respect of the relevant Loans in the Portfolio being hedged pursuant to the Fixed Interest Rate Swap during that month

**Permanent Global Note** means the permanent global notes obtained by exchanging interests in a Temporary Global Note on and after the date which is forty (40) days after the Closing Date, upon certification of non-U S beneficial ownership by the relevant Noteholder,

**Permitted Product Switch** means a Product Switch where

- (a) the relevant Borrower has made at least two Monthly Payments, in full, on its Loan,
- (b) the new loan for which the prior Loan is to be exchanged is either a Fixed Rate Loan or a SVR Loan but is not in any case an Interest-only Loan if prior to such Product Switch such Loan was not an Interest-only Loan , and
- (c) on the Monthly Test Date immediately following the making of the Product Switch, each of the Asset Conditions are satisfied,

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

**Pool Factor** has the meaning given in Condition 7 2(b) of the Notes,

**Portfolio** means the portfolio of Loans, Mortgages, Related Security and all rights, interest, benefit, income and payments therein including, for the avoidance of doubt, those set out in Clause 2.3 (Sale and Purchase of the Portfolio) of the Mortgage Sale Agreement sold to the Issuer by the Seller on the Closing Date and all monies derived therefrom from time to time (and includes all Further Advances, Product Switches and Underpayment Options sold to or retained by the Issuer),

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

**Portfolio Reconciliation Risk Mitigation Techniques** means the portfolio reconciliation risk mitigation techniques for OTC derivative transactions set out in Article 11(1)(b) of EMIR as supplemented by Article 13 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 and published on 23 February 2013 in the Official Journal of the European Union,

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

**PRA** means the Prudential Regulation Authority,

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

**Pre-Acceleration Priority of Payments** means the Pre-Acceleration Principal Priority of Payments and the Pre-Acceleration Revenue Priority of Payments,

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

**Presentation Date** has the meaning set out in Condition 6.5 (*No Payment on non-Business Day*) of the Notes,

**Principal Amount Outstanding** has the meaning set out in Condition 7.5 (*Principal Amount Outstanding*) of the Notes,

**Principal Amount Outstanding of the Class Z VFN** has the meaning set out in Condition 7.5 (*Principal Amount Outstanding*) of the Notes,

**Principal Deficiencies** has the meaning set out in paragraph 5.2 of Schedule 2 (Cash Management and Maintenance of Ledgers) to the Cash Management Agreement,

**Principal Deficiency Ledgers** means each of the Class A Principal Deficiency Ledger and the Class Z VFN Principal Deficiency Ledger maintained by the Cash Manager on behalf of the Issuer which records on it all deficiencies arising from Losses on the Portfolio. The Principal Deficiency Ledger will record as a debit deficiencies arising from Losses on the Portfolio and corresponding drawings from the Liquidity Reserve Fund (if established) and Principal Receipts used to pay a Revenue Deficiency and record as a credit Available Revenue Receipts applied pursuant to the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts),

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

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

**Principal Receipts** means (a) principal repayments under the Loans, (b) recoveries of principal from defaulting Borrowers under Loans being enforced (including the proceeds of sale of the relevant Property), (c) any payment pursuant to any insurance policy in respect of a Mortgaged Property in connection with a Loan in the Portfolio and (d) the proceeds of the repurchase of any Loan by the Seller (or, as applicable, YBS or one of its subsidiaries) from the Issuer pursuant to the Mortgage Sale Agreement (other than any amount representing Accrued Interest),

**Priority of Payments or Priorities of Payments** means the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments and the Post-Acceleration Priority of Payments,

