



**Registration of a Charge**

Company name: **TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC**

Company number: **10462258**



X5LUQL5S

Received for Electronic Filing: **14/12/2016**

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**Details of Charge**

Date of creation: **13/12/2016**

Charge code: **1046 2258 0001**

Persons entitled: **U.S. BANK TRUSTEES LIMITED (AND ITS SUCCESSORS IN TITLE AND PERMITTED TRANSFEREES)**

Brief description:

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL  
INSTRUMENT.**

Certified by:

**LINKLATERS LLP**



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

Company number: 10462258

Charge code: 1046 2258 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th December 2016 and created by TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th December 2016 .

Given at Companies House, Cardiff on 15th December 2016

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



**Companies House**



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

**EXECUTION VERSION**

Dated 13 December 2016

**CERBERUS EUROPEAN RESIDENTIAL HOLDINGS B.V.**

and

**ELAVON FINANCIAL SERVICES DESIGNATED ACTIVITY COMPANY, UK  
BRANCH**

and

**U.S. BANK TRUSTEES LIMITED**

and

**TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC**

and

**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

and

**WELLS FARGO BANK, N.A., LONDON BRANCH**

and

**PEPPER (UK) LIMITED (TRADING AS ENGAGE CREDIT)**

and

**HOMELoAN MANAGEMENT LIMITED**

and

**BARCLAYS BANK PLC**

**DEED OF CHARGE**

**Linklaters**

Ref: L-254283

Linklaters LLP

*Certified that, save for  
material redacted pursuant  
to section 859G of the  
Companies Act, 2006, this copy  
instrument is a correct copy  
of the original instrument  
Linklaters LLP  
13/12/2016*

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**This Deed of Charge** is made on 13 December 2016 **between:**

- (1) **CERBERUS EUROPEAN RESIDENTIAL HOLDINGS B.V.** (registered number 62579533), a company incorporated under the laws of The Netherlands, with its registered office at Oude Utrechtseweg 32, 3743 KN Baarn, The Netherlands (the **"Seller"** and **"Retention Holder"**);
- (2) **ELAVON FINANCIAL SERVICES DESIGNATED ACTIVITY COMPANY, UK BRANCH** a designated activity company limited by shares registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered branch number BR009373), from its offices at Fifth Floor, 125 Old Broad Street, London EC2N 1AR (the **"Cash Manager"**, **"Issuer Account Bank"**, **"Principal Paying Agent"**, **"Registrar"** and **"Agent Bank"**);
- (3) **U.S. BANK TRUSTEES LIMITED** (registered number 2379632), a private limited liability company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (acting in its capacity as the **"Note Trustee"** for the Noteholders and the Certificateholders and the **"Security Trustee"** for the Secured Creditors, which expressions include such company and all other persons or companies for the time being note trustee(s) and/or security trustee(s) under the Transaction Documents);
- (4) **TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC** (registered number 10462258), 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"**);
- (5) **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED** (registered number 2548079), a private limited company 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"**, the **"Share Trustee"** and **"Back-Up Servicer Facilitator"**);
- (6) **WELLS FARGO BANK, N.A., LONDON BRANCH**, a national banking association organised under the laws of the United States with its head office at 420 Montgomery Street, San Francisco, CA 94104, USA, registered with the U.S. Office of the Comptroller of the Currency under charter number 1, registered with the UK's Companies House under number FC026633 and authorised by the Prudential Regulation Authority in the UK, and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority, as lender (the **"Liquidity Facility Provider"**);
- (7) **PEPPER (UK) LIMITED (TRADING AS ENGAGE CREDIT)**, a company incorporated under the laws of England and Wales with registered number 06548489, whose registered office is at Harman House, 1 George Street, Uxbridge, London UB8 1QQ (the **"Servicer"**);
- (8) **HOMELoAN MANAGEMENT LIMITED**, a company incorporated under the laws of England and Wales with registered number 02214839, whose registered office is at The Pavilions, Bridgwater Road, Bristol, Avon, BS13 8AE (the **"Back-Up Servicer"**); and
- (9) **BARCLAYS BANK PLC** (registered number 01026167), whose registered office is at 1 Churchill Place, London E14 5HP (as **"Collection 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 and the Certificates pursuant to the Trust Deed.
- (C) Pursuant to the terms of the Mortgage Sale Agreement, the Seller has agreed to sell its interest in the Portfolio to the Issuer.
- (D) Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to act as servicer and to service the Portfolio on behalf of the Issuer.
- (E) Pursuant to the terms of 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) Pursuant to the terms of the Bank Account Agreement, the Issuer Account Bank has agreed to provide certain bank account services to the Issuer in respect of the Issuer Accounts.
- (G) Pursuant to the terms of the Agency Agreement, the Agents have agreed to provide certain agency services on behalf of the Issuer for the benefit of the Noteholders and the Certificateholders.
- (H) Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider has agreed to act as corporate services provider to the Issuer and Holdings.
- (I) Pursuant to the terms of the Liquidity Facility Agreement, the Liquidity Facility Provider has agreed to make available to the Issuer a revolving credit facility and a standby facility to finance an Uncovered Shortfall.
- (J) The Issuer has agreed to provide the Security Trustee with the benefit of the Security described in this Deed to secure the Secured Obligations. The Security Trustee shall hold the benefit of such Security on trust for itself and the other Secured Creditors on the terms set out in this Deed.

It is hereby agreed as follows:

## **1 Interpretation**

### **1.1 Definitions**

The master definitions and construction schedule made between, amongst others, the parties hereto on or about the date of this Deed (as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto, the “**Master Definitions and Construction Schedule**”) is expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the Recitals hereto and this Deed shall be construed in accordance with the interpretation provisions set out in clause 2 (*Interpretation and Construction*) of the Master Definitions and Construction Schedule. Clauses 1 (*Definitions*) and 2 (*Interpretation and Construction*) of the Master Definitions and Construction Schedule are set out for information purposes in Schedule 6 (*Definitions*) hereto. In the event of an inconsistency between the Master Definitions and Construction Schedule and Schedule 6 (*Definitions*) hereto, the Master Definitions and Construction Schedule prevails to the extent of the inconsistency.



## 1.2 Construction

In this Deed, except where the context otherwise requires:

- (a) This Deed shall be construed in accordance with the interpretation provisions set out in clause 2 (*Interpretation and Construction*) of the Master Definitions and Construction Schedule.
- (b) The terms of the Trust Deed, the Master Definitions and Construction Schedule and any other agreement in existence at the date hereof between the parties hereto in relation to any such documents are incorporated in this Deed to the extent required to ensure that any proposed disposition of the Charged Assets contained in this Deed is a valid disposition in accordance with Section 2(1) of the LP (MP) Act or Section 2 of the Statute of Frauds 1695 (as applicable).
- (c) A reference in this Deed to any property, assets, undertakings or rights includes, unless the context otherwise requires, present and future property, assets, undertakings or rights.
- (d) **"This Deed"** means this Deed of Charge and all the Schedules hereto (as from time to time modified and/or supplemented in accordance with the provisions set out herein) and/or each other document or deed (including each Scottish Trust Security and each Scottish Sub-Security) entered into pursuant hereto (as from time to time modified and/or supplemented as aforesaid) and/or expressed to be supplemental hereto.
- (e) Any reference to a document (including a Transaction Document or a Charged Document) shall be construed as a reference to that document as the same may have been, or may from time to time be, amended, varied, novated, replaced or supplemented in accordance with its terms and the terms of the Transaction Documents.
- (f) All references in the Transaction Documents involving compliance by the Security Trustee with a test of reasonableness shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference to the interests of the Noteholders and the Certificateholders, or if there are no Notes then outstanding and the Certificates have been cancelled, the interests of all of the other Secured Creditors.
- (g) Any covenant of or undertaking by the Issuer under this Deed (other than a payment obligation) shall remain in force during the Security Period.
- (h) Unless the context otherwise requires, a reference to a Charged Asset includes the proceeds of sale of that Charged Asset.
- (i) The term **"full title guarantee"** will be construed in accordance with the LP (MP) Act but so that the covenants implied by the LP (MP) Act in respect of the Security do not include:
  - (i) the words "other than any charges, encumbrances or rights which that person does not and could not reasonably be expected to know about" in section 3(1)(b) of the LP (MP) Act; and
  - (ii) section 6(2) of the LP (MP) Act.