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

**Processing** has the meaning given in the Data Protection Act (and Process shall be construed accordingly),

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

- (a) agreed with a Borrower to control or manage arrears on the Loan,
- (b) in the maturity date of the Loan (unless the maturity date would be extended to a date later than three years before the Final Maturity Date of the Notes in which case such variation will constitute a Product Switch),
- (c) imposed by statute,
- (d) in the rate of interest payable in respect of a Loan (provided that suitable hedging arrangements will be in place for such Loan for the term of such Loan, which, for Fixed Rate Loans will be compliant with the applicable Moody's and Fitch criteria at that time),
- (e) in the rate of interest payable (a) as a result of any variation in SVR or other applicable floating rates or (b) where the terms of the Mortgage change the rate of interest payable by a Borrower on termination of an interest discount for a fixed period of time or the terms of the Mortgage otherwise change the interest rate payable,

where in the case of (d) above, the notional of the Fixed Interest Rate Swap would be adjusted to take account of a change to or from a fixed or floating rate until the maturity of such Loan or Loans,

**Property** means a freehold, leasehold or commonhold property which is, in each case, subject to a Mortgage,

**Prospectus** means the prospectus dated 16 November 2016 in relation to the issue of the Notes and approved by the Central Bank,

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

**Purchase Price** means the Initial Consideration and the Deferred Consideration,

**Qualifying Noteholder** means

- (a) a person which is beneficially entitled to interest in respect of the Class Z VFN and is
  - (i) a company resident in the United Kingdom for United Kingdom tax purposes,
  - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Notes in computing the chargeable profits (for the purposes of Section 19 of the CTA 2009) of that company, or
  - (iii) a partnership each member of which is
    - (A) a company resident in the United Kingdom, or
    - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA 2009) the whole of any share of a payment of interest in respect of the Notes that is attributable to it by reason of Part 17 of the CTA 2009, or
- (b) a person which falls within any of the other descriptions in section 935 or 936 of the ITA 2007 and satisfies any conditions set out therein in order for the interest to be an excepted payment for the purposes of section 930 of the ITA 2007,

**Rate of Interest** has the meaning given in Condition 5.3 (*Rate of Interest*) of the Notes,

**Rating Agencies** means Fitch and Moody's,

**Rating Agency Tests** means tests which satisfy each of the following conditions as at the last day of the Monthly Period immediately preceding the relevant Monthly Test Date

- (a) for Further Advances, the weighted average Original LTV Ratio of the Loans in the Portfolio does not exceed 80 per cent ,
- (b) for Further Advances, the outstanding Current Balance of any Loans in the Portfolio (including the relevant Further Advances) with an Original LTV Ratio of more than 85 per cent does not exceed 20 per cent ,
- (c) for Further Advances, the Original LTV Ratio of each Loan is less than 90 per cent , and
- (d) in respect of any Loan which is the subject of a Tested Underpayment Option, the aggregate of the Overpayment Reserves in respect of all Loans comprising the Portfolio does not exceed 5 per cent of the Current Balance of the Loans comprised in the Portfolio as at day before the relevant Monthly Test Date,

**Ratings Confirmation** means a confirmation from the Rating Agencies that certain actions proposed to be taken by the Issuer and/or the Security Trustee and/or the Note Trustee will not have an adverse effect on the then current ratings of the Class A Notes,

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

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

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

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

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

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

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

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

**Related Security** means, in relation to a Loan, the security granted for the repayment of that Loan by the relevant Borrower including the relevant Mortgage and all other matters applicable thereto acquired as part of any Portfolio sold to the Issuer pursuant to the Mortgage Sale Agreement including (without limitation):

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent) from occupiers and other persons having an interest in or rights in connection with the relevant Property,
- (b) each right of action of the Seller against any person (including, without limitation, any solicitor, licensed conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan, and
- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (including, the relevant Buildings Insurance Policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and relevant Loan Files,



**Released Loans** has the meaning given to that term in Clause 9.1 (Guarantee) of the Mortgage Sale Agreement,

**Relevant Company** means any party to any Transaction Document,

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

**relevant entity** means a UK-incorporated institution with permission to accept deposits pursuant to Part IV of the Financial Services and Markets Act 2000,

**Relevant Margin** means

- (a) in respect of the Class A Notes, prior to the Step-Up Date 0.50% per annum and on and after the Step-Up Date 1.50% per annum (the **Class A Margin**), and
- (b) in respect of the Class Z VFN, 0% per annum (the **Class Z VFN Margin**),