- (j) The term “as beneficial owner” will be construed within the meaning of section 7 of the Conveyancing and Law of Property Act 1881 in relation to any Northern Irish Loans, their Related Security and/or any other assets or rights situated in or governed by the laws of Northern Ireland.

## **2 Issuer’s Covenant to Pay**

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

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

## **3 Security and Declaration of Trust**

### **3.1 Contractual Rights**

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

### **3.2 English Loans, Northern Irish Loans and their Related Security**

The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, as the registered owner or as the person entitled to be registered as owner and subject to Clause 4 (*Release of Charged Assets*), hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the English Loans, Northern Irish Loans and their Related Security and all other related rights under the same, and without limitation, all monies assured by or to become payable under the same and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same and the Title Deeds and documents relating to the Properties situated in England and Wales and Northern Ireland (respectively) and the English Loans and

Northern Irish Loans from time to time comprised in the Portfolio, including (without prejudice to the generality of the foregoing) any Deeds of Consent, consents, Deeds of Postponements, postponements, reports, Valuation Reports, valuations, opinions, Certificates of Title, certificates and other statements of fact or opinion or both given in connection with the English Loans and/or Northern Irish Loans from time to time comprised in the Portfolio (and all causes and rights of action of the Issuer against any person in connection with the same) and any other contractual documents or any security documents in either case setting out the terms of such English Loans and/or Northern Irish Loans or their Related Security, to hold the same unto the Security Trustee absolutely.

### **3.3 Insurance Policies**

The Issuer, by way of first fixed security for the payment and discharge of the Secured Obligations, (as beneficial owner) and subject to Clause 4 (*Release of Charged Assets*), hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Insurance Policies to the extent that such rights, title, interest and benefit in, to and under the Insurance Policies have been assigned to the Issuer pursuant to the Mortgage Sale Agreement, and including all amounts which may become payable thereunder and the benefit of all covenants, undertakings and rights relating thereto and all powers and remedies for enforcing the same, to hold the same unto the Security Trustee absolutely.

### **3.4 Scottish Sub-Securities**

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

- (a) upon the delivery to it of any SLR Transfer from the Legal Title Holder pursuant to clause 7 (*Perfection*) of the Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the payment and discharge of the Secured Obligations a Scottish Sub-Security substantially in the form set out in Schedule 3 (*Form of Scottish Sub-Security (Land Register)*) to this Deed in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages (and the Scottish Loans secured thereby) to which the Issuer is entitled in terms of such SLR Transfer;
- (b) upon the delivery to it of any Sasine Transfer from the Legal Title Holder pursuant to clause 7 (*Perfection*) of the Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the payment and discharge of the Secured Obligations a Scottish Sub-Security substantially in the form set out in Schedule 4 (*Form of Scottish Sub-Security (Sasine Register)*) to this Deed (as applicable) in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages (and the Scottish Loans secured thereby) to which the Issuer is entitled in terms of such Sasine Transfer;
- (c) at the time of delivery of any Scottish Sub-Security in accordance with the preceding provisions of this Clause 3.4 simultaneously to deliver to the Security Trustee the relevant SLR Transfer or the relevant Sasine Transfer (as applicable) pertaining to the Scottish Mortgages specified in that Scottish Sub-Security unless such SLR Transfer or Sasine Transfer as applicable is held by Registers of Scotland;

- (d) if and when called upon to do so by the Security Trustee (but subject to the provisions of the Mortgage Sale Agreement), to use all reasonable endeavours and to take all such steps as are necessary to complete and perfect legal title to the Scottish Loans and their Related Security from time to time comprised in the Portfolio, including the registration or recording of the Issuer as heritable creditor under such Scottish Mortgages at the Land Register of Scotland or the General Register of Sasines and intimation thereof to the relevant Mortgage Borrowers; and
- (e) if and when called upon to do so by the Security Trustee, to use all reasonable endeavours to execute and deliver such documents, and in such form, and to take such other steps as the Security Trustee shall reasonably consider necessary to enable the Security Trustee to obtain and perfect a first ranking heritable security over the Scottish Mortgages relating to Scottish Loans from time to time comprised in the Portfolio and a first ranking fixed security over the rights, title and interest of the Issuer in and to the other Related Security relating to Scottish Loans from time to time comprised in the Portfolio and all sums secured thereby.

### **3.5 Scottish Trust Security**

- (a) The Issuer undertakes forthwith upon the execution and delivery of the Scottish Trust Transfer, to execute and deliver to the Security Trustee a Scottish Trust Security substantially in the form set out in Schedule 5 (*Form of Scottish Trust Security*) to this Deed. The other parties to this Deed consent to the entering into of such Scottish Trust Security and the Security Trustee authorises and instructs the Issuer to intimate and give notice to the Legal Title Holder (as trustee under the Scottish Declaration of Trust) of the assignation in security made thereunder as provided therein.
- (b) The Issuer undertakes to the Security Trustee to deliver to the Security Trustee following written request by the Security Trustee the Scottish Declaration of Trust and the Scottish Trust Transfer. To the extent that the Legal Title Holder is holding any of the Scottish Trust Property to which the Scottish Declaration of Trust relates as trustee for parties other than the Issuer the Security Trustee shall make the Scottish Declaration of Trust available to such third parties but only in so far as relating to or for the purpose of such Scottish Trust Property.

### **3.6 Issuer Accounts**

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

### **3.7 Collection Account Trust**

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

security (and to the extent not assigned, charges by way of first fixed charge) (but subject to the right of reassignment) to the Security Trustee all of its rights, title, interest and benefit, present and future, under or in respect of the Collection Account Declaration of Trust (created pursuant to the Collection Account Declaration of Trust and the Issuer's accession thereto).

### **3.8 Trusts under the Mortgage Sale Agreement and Servicing Agreement**

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

### **3.9 Authorised Investments**

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

### **3.10 Floating Charge**

The Issuer, by way of first floating security for the payment or discharge of the Secured Obligations, subject to Clause 4 (*Release of Charged Assets*), hereby charges to the Security Trustee by way of first floating charge the whole of its undertaking and all its property and assets, rights and revenues, whatsoever and wheresoever, both present and future, other than its share capital but including its uncalled capital, other than any property or assets from time to time or for the time being the subject of fixed charges pursuant to Clauses 3.1 (*Contractual Rights*) to 3.3 (*Insurance Policies*) (inclusive), 3.6 (*Issuer Accounts*), 3.7 (*Collection Account Trust*), 3.8 (*Trusts under the Mortgage Sale Agreement and Servicing Agreement*) and 3.9 (*Authorised Investments*) or otherwise effectively assigned by way of security or charged by way of fixed security, but excluding from the foregoing exclusion all of its property, assets, rights and revenues situated in Scotland or governed by Scots law (all of which are charged by the floating charge hereby created whether or not the subject of fixed charges or otherwise effectively assigned or charged as aforesaid). The floating charge created hereby is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 of the Insolvency Act and accordingly paragraph 14 of Schedule B1 of the Insolvency Act applies to the floating charges created hereby.

### **3.11 Full Title Guarantee**

Each of the dispositions, assignments or assignations of or charges or securities over property effected in or pursuant to Clauses 3.1 (*Contractual Rights*) to 3.10 (*Floating*

*Charge*) (inclusive) is made with Full Title Guarantee or, in relation to Scottish Loans and their Related Security with absolute warrandice or, in relation to Northern Irish Loans or their Related Security and/or any other assets or rights situated in or governed by the laws of Northern Ireland, as beneficial owner.

### **3.12 Further Acquired Rights**

Subject to Clauses 3.4 (*Scottish Sub-Securities*) and 3.5 (*Scottish Trust Security*), it is hereby confirmed that reference herein to Loans, 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 Clauses 3.1 (*Contractual Rights*) to 3.9 (*Authorised Investments*) (inclusive) are, and are intended to be, specific and fixed assignments by way of security of, or specific and fixed charges over (as the case may be), the items to which they relate, both present and future acquired.

### **3.13 Notice and Acknowledgement**

- (a) The execution of this Deed by the Issuer and each Secured Creditor constitutes irrevocable notice in writing to each Secured Creditor of the assignment of all of the Issuer's rights, title, interest and benefit, present and future in, to and under the Transaction Documents charged under Clause 3.1 (*Contractual Rights*) (the "**Charged Documents**") and the execution of this Deed by each of the Secured Creditors shall constitute an express acknowledgement by each of them of such conveyances, transfers, charges and assignments and other Security Interests made or granted by the foregoing provisions of this Clause 3 and Clause 2 (*Issuer's Covenant to Pay*). The Issuer authorises and instructs each of the Secured Creditors, following the service of an Enforcement Notice on the Issuer, in relation to the Issuer's rights (but not its obligations) under the relevant Charged Document(s), to deal with the Security Trustee without reference to the Issuer.
- (b) Each Secured Creditor (other than the Security Trustee) acknowledges and consents to the assignment referred to in paragraph (a) above and confirms that:
  - (i) following the service of an Enforcement Notice on the Issuer, it will deal only with the Security Trustee in relation to the Issuer's rights (but not its obligations) under the Charged Document(s) without any reference to the Issuer; and
  - (ii) as of the date of this Deed it has not received from any other person notice of any assignment or charge of any Charged Document.
- (c) Each Secured Creditor (other than the Security Trustee) acknowledges the Security and covenants with and undertakes to the Security Trustee not to do anything inconsistent with the Security or knowingly to prejudice that Security or any of the Charged Assets (or the Security Trustee's interest in such property) provided that, subject to Clause 22 (*Exercise of Certain Rights*), this Deed does not limit the rights or obligations of any of the Secured Creditors exercisable or to be performed in accordance with and subject to the terms of any of the Transaction Documents.

### **3.14 Charged Documents**

Prior to the Security created by or pursuant to this Deed becoming enforceable, the Issuer is entitled to exercise, or refrain from exercising, all rights, powers, authorities, discretions and remedies of the Issuer under or in respect of the Transaction Documents referred to in Clause 3.1 (*Contractual Rights*) in such manner as the Issuer in its absolute discretion shall think fit (but subject to and in accordance with any other express provisions of the Transaction Documents).

### **3.15 Notice of Transaction Documents**

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

### **3.16 Payments to the Issuer**

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

### **3.17 Declaration of Trust**

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

### **3.18 General**

- (a) All the Security:
  - (i) is created in favour of the Security Trustee for itself and as trustee on behalf of the other Secured Creditors;
  - (ii) is (so far as permitted by applicable law) created over the present and future assets of the Issuer;
  - (iii) is security for the payment or discharge of the Secured Obligations; and
  - (iv) is made with Full Title Guarantee or, where applicable, as beneficial owner or with absolute warrandice.
- (b) The term "all of its rights" as used in this Clause 3 includes, unless the context requires otherwise:
  - (i) the benefit of all covenants, undertakings, representations, warranties and indemnities;
  - (ii) all powers and remedies of enforcement and/or protection;

- (iii) all rights to receive payment of all amounts assured or payable (or to become payable), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable; and
- (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof,

in each case, in respect of the relevant Charged Assets.

## **4 Release of Charged Assets**

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

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

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

On proof being given to the satisfaction of the Security Trustee as to the full, final, irrevocable and unconditional payment or discharge of all the Secured Obligations, the Security Trustee, at the written request and cost of the Issuer, shall release, reassign, reconvey 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 3.9 (*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, reconvey or discharge the Security Interests constituted by this Deed from the relevant Authorised Investments, without recourse, representation or warranty, provided that the proceeds of such disposal are paid into an account charged pursuant to Clause 3.6 (*Issuer Accounts*) in accordance with Clause 6.4 (*Authorised Investments*) from which the monies to make such Authorised Investments were originally drawn, subject to and in accordance with the provisions of the Bank Account Agreement, the Cash Management Agreement and this Deed.

### **4.4 On Withdrawals from Issuer Accounts**

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



#### **4.5 Repurchase or Sale of Loans**

In the event of:

- (a) any repurchase of Loans and their Related Security by the Seller or the Retention Holder; or
- (b) any sale of Loans and their Related Security pursuant to the Deed Poll,

pursuant to and in accordance with the Transaction Documents, such Loans and their Related Security shall no longer form part of the Portfolio and shall, to the fullest extent possible under applicable law, be automatically released from the Security Interests created under or pursuant to this Deed (including but not limited to the Scottish Trust Security) and the Security Trustee shall, if so requested in writing by the Issuer (at the sole cost and expense of the Issuer), release, reassign, reconvey, retrocess or discharge those Loans and their Related Security from the Security Interests created hereunder or pursuant to this Deed (including but not limited to the Scottish Trust Security) in respect thereof and shall enter into any such further documents as may be required to give effect to such release, reassignment, reconveyance, retrocession or discharge on or prior to the date of any such repurchase provided that the Issuer shall have provided to the Security Trustee a certificate from a director of the Issuer (or an Authorised Signatory of the Cash Manager on behalf of the Issuer) that such sale of Loans and their Related Security has been made in accordance with the terms of the Transaction Documents and that the purchase price in respect of such repurchased Loans and their Related Security has been received into the Deposit Account.

### **5 Continuance of Security**

#### **5.1 Continuing Security**

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

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

#### **5.2 Acknowledgement**

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

### **5.3 Accession of New Secured Creditors**

The parties hereto agree and acknowledge that an entity (including, but not limited to any new Account Bank, Servicer or new Liquidity Facility Provider) may become a Secured Creditor and accede to the terms of this Deed by execution of a Deed of Charge Accession Undertaking with the Issuer and the Security Trustee, in the form scheduled to Schedule 2 (*Form of Deed of Charge Accession Undertaking*) to this Deed and the parties hereto shall agree to take such action as may be necessary to ensure that such entity becomes a Secured Creditor and accedes to the terms of this Deed of Charge and, if required, any other Transaction Documents.

## **6 Payments out of the Issuer Accounts, Authorised Investments and Application of Cash Prior to Enforcement**

### **6.1 Following service of an Enforcement Notice**

No payment, transfer or withdrawal from the Issuer Accounts may be made under this Clause 6 at any time after an Enforcement Notice has been served on the Issuer other than with the prior written consent of the Security Trustee or in accordance with Clause 7.1(b) (*After an Enforcement Event*) (as the case may be).

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

Notwithstanding the security rights created by or pursuant to Clause 3 (*Security and Declaration of Trust*), for so long as no Enforcement Notice has been served, the Cash Manager, on behalf of the Issuer, shall withdraw, or shall instruct the Issuer Account Bank, or cause the Issuer Account Bank to be instructed, to withdraw (unless the intended recipient of the relevant payment agrees otherwise and subject to the terms of the Cash Management Agreement) monies from the relevant Issuer Accounts on each Interest Payment Date (subject to Clause 6.3 (*Payments under the Cash Management Agreement and the Bank Account Agreement*)) to be applied in accordance with the Pre-Enforcement Ledgers Priority of Payments, Pre-Enforcement Revenue Priority of Payments or the Pre-Enforcement Redemption Priority of Payments, each as set out in Schedule 2 (*Cash Management and Maintenance of Ledgers*) to the Cash Management Agreement except that any Standby Loans credited to the Liquidity Standby Ledger shall only be applied in accordance with clause 6 (*Liquidity Facility*) of, and paragraph 6.2 of Schedule 2 (*Cash Management and Maintenance of Ledgers*) to, the Cash Management Agreement.

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

Notwithstanding the Security Interests created by or pursuant to Clause 3 (*Security and Declaration of Trust*), for so long as no Enforcement Notice has been served, the Cash Manager, on behalf of the Issuer, shall withdraw, or shall instruct the Issuer Account Bank, or cause the Issuer Account Bank to be instructed, to withdraw (unless the intended recipient of the relevant payment agrees otherwise and subject to the terms of the Cash Management Agreement) monies from the relevant Issuer Accounts (but only to the extent that such withdrawal does not cause the applicable Issuer Account to become overdrawn) for application on any Business Day in (a) investing in Authorised Investments and (b) making any payments due to be made subject to and in accordance with the Cash Management Agreement and the Bank Account Agreement except that any Standby Loans credited to the Liquidity Standby Ledger shall only be applied in accordance with clause 6

(*Liquidity Facility*) of, and paragraph 6.2 of Schedule 2 (*Cash Management and Maintenance of Ledgers*) to, the Cash Management Agreement.

#### **6.4 Authorised Investments**

- (a) The Cash Manager, on behalf of and in the name of the Issuer, may invest monies standing from time to time to the credit of the Deposit Account in Authorised Investments subject to the following provisions:
  - (i) any investment in an Authorised Investment shall be made in the name of the Issuer;
  - (ii) any costs properly incurred in making, changing or otherwise disposing of any investment in an Authorised Investment will be reimbursed to the Cash Manager by the Issuer; and
  - (iii) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Deposit Account.
- (b) Notwithstanding the security rights created by or pursuant to Clause 3 (*Security and Declaration of Trust*) but prior to the service of an Enforcement Notice, Authorised Investments may, at the request of the Cash Manager, on any Business Day, be sold or redeemed or disposed of or realised or otherwise deposited subject always to the other provisions hereof (including Clause 3.9 (*Authorised Investments*) and Clause 4.3 (*On Disposal of Authorised Investments*)).

#### **6.5 Management and Application of Funds**

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

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

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

If the Security Trustee enforces the Security at a time when either no amounts or not all amounts owing in respect of the Secured Obligations have become due and payable, the Security Trustee (or a Receiver) may, for so long as no such amounts or not all such amounts have become due and payable, pay any monies received or recovered by the Security Trustee or the Receiver for the benefit of the other Secured Creditors in respect of such Secured Obligations into, and retain such monies in, an interest bearing account in

the name of the Security Trustee to be held by the Security Trustee as security and applied by it in accordance with Clause 7 (*Payments out of the Issuer Accounts upon Enforcement*) provided that an amount equal to the aggregate amount of all the Standby Loans credited to the Liquidity Standby Ledger shall be held by the Security Trustee for the benefit of the Liquidity Facility Provider and applied in accordance with clause 6 (*Liquidity Facility*) of, and paragraph 6.2 of Schedule 2 (*Cash Management and Maintenance of Ledgers*) to, the Cash Management Agreement.

## **6.7 VAT**

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

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

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

# **7 Payments out of the Issuer Accounts upon Enforcement**

## **7.1 After an Enforcement Notice**

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

- (a) the Security Trustee shall promptly notify each party to the Transaction Documents that an Enforcement Notice has been served on the Issuer;
- (b) notwithstanding any other provisions of the Transaction Documents, if any Standby Loan has been made by the Liquidity Facility Provider to the Issuer and is standing to the credit of the Deposit Account as recorded on the Liquidity Standby Ledger, an amount equal to the aggregate of all Standby Loans standing to the credit of the Liquidity Standby Ledger shall be paid to the Liquidity Facility Provider for application towards repayment or prepayment (as applicable) of the Standby Loans (or as the Liquidity Facility Provider may direct) in accordance with the terms of the Liquidity Facility Agreement, promptly and in any event prior to the application of amounts in accordance with Clause 7.2 (*Post-Enforcement Priority of Payments*);
- (c) no amount may be withdrawn from the Issuer Accounts without the prior written consent of the Security Trustee; and
- (d) if not already crystallised, any charge created by Clause 3 (*Security and Declaration of Trust*), which is or is recharacterised as a floating charge, shall (subject to applicable law) crystallise upon service of a notice from the Security Trustee to the Issuer.

## 7.2 Post-Enforcement Priority of Payments

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

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

Servicing Agreement, together with VAT (if payable) thereon as provided therein;

- (v) any remuneration then due and payable to the Corporate Services Provider including 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 VAT (if payable) thereon as provided therein;
  - (vi) any remuneration then due and payable to the Issuer Account Bank including any fees, costs, charges, liabilities and expenses then due and payable to the Issuer Account Bank under the provisions of the Bank Account Agreement, together with VAT (if payable) thereon as provided therein;
  - (vii) any remuneration then due and payable to the Collection Account Bank including any fees, costs, charges, liabilities and expenses then due to it under the provisions of the Collection Account Agreement and the Collection Account Declaration of Trust, together with VAT (if applicable) thereon as provided therein; and
  - (viii) any amounts then due and payable to the Servicer including any fees, costs, charges, liabilities and expenses then due under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein (applicable on such Interest Payment Date);
- (c) *third*, to pay any amounts and liabilities then due and payable to the Liquidity Facility Provider including any fees, costs, charges and expenses then due under the provisions of the Liquidity Documents, together with (if payable) VAT thereon as provided therein;
- (d) *fourth*, to pay, *pro rata* and *pari passu*, according to the respective amounts thereof:
- (i) first, all interest due in respect of the Class A1 Notes (together with any unpaid interest thereon);
  - (ii) second, all principal due and payable in respect of the Class A1 Notes; and
  - (iii) third, any other amounts due in respect of the Class A1 Notes;
- (e) *fifth*, to pay, *pro rata* and *pari passu*, according to the respective amounts thereof:
- (iv) first, all interest due in respect of the Class A2 Notes (together with any unpaid interest thereon);
  - (v) second, all principal due and payable in respect of the Class A2 Notes; and
  - (vi) third, any other amounts due in respect of the Class A2 Notes;
- (f) *sixth*, to pay, *pro rata* and *pari passu*, all SDC Payments due (if any) on the SDC Certificates;
- (g) *seventh*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof first, the amounts of interest due on the Class B Notes and second, the amount of any principal due and payable on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;

- (h) *eighth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, first, the amounts of interest due on the Class C Notes and second, the amount of any principal due and payable on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;
- (i) *ninth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, first, the amounts of interest due on the Class D Notes and second, the amount of any principal due and payable on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;
- (j) *tenth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, the amount of any principal due and payable on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;
- (k) *eleventh*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, the amount of any principal due and payable on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero;
- (l) *twelfth*, to pay *pro rata* and *pari passu* any Net WAC Additional Amount due on the Class B Notes;
- (m) *thirteenth*, to pay *pro rata* and *pari passu* any Net WAC Additional Amount due on the Class C Notes;
- (n) *fourteenth*, to pay *pro rata* and *pari passu* any Net WAC Additional Amount due on the Class D Notes;
- (o) *fifteenth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, principal due and payable on the Class Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero;
- (p) *sixteenth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable by the Issuer to third parties 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 of the Issuer (but only to the extent not capable of being satisfied out of amounts retained by the Issuer under item (q) below);
- (q) *seventeenth*, to pay the Issuer an amount equal to £1,000 to be retained by the Issuer as profit in respect of the business of the Issuer (which may be used by the Issuer to pay or discharge any liability of the Issuer for corporation tax thereon);
- (r) *eighteenth*, to pay, *pro rata* and *pari passu* any DC1 Payment (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations under items (a) to (q) above).

### 7.3 Subordination

- (a) Each of the Secured Creditors hereby agrees to be bound by the order of priority set out in the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Redemption Priority of Payments or the Post-Enforcement Priority of Payments (as applicable). Without prejudice to Clause 22 (*Exercise of Certain Rights*), each of the Secured Creditors further agrees with each other party to this

Deed that, notwithstanding any other provision contained herein or in any other Transaction Document:

- (i) (other than Security Trustee and the Note Trustee) it will not demand or receive payment of any distribution in respect of, or on account of, any amounts payable by the Issuer (or the Cash Manager on its behalf) or the Security Trustee (as applicable) to that Secured Creditor under the Transaction Documents, in cash or in kind provided that in the case of the Liquidity Facility Provider, it shall be permitted to demand repayment in accordance with the terms of the Liquidity Facility Agreement and receive payment in accordance with the terms of the Liquidity Facility Agreement and the Priorities of Payment;
  - (ii) it will not apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method), unless all amounts then due and payable by the Issuer to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Redemption Priority of Payments, the Pre-Enforcement Ledgers Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) have been paid in full, provided that the Liquidity Facility Provider may at any time apply any money or assets in discharge of any Standby Loans due and payable to it (by set-off or by applying the amounts received pursuant to Clause 6 (*Payments out of the Issuer Accounts, Authorised Investments and Application of Cash Prior to Enforcement*), Clause 7.1(b) (*After an Enforcement Notice*), item (B) of the first paragraph of Clause 7.2 (*Post-Enforcement Priority of Payments*) or Clause 7.3(a)(i) (*Subordination*)); and
  - (iii) without prejudice to the foregoing, whether in the liquidation of the Issuer or any other party to the Transaction Documents or otherwise, if any payment or distribution (including by way of set-off or the proceeds of any enforcement of any Security) is received by a Secured Creditor in respect of any amount payable by the Issuer or the Security Trustee (as applicable) to that Secured Creditor under the relevant Transaction Document at a time when, by virtue of the provisions of the relevant Transaction Document and this Deed, no payment or distribution should have been made, the amount so received shall be held by the Secured Creditor upon trust for the Issuer or, as applicable, the Security Trustee and shall be paid over to the Issuer or, as applicable, the Security Trustee as soon as is reasonably practicable following the earlier of (A) receipt of written notice from the Issuer or, as applicable, the Security Trustee and (B) actual knowledge of such Secured Creditor, in each case, that such payment or distribution should not have been made (whereupon the relevant payment or distribution shall be deemed not to have been made or received).
- (b) Neither the Issuer nor the Security Trustee shall pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor under the relevant Transaction Documents, in cash or in kind, except as expressly provided for in the relevant Transaction Documents, unless and until all amounts then payable by the Issuer or the Security Trustee to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Enforcement Revenue Priority of



Payments, the Pre-Enforcement Redemption Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) have been paid in full based on the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor. Subject to Clause 12 (*Protection of Security Trustee and Receiver*), the Security Trustee shall not be held liable for any incorrect payment, repayment or distribution if such payment, repayment or distribution is made in reliance upon the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor.

- (c) Where amounts owing to a group of Secured Creditors under the relevant Transaction Document are expressed to be required to be made *pari passu* and pro rata among such group, the Security Trustee shall not pay or repay, or make any distribution in respect of, such amounts to any Secured Creditor of such group, in cash or in kind, except on a *pari passu* and pro rata basis among such group.
- (d) The perpetuity period for the trusts in this Clause 7.3 shall be 125 years.

## **8 Conflict**

### **8.1 Noteholders, Certificateholders and the other Secured Creditors**

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

### **8.2 Acknowledgement**

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

## **9 The Security Trustee's Powers**

### **9.1 Prior Notification**

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

### **9.2 Enforceable**

Without prejudice to the provisions of Clauses 9.5 (*Law of Property Act 1925 and Conveyancing and Law of Property Act 1881*) 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 Conveyancing and Law of Property Act 1881 (the "**1881 Act**") as varied or amended by this Deed, shall, in accordance with this Clause 9 be exercisable by the Security Trustee and (c) the Issuer shall be deemed to be in default within the meaning of Standard Condition 9(1)(b) of Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (the "**1970 Act**"), in each case at any time after an Enforcement Notice has been served on the Issuer. Without prejudice to the effectiveness of any service of the Enforcement Notice or the obligation to deliver the same in accordance with Condition 11 (*Events of Default*) and/or Certificates Condition 10 (*Events of Default*), the Issuer shall, upon receipt of the same from the Note Trustee, publish (or cause to be published) a copy of any Enforcement Notice in accordance with the provisions of the Conditions and deliver a copy to each of the Secured Creditors, the Arranger, the Managers 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 the statutory powers of sale and appointment of a Receiver which are conferred on the Security Trustee under the 1925 Act and the 1881 Act (as varied or extended by this Deed) only (and for no other purpose) and all other powers shall be deemed to arise immediately after execution of this Deed but shall only become enforceable in accordance with Clause 9.2 (*Enforceable*).

### **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 an Enforcement Notice has been served on the Issuer:

- (a) the statutory power of sale (as extended by this Deed) and all other powers shall be immediately exercisable (without the restrictions contained in the 1925 Act and the 1881 Act); and
- (b) the Issuer shall be deemed to be in default within the meaning of Condition 9(1)(b) of Schedule 3 of the 1970 Act.

### **9.5 Law of Property Act 1925 and Conveyancing and Law of Property Act 1881**

- (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 or Section 3 of the Conveyancing Act 1911.
- (b) The provisions of the 1925 Act and the 1881 Act 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(1) of the Conveyancing Act 1911, are hereby extended in relation to the Issuer (as if such extensions were contained therein) to authorise the Security Trustee at its absolute discretion at any time after the service of an Enforcement Notice on the Issuer and subject to the Security Trustee being satisfied as to the indemnification and/or security 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 a Security Interest or a guarantee, or for such other consideration whatsoever as the Security Trustee may think fit, and also to grant any option to purchase, and to effect exchanges of, any of the Charged Assets;
- (iii) with a view to or in connection with the sale of the Charged Assets, to carry out any transaction, scheme or arrangement which the Security Trustee may, in its absolute discretion, consider appropriate;
- (iv) to insure the Charged Assets against such risks and for such amounts as the Security Trustee may decide; and
- (v) to do all or any of the things or exercise all or any of the powers which are mentioned or referred to in Clause 10.6 (*Powers of Receiver*) as if each of them was expressly conferred on the Security Trustee by this Deed and which may not be included in paragraphs (i) to (iv) above.

## **9.6 Delegation to Receiver**

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

## **9.7 Application to Court**

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

## **9.8 Authorised Investments**

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

## **9.9 Deficiency or Additional Payment**

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

## **9.10 Scottish Trust Property**

The Issuer hereby undertakes as a beneficiary under the Scottish Declaration of Trust (pursuant to the Scottish Trust Transfer) that if at any time after the Security constituted by or pursuant to this Deed shall have become enforceable and the Security Trustee or any Receiver shall so require, it will co-operate in selling or disposing of all or any part of the Scottish Trust Property on terms previously approved by the Security Trustee or any Receiver and/or (insofar as permitted by the terms of the Scottish Declaration of Trust) in causing the trust constituted by the Scottish Declaration of Trust to be wound up and/or performed and it will use all reasonable endeavours to take all actions and execute all such documents as may be necessary to effect such sale or disposal or winding up or performance and the distribution or transfer of the Scottish Trust Property or any part thereof in accordance with the terms of the Scottish Declaration of Trust and this Deed.

# **10 Receiver**

## **10.1 Appointment**

- (a) Except as provided below, at any time after an Enforcement Notice has been served on the Issuer, the Security Trustee may, at its absolute discretion, appoint, by writing or by deed, such person or persons (including an officer or officers of the Security Trustee) as the Security Trustee thinks fit, to be Receiver of the Charged Assets or any part thereof and, in the case of an appointment of more than one person, to act together or independently of the other or others.
- (b) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under Section 109(1) of the 1925 Act 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-Enforcement Priority of Payments*), such remuneration shall be payable hereunder by the Issuer alone. The amount of such remuneration shall be paid in accordance with the terms and conditions and in the manner agreed from time to time between the Receiver and the Security Trustee and in accordance with the Post-Enforcement Priority of Payments.

### **10.6 Powers of Receiver**

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

- (a) to take possession of, get in and collect the Charged Assets (or such part thereof in respect of which it may be appointed) or any part thereof including income whether accrued before or after the date of his appointment;
- (b) to carry on, manage, concur in or authorise the management of, or appoint a manager of, the whole or any part of the business of the Issuer;
- (c) to sell, dispose, convey, assign, novate, exchange, license, surrender, renounce, release, discharge, disclaim, abandon, retrocess, return or otherwise dispose of or in any way whatsoever deal with the Charged Assets or any interest in the Charged Assets or any part thereof for such consideration (if any) and upon such terms (including by deferred payment or payment by instalments) as it may think fit and to concur in any such transaction;
- (d) to sell or concur in selling the whole or any part of the Issuer's business whether as a going concern or otherwise;
- (e) to appoint, engage, dismiss or vary the terms of employment of any employees, officers, managers, agents and advisers of the Issuer upon such terms as to remuneration and otherwise and for such periods as it may determine;

- (f) to insure, protect, maintain, repair, alter, improve, replace, exploit, add to and develop or concur in so doing, the Charged Assets or any part thereof in any manner and for any purpose whatsoever;
- (g) in connection with the exercise or the proposed exercise of any of its powers or in order to obtain payment of its remuneration (whether or not it is already payable), to borrow or raise money from any person without security or on the security of any of the Charged Assets and generally in such manner and on such terms as it may think fit;
- (h) to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims, disputes and proceedings concerning the Charged Assets or any part thereof;
- (i) to transfer all or any of the Charged Assets and/or any of the liabilities of the Issuer to any other company or body corporate, whether or not formed or acquired for the purpose and to form a subsidiary or subsidiaries of the Issuer;
- (j) to call up or require the directors of the Issuer to call up all or any portion of the uncalled capital for the time being of the Issuer and to enforce payment of any call by action (in the name of the Issuer or the Receiver as may be thought fit);
- (k) to redeem, discharge, retrocess or compromise any Security Interest from time to time having priority to or ranking *pari passu* with this Deed;
- (l) to effect or maintain indemnity insurance and other insurance and obtain bonds and performance guarantees;
- (m) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, receipts, registrations, acts or things which it may consider appropriate;
- (n) to exercise any powers, discretions, voting, conversion or other rights or entitlements in relation to any of the Charged Assets or incidental to the ownership of or rights in or to any of the Charged Assets and to complete or effect any transaction entered into by the Issuer and complete, disclaim, abandon or modify all or any of the outstanding contracts or arrangements of the Issuer relating to or affecting the Charged Assets;
- (o) to exercise all powers as are described in Schedule 1 and Schedule 2 to the Insolvency Act or the 1970 Act (if appropriate), whether or not the Receiver is an "administrative receiver" as defined in the Insolvency Act;
- (p) to delegate its powers by way of power of attorney, or in any other manner to any person, any right, power or discretion exercisable by it under this Deed on the terms (including the power to sub-delegate) and subject to any regulations which such Receiver may think fit and such Receiver shall not be liable or responsible in any way to the Issuer or the Security Trustee for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate;
- (q) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing,

in relation to the Charged Assets which it may consider expedient as effectually as if he were solely and absolutely entitled to the Charged Assets;

(r) in addition:

- (i) to do all other acts and things which it may consider desirable or necessary for realising any Charged Assets or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and
- (ii) to exercise in relation to any Charged Assets all the powers, authorities and things which it would be capable of exercising if it were the absolute beneficial owner of the same,

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

- (s) to pay and discharge out of the profits and income of the relevant Charged Assets and the monies to be made by it in carrying on the business of the Issuer the expenses incurred in and about the carrying on and management of the business or in the exercise of any of the powers conferred by this Clause 10.6 or otherwise in respect of such Charged Assets and all outgoings which it shall think fit to pay and to apply the residue of the said profits, income or monies in the manner provided by Clause 7.2 (*Post-Enforcement Priority of Payments*) hereof.

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

## **10.7 Appointment of Administrator**

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

## **10.8 Costs of Receiver**

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

## **11 Protection of Third Parties**

### **11.1 Enquiry**

No purchaser from, or other person dealing with, the Security Trustee or a Receiver shall be concerned to enquire whether any of the powers exercised or purported to be exercised has arisen or become exercisable, whether the Secured Obligations remain outstanding or have become payable, whether the Receiver is authorised to act or as to the propriety or validity of the exercise or purported exercise of any power; and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters and the protections contained in Sections 104 to 107 of the 1925 Act and Sections 21 to 22 of the 1881 Act and Section 5(2) of the Conveyancing Act 1911 shall apply to any person purchasing from or dealing with a Receiver or the Security Trustee or Section 2(3) of the Insolvency Act to any person dealing with an administrative receiver.

### **11.2 Receipts**

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

## **12 Protection of Security Trustee and Receiver**

### **12.1 Liability**

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

### **12.2 Possession**

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

### **12.3 Mortgagee in Possession**

Neither the Security Trustee, the Receiver nor the Secured Creditors shall, by reason of any assignment or other Security made under this Deed, be or be deemed to be a mortgagee, security holder or heritable creditor in possession nor shall they take any



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

### **13 Protection of Security**

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

- (a) with a view to registering or perfecting any charge or other Security created or intended to be created by or pursuant to this Deed (including the perfecting of the conversion of any floating charge to a fixed charge pursuant to Clause 14.1 (*Notice*) or 14.2 (*Automatic Crystallisation*)); or
- (b) with a view to facilitating the exercise or the proposed exercise of any of its powers or the realisation of any of the Charged Assets; or
- (c) with a view to protecting the Security Interests created by or pursuant to this Deed,

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

### **14 Crystallisation**

#### **14.1 Notice**

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

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

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

#### **14.2 Automatic Crystallisation**

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

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

The floating charge created by Clause 3.10 (*Floating Charge*) may not be converted into a fixed charge solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with leave of the court.

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

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

## **15 Power of Attorney**

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

## **16 Other Security**

### **16.1 No Merger**

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

### **16.2 Consolidation**

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

### **16.3 Ruling Off**

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

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

### **16.4 Change of Name etc.**

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

## **17 Merger**

Any corporation into which any party to this Deed may be merged or converted, or any corporation with which any party to this Deed may be consolidated, or any corporation

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

## **18 Avoidance of Payments**

### **18.1 No Release**

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

### **18.2 Retention of Charges**

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

continue to have been held as security for the payment and discharge to the Security Trustee of all Secured Obligations.