**Relevant Payment Date** has the meaning given to that term in Clause 11.1 (Resignation) of the Agency Agreement,

**Relevant Screen Rate** means the arithmetic mean of offered quotations for one-month Sterling deposits (or, with respect to the first Interest Period the rate which represents the linear interpolation of LIBOR for two month and three-month deposits in Sterling) in the London interbank market displayed on the Reuters Screen page LIBOR01 (or such replacement page on that service which displays the information) or, if that service ceases to display the information, such other screen service as may be determined by the Issuer with the approval of the Note Trustee,

**Replacement Swap Premium** means, in respect of the Fixed Interest Rate Swap, an amount received by the Issuer from a replacement swap provider upon entry by the Issuer into a swap transaction with such replacement swap provider to replace such Fixed Interest Rate Swap,

**Reporting Regulations** means any regulations made under section 222 of the Finance Act 2013,

**Revenue Deficiency** means the shortfall between the amount required to pay items (a) to (f) of the Pre-Acceleration Revenue Priority of Payments and the aggregate of items (a) to (h) less (i) plus (j) of the definition of Available Revenue Receipts, which is calculated by the Cash Manager on each Calculation Date,

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

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

**Right to Buy Loan or RTB Loan** means a Loan in respect of a Property made in whole or in part to a Borrower for the purpose of enabling that Borrower to exercise his right to buy the relevant

Property under the Housing Act 1985 and the Housing Act 1996 (each as amended and updated from time to time),

**Secured Creditors** means the Security Trustee, the Note Trustee, the Noteholders, the Seller, the Servicer, the Back-Up Servicer Facilitator, the Cash Manager, the Interest Rate Swap Provider and any replacement interest rate swap provider, the Account Bank, the GIC Provider, the Swap Collateral Account Bank, the Corporate Services Provider, the Paying Agents, the Class Z VFN Registrar, the Agent Bank and any other person who is expressed in the Deed of Charge or any deed supplemental to the Deed of Charge to be a secured creditor,

**Secured Obligations** means any and all of the monies and liabilities which the Issuer covenants and undertakes to pay or discharge under Clause 2 (Issuer's Covenant to Pay) of the Deed of Charge and all other amounts owed by it to the Secured Creditors under and pursuant to the Transaction Documents,

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

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

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

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

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

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

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

**Seller Arranged Policy** means any Buildings Insurance Policy arranged by the Seller for the purposes of the Borrower insuring the Property for an amount equal to the full rebuilding cost of the Property,

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

- (a) an order is made or an effective resolution passed for the winding up of the Seller, or
- (b) the Seller stops or threatens to stop payment to its creditors generally or the Seller ceases or threatens to cease to carry on its business or substantially the whole of its business, or
- (c) an encumbrancer takes possession or a receiver, administrator, administrative receiver or other similar officer is appointed to the whole or any material part of the undertaking, property and assets of the relevant entity or a distress, diligence or execution is levied or enforced upon or sued out against the whole or any material part of the chattels or property

of the Seller and, in the case of any of the foregoing events, is not discharged within thirty (30) days, or

(d) the Seller is unable to pay its debts as they fall due,

**Seller Power of Attorney** means the power of attorney granted by the Seller in favour of the Issuer and the Security Trustee on the Closing Date substantially in the form set out in Schedule 3 (Seller Power of Attorney) to the Mortgage Sale Agreement,

**Seller Standard Variable Rate** means the relevant standard variable rate set by the Seller in relation to applicable Standard Variable Rate Loans (other than Fixed Rate Loans) beneficially owned by the Seller outside the Portfolio,

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

**Servicer** means YBS or such other person as may from time to time be appointed as servicer of the relevant Loans in the Portfolio pursuant to the Servicing Agreement,

**Servicer Report** means a report to be provided by the Servicer on or prior to each Monthly Pool Date and detailing the information relating to the Portfolio necessary to produce the Investor Report,

**Servicer Termination Event** means any of the events listed in Clause 19 (Termination) of the Servicing Agreement,

**Servicer Termination Notice** means a notice given by the Security Trustee to terminate the Servicer's appointment following a Servicer Termination Event,

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

**Servicing Agreement** means the agreement entered into on or about the Closing Date between the Servicer, the Issuer, the Security Trustee, the Back-Up Servicer Facilitator and the Seller pursuant to which the Servicer agrees to service the relevant Loans and their Related Security sold to the Issuer by the Seller in the Portfolio (as the same may be further amended, restated, varied, supplemented, replaced and/or novated from time to time),

**Servicing Fee** has the meaning given in Clause 11.1 of the Servicing Agreement,

**Share Trust Deed** means the declaration of trust dated 3 September 2015 pursuant to which the Share Trustee holds the beneficial interest in the share of Holdings on trust for certain discretionary purposes,

**Share Trustee** means Wilmington Trust SP Services (London) Limited (registered number 02548079), a private limited company incorporated under the laws of England and Wales, whose registered office is at Third Floor, 1 King's Arms Yard, London EC2R 7AF,

**Solvency II Delegated Act** means the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance,

**Solvency II Requirement** means Article 254 of the Solvency II Delegated Act,

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

**Standard Documentation** means the standard documentation, a list of which is set out in Exhibit 1 to the Mortgage Sale Agreement, or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender,

**Standard Variable Rate Loans, SVR Loans or Variable Rate Loans** means those Loans or any sub-account(s) of such Loan to the extent that and for such period that their Mortgage Conditions provide that they are subject to a rate of interest which may at any time be varied in accordance with the relevant Mortgage Conditions and referencing the Standard Variable Rate (and shall, for the avoidance of doubt, exclude Loans or any sub-account(s) of such Loan during the period that they are Fixed Rate Loans),

**Standard Variable Rates or SVR** means the Seller Standard Variable Rates and/or the Issuer Standard Variable Rates, as the context may require,

**Step-Up Date** means the Interest Payment Date falling on 16 November 2021,

**Sterling Interest Determination Date** means the first day of the Interest Period for which the rate will apply,

**Sterling LIBOR** means the London Interbank Offered Rate for Sterling deposits,

**Sterling Notes** means the Class A Notes and the Class Z VFN,

**Subscription Agreement** means the subscription agreement entered into by the Seller, YBS, the Arranger, the Joint Lead Managers and the Issuer on 16 November 2016,

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

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

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

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

**SVR Accrual Amount** means the amount of interest accruing on a SVR Loan in any month calculated using the rate of interest then chargeable in relation to such SVR Loan,

**SVR Contractual Difference Amount** means, in respect of a SVR Loan and any month in relation to which the Borrower has paid the SVR Fixed Monthly Amount for such SVR Loan in such month, the amount (if any) by which the SVR Accrual Amount is greater than the SVR Fixed Monthly Amount in respect of such SVR Loan,

**SVR Fixed Monthly Amount** means the fixed monthly amount paid by a Borrower in respect of a SVR Loan,

**Swap Collateral** means an amount equal to the value of collateral (other than Excess Swap Collateral) provided by the Interest Rate Swap Provider to the Issuer in support of its obligations under the Interest Rate Swap Agreement, and includes any interest and distributions in respect thereof,

**Swap Collateral Account** means an account (including a cash and/or a securities account) opened by the Issuer with the Swap Collateral Account Bank for the purposes of depositing any collateral to be posted by the Interest Rate Swap Provider pursuant to the terms of the Interest Rate Swap Agreement,

**Swap Collateral Account Bank** means Elavon Financial Services DAC, acting through its UK Branch, and any successor or other party (if any), in each case acting in their capacity as swap collateral account bank pursuant to the Swap Collateral Account Bank Agreement,

**Swap Collateral Account Bank Rating** means a short-term issuer default rating of at least F1 or a long-term issuer default rating of at least A by Fitch and a long-term bank deposit rating of at least A3 by Moody's (or (i) such other rating which is consistent with the then current rating methodology of the relevant Rating Agency or (ii) such other lower rating that the Cash Manager certifies in writing to the Note Trustee and the Security Trustee would not have an adverse effect on the ratings of the Class A Notes or (iii) such other lower rating as the Note Trustee may (but shall not be obliged to) agree),