## **19 Set Off**

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

## **20 Execution of Documents**

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

## **21 Confidentiality**

### **21.1 Confidentiality of information**

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

### **21.2 Disapplication of confidentiality provisions**

Each Party to this Deed shall use all reasonable endeavours to prevent any such disclosure by it referred to in Clause 21.1 (*Confidentiality of information*), provided that (subject to Clause 21.3 (*Cost of Funding*)) Clause 21.1 (*Confidentiality of information*) shall not apply:

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

- (c) to the disclosure of any information with the consent of all the parties hereto;
- (d) to the disclosure of any information which is or becomes public knowledge otherwise than disclosure being made in breach of this Clause 21 or as a result of the unauthorised or improper conduct of the recipient;
- (e) to the disclosure of any information:
  - (i) to any of the Rating Agencies;
  - (ii) in order to obtain the admission of the Notes to the Official List;
  - (iii) in connection with the admission of the Notes to trading on the Irish Stock Exchange; or
  - (iv) which is necessary or desirable to provide to prospective investors in the Notes and/or the Certificates;
- (f) to any extent that disclosure is required pursuant to any law or regulation or order of any court of competent jurisdiction, or in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes, or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other regulatory or taxation authority (including any official bank examiners or regulators or the Irish Stock Exchange or the Central Bank);
- (g) to the extent that the recipient needs to disclose any information to any of its employees, provided that before any such disclosure, the relevant party shall make the relevant employees aware of its obligations of confidentiality under this Deed and shall at all times procure compliance with such obligations by such employees;
- (h) to the extent that the recipient needs or wishes to disclose the same for the exercise, protection or enforcement of any of its rights under any of the Transaction Documents or, in the case of the Security Trustee, for the purpose of discharging, in such manner as it thinks fit, its duties or obligations under or in connection with the Transaction Documents in each case to such persons as required to be informed of such information for such purposes (including, without prejudice, to any Noteholder or Certificateholder or Secured Creditor) or, in the case of the Security Trustee, in connection with transferring or purporting to transfer its rights and obligations to a successor trustee;
- (i) to the disclosure of any information to a prospective successor party and additional or successor parties on the basis that the recipient will hold such information confidential upon substantially the same terms as this Clause 21;
- (j) to the disclosure of any information to professional advisers to, or agents of, any party to this Deed who receive the same under a duty of confidentiality; or
- (k) to the disclosure of any information to any of the Liquidity Facility Provider's Affiliates and Related Funds (as such term is defined in the Liquidity Facility Agreement) and any of the officers, directors, employees, professional advisers, auditors, partners and Representatives of the Liquidity Facility Provider or any of the Liquidity Facility Provider's Affiliates and Related Funds, if any person to whom such information is to be given pursuant to this paragraph (k) is informed in writing of its confidential nature except that there is no such requirement to so inform if the

recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to such information.

### **21.3 Cost of Funding**

Notwithstanding any other provision of this Agreement and the other Transaction Documents, no Party may (without the prior consent of the Liquidity Facility Provider) disclose any details of the rate notified to the Cash Manager by the Liquidity Facility Provider for the purpose of clause 11.2 (*Market disruption*) of the Liquidity Facility Agreement, except that the Cash Manager may notify the other parties to the Liquidity Facility Agreement and the Rating Agencies of the applicable rate of interest pursuant to the Liquidity Facility Agreement.

## **22 Exercise of Certain Rights**

### **22.1 Non-Petition in relation to the Issuer**

- (a) Subject to and without prejudice to the provisions of Clause 22.4 (*Mandatory Enforcement*), each of the Secured Creditors (other than, in the case of paragraph (iii) below, the Note Trustee and the Security Trustee) agrees with the Issuer and the Security Trustee that:
  - (i) only the Security Trustee may enforce the Security in accordance with the terms of this Deed;
  - (ii) it will not take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer; and
  - (iii) it will not take any other steps or action against the Issuer or the Charged Assets for the purpose of recovering any of the Secured Obligations (including by exercising any rights of set-off) or enforcing any rights arising out of the Transaction Documents against the Issuer or take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or the Charged Assets, except as permitted by Clause 7.3(a)(i) (*Subordination*) or Clause 7.3(a)(ii) (*Subordination*) above.
- (b) If the Note Trustee, having become bound under the terms of the Conditions or the Trust Deed, as the case may be, so to do, has failed to serve an Enforcement Notice or the Security Trustee, having become bound under the terms of this Deed so to do, has failed to enforce the Security, in each case, within a reasonable period and that failure is continuing or if there are no Notes outstanding or Certificates in issue, then each of the Secured Creditors (other than the Noteholders or the Certificateholders, to whom the provisions of Condition 12 (*Enforcement*) and Certificates Condition 11 (*Enforcement*) shall apply) will be entitled to take any steps or proceedings against the Issuer for the purpose of recovering any of the Secured Obligations or enforcing any rights arising out of the Transaction Documents as it considers necessary other than any steps or proceedings:
  - (i) in respect of procuring the winding up, administration or liquidation of the Issuer; and/or

- (ii) which would result in the breach of Clause 6 (*Payments out of the Issuer Accounts, Authorised Investments and Application of Cash Prior to Enforcement*) and/or Clause 7 (*Payments out of the Issuer Accounts upon Enforcement*) and/or any term of the other Transaction Documents.

## **22.2 Limited Recourse**

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

then the Secured Creditors shall have no further claim against the Issuer in respect of any amounts due or to be paid to them which remain unpaid and the Issuer shall be deemed to be discharged from making any further payments to the Secured Creditors and any further payment rights shall be extinguished.

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

## **22.3 Discretionary Enforcement**

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

## **22.4 Mandatory Enforcement**

- (a) Subject to paragraph (b) below and clause 10.7 (*Appointment of Administrator*), the Security Trustee will not, and will not be bound to, take any steps, institute any proceedings, exercise its rights and/or to take any other action under or in connection with any of the Transaction Documents (including, without limitation, enforcing the Security and/or lodging an appeal in any proceedings) unless the Security Trustee is directed to do so by:
  - (i) the Note Trustee; or
  - (ii) if there are no Notes or Certificates outstanding, all of the other Secured Creditors,

(in each case, the "**Instructing Party**") provided that the Security Trustee may at all times, whether or not so directed, 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) Upon being directed in accordance with paragraph (a) above, the Security Trustee will be bound to take the relevant action(s) in the manner instructed by the Instructing Party provided that the Security Trustee has been indemnified and/or secured to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing and, for this purpose, the Security Trustee may demand, prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it.
- (c) The Security Trustee shall not be liable to any Secured Creditor or to the Issuer for any action it may take in accordance with any instructions received pursuant to paragraph (a) above. 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 Instructing Party.

## **22.5 Disposal of Charged Assets**

Notwithstanding Clause 9 (*The Security Trustee's Powers*), if the Security has become enforceable otherwise than by reason of a default in payment of any amount due and payable on the Notes or the Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof (except in respect of any Standby Loan standing to the credit of the Liquidity Standby Ledger which shall be repaid to the Liquidity Facility Provider in accordance with the terms of the Liquidity Facility Agreement) unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders as set out in the Post-Enforcement Priority of Payments); or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders as set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders and the Certificateholders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors (other than the Certificateholders) in the order of priority set out in the Post-Enforcement Priority of Payments. The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer in accordance with the applicable Priority of Payments. The Security Trustee shall be entitled to rely on the advice of any financial adviser (or other professional adviser) given pursuant to this Clause 22.5 without further enquiry and shall incur no liability to any person for so doing.

## **22.6 Enforcing Security**

The Noteholders and the Certificateholders (by their purchase of the Notes and the Certificates, respectively) and each of the other Secured Creditors (by their execution hereof) acknowledges that the Security Trustee shall not be bound to take any steps or

institute any proceedings after the service of an Enforcement Notice or to take any other action to enforce the Security constituted by this Deed unless the Security Trustee shall have been secured and/or indemnified and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

## **22.7 Sole Obligations**

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

## **23 Covenants and Warranties**

### **23.1 Warranty**

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

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

(whether contractual or otherwise) that may render the Security Interests granted by the Issuer under this Deed ineffective or which otherwise prohibit the granting of such Security Interests;

- (h) The Issuer represents to the Security Trustee that no Security Interest exists over or in respect of any asset of the Issuer, other than as created by or pursuant to this Deed; and
- (i) Each party to this Deed represents to each other party that it has entered into the Transaction Documents to which it is party in good faith and for the purposes of carrying on its business.

## **23.2 Negative Covenants**

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

- (a) create or permit to subsist any Encumbrance (unless arising by operation of law) or other Security Interest whatsoever over any of its assets or undertakings;
- (b)
  - (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or
  - (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 2006) or any employees (but shall procure that, at all times, it shall retain at least one Independent Director) or premises;
- (c) assign, transfer, sell, lend, lease, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;
- (d) pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association, the Transaction Documents and with applicable laws or issue any further shares;
- (e) consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;
- (f) incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;
- (g) permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the Security Interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed, waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which

it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

- (h) have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;
- (i) become or be a party to any transaction for the purposes of securing a tax advantage within the meaning of Section 1139 of the Corporation Tax Act 2010 for itself or any other person;
- (j) do any act or thing the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the United Kingdom;
- (k) engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles;
- (l) permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (m) purchase or otherwise acquire any Notes (other than pursuant to the Conditions) or Certificates (other than pursuant to the Certificates Conditions); or
- (n)
  - (i) be a member of any UK VAT Group;
  - (ii) voluntarily become registered (or part of any registration) for VAT in the United Kingdom;
  - (iii) make or receive any supplies for VAT purposes otherwise than under and in accordance with the Transaction Documents.

### **23.3 Positive Covenants**

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

- (a) at all times to carry on and conduct its affairs in a proper and efficient manner and in accordance with its constitutive documents and all laws and regulation applicable to it and comply and perform all its obligations under each Transaction Document;
- (b) to give to the Security Trustee within a reasonable time after request such information and evidence as it shall require and in such form as it shall reasonably require, including without prejudice to the generality of the foregoing the procurement by the Issuer of all such certificates called for by the Security Trustee pursuant to this Deed or any other Transaction Document for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under this Deed or any other Transaction Document to which the Security Trustee is a party or by operation of law and the Security Trustee may rely on the contents of such certificates, information and evidence as conclusive evidence of the matters stated therein or the matters to which they relate and shall incur no liability to any person for so doing;

- (c) to cause to be prepared and certified by its Auditors in respect of each Financial Year accounts in such form as will comply with relevant legal and accounting requirements for the time being, and deliver a copy of the same to the Arranger and the Managers;
- (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, the Arranger and the Managers a copy of every balance sheet, profit and loss account, source and application of funds statement (if any), report, or other notice, statement, circular or document issued or given to any holder of securities issued by the Issuer (including Noteholders, Certificateholders and shareholders in their capacity as such) or creditors of the Issuer as soon as reasonably practicable after issue of the same;
- (f) to give notice in writing to the Security Trustee of the occurrence of any Event of Default and/or service of an Enforcement Notice (such notice to be effective by the delivery of a copy of the Enforcement Notice to the Security Trustee) immediately upon becoming aware thereof and without waiting for the Security Trustee to take any further action;
- (g) give to the Security Trustee (i) within seven days after demand by the Security Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each Financial Year commencing with the financial period ending 31 December 2016 and in any event not later than 180 days after the end of each such Financial Year a certificate signed by two directors of the Issuer to the effect that, as at a date not more than seven days before delivering such certificate (the "**Certification Date**"), 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, with all its obligations contained in this Deed and each of the other Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not complied and the Security Trustee shall be entitled to rely on the contents of such certificate as conclusive evidence of the matters stated therein;
- (h) at all times to execute all such further documents and do all such further acts and things as may in the reasonable opinion of the Security Trustee be necessary at any time or times to give effect to the terms and conditions of this Deed and the other Transaction Documents;
- (i) at all times to comply with the obligations and provisions binding upon it under and pursuant to this Deed and the other Transaction Documents;

- (j) duly and promptly to pay and discharge all Taxes imposed upon it or its assets unless such Taxes are, in the opinion of the Security Trustee, being contested in good faith by the Issuer;
- (k) conduct its business and affairs such that, at all times, its "centre of main interests" for the purposes of Council Regulation (EC) No. 1346/2000 of 29 May 2000 shall not be in any Member State other than England and Wales and it will not have any "establishment" (as defined in the Insolvency Regulation) in any Member State other than England and Wales;
- (l) that, in order to enable the Security Trustee to ascertain the principal amount of the Notes of each Class for the time being outstanding or the total number of Certificates being in issue for the time being for any of the purposes referred to in the proviso to the definition of "outstanding" in the Master Definitions and Construction Schedule, the Issuer will deliver to the Security Trustee forthwith upon being so requested in writing by the Security Trustee (upon being provided with the relevant information from the Registrar) a certificate in writing signed by two directors of the Issuer setting out the total number and Principal Amount Outstanding of the Notes of each Class or the total number of Certificates which are at the date of such certificate held by, for the benefit of, or on behalf of, any Relevant Person;
- (m) that it will not hold, save to the extent permitted by or provided in the Transaction Documents, any capital assets;
- (n) that it will at no time be a director of any company;
- (o) it will keep any relevant notification pursuant to the Data Protection Act current and up to date;
- (p) that:
  - (i) in respect of each accounting period of the Issuer, the amounts retained by the Issuer for 18 months or more will be its profit as provided for in the Cash Management Agreement (the "**Issuer's Profit**") and amounts retained in the Issuer Accounts and recorded on the relevant Ledger(s) being amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness and no other amounts are or will be reserved or retained by it; and
  - (ii) in respect of all amounts received by the Issuer pursuant to any Transaction Document, the Issuer has a corresponding obligation to pay out an equal amount by way of cost or expense owing to a third party less an amount equal to the Issuer's Profit within 18 months;
- (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; and

#### 23.4 Form MR01

The Issuer shall make a filing or shall procure that a filing is made with the Registrar of Companies of a duly completed Form MR01 in respect of each charge created by this

Deed, the Scottish Trust Security and (if/where applicable) any Scottish Sub-Security together with a certified redacted copy of the executed original thereof, in each case within the applicable time limit.

## **24 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000**

### **24.1 Powers of Security Trustee**

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

The Security Trustee shall have all the powers conferred upon trustees by the Trustee Act 1925 and the Trustee Act 2000 and by way of supplement thereto it is expressly declared as follows:

- (a) the Security Trustee may in relation to this Deed or any of the other Transaction Documents rely or act on the opinion or advice of, or a certificate or any information obtained from, any lawyer, banker, valuer, surveyor, securities company, broker, auctioneer, accountant or other expert in the United Kingdom or elsewhere, whether obtained by the Security Trustee, any Receiver or any other party and whether or not addressed to the Security Trustee and shall not be responsible for any loss occasioned by so acting or relying (notwithstanding that such opinion, advice, certificate or information may contain a cap or other limitation (monetary or otherwise) on the liability of any person or limits the scope and/or basis of such advice, report, opinion or information);
- (b) any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, facsimile reproduction, electronic mail or in any other form and the Security Trustee shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic;
- (c) the Security Trustee (i) shall (save as expressly otherwise provided in this Deed or any of the other Transaction Documents) as regards all rights, powers, authorities and discretions vested in it by this Deed or any of the other Transaction Documents, or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and (ii