**Swap Collateral Account Bank Agreement** means an agreement between the Issuer, the Security Trustee, the Cash Manager and the Swap Collateral Account Bank, pursuant to which the Issuer will open one or more Swap-Collateral Accounts with the Swap Collateral Account Bank,

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

**Swap Tax Credits** means any credit, allowance, set-off or repayment in respect of tax received by the Issuer from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Interest Rate Swap Provider to the Issuer,

**Switch Date** means the day on which the Product Switch is made,

**Tax Certificate** means the tax certificate substantially in the form set out in Schedule 1 (Form of Tax Certificate) of the Agency Agreement,

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

**Temporary Global Note** means a temporary global note in the form or substantially in the form set out in Schedule 1 (Form of Temporary Global Note) to the Trust Deed,

**Tested Underpayment Option** means any Underpayment Option in an amount greater than £25,

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

- (a) payments of certain insurance premiums provided that such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts,
- (b) amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account,
- (c) payments by the Borrower of any fees (including Early Repayment Fees) and other charges which are due to the Seller, and
- (d) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower or the Seller,

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

**Third Party Collection Agent** means an entity that shall act as collection agent for the Issuer under the Direct Debiting Scheme or any successor to that scheme pursuant to Clause 5 1(a)(i) of the Servicing Agreement,

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

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

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

**Title Insurance Policy** means each of the title insurance policies set out in the Mortgage Sale Agreement together with, in each case, any other insurance policies in replacement, addition or substitution thereof or thereto from time to time which relate to the Loans, together with, in each case, any other insurance policies in replacement, addition or substitution thereof or thereto from time to time which relate to the Loans,

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

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

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

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

**Transaction Documents** means the following documents

- (a) the Servicing Agreement,
- (b) the Agency Agreement,
- (c) the Bank Account Agreement,
- (d) the Guaranteed Investment Contract,
- (e) the Cash Management Agreement,
- (f) the Corporate Services Agreement,
- (g) the Deed of Charge (and each document entered into pursuant thereto),
- (h) the Interest Rate Swap Agreement,
- (i) the Swap Collateral Account Bank Agreement,
- (j) the Issuer Power of Attorney,
- (k) this Master Definitions and Construction Schedule,
- (l) the Mortgage Sale Agreement,
- (m) the Seller Power of Attorney, and
- (n) the Trust Deed,

and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes,

**Trust Corporation** means a corporation entitled by rules made under the Public Trustee Act 1906 to carry out the functions of a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation,

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

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

**UK Regulator** means

- (c) in respect of the period before 1 April 2013, the FSA, and
- (d) in respect of the period on or after 1 April 2013
  - (i) the FCA, or
  - (ii) the PRA and the FCA,

as applicable,

**UK Regulator's Rules** means the rules made by the UK Regulator under the FSMA,

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

**Underpayment Option** means the ability of a Borrower for as long as there is an Overpayment Reserve in respect of its Loan to make an underpayment which is less than the amount of its monthly repayment in respect of such Loan,

**Unindexed LTV** means the ratio (expressed as a percentage) of the Current Balance of the relevant Loan divided by the latest recorded valuation of the relevant Property,

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

**United States** means the United States of America,

**Unpaid Amounts** means the sum of all amounts due and payable between the Interest Rate Swap Provider and the Issuer on or prior to the Early Termination Date (as defined in the Interest Rate Swap Agreement) and which remain unpaid as at such Early Termination Date,

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

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

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

**Voting Certificate** has the meaning given to it in paragraph 1 of Schedule 4 (Provisions for Meetings of Noteholders) to the Trust Deed,

**Written Resolution** has the meaning given to it in paragraph 1 of Schedule 4 (Provisions for Meetings of Noteholders) of the Trust Deed,

**YBS** means Yorkshire Building Society, a building society incorporated under the Building Societies Act 1986, and

**YBS Group** means YBS, together with its consolidated subsidiaries undertakings from time to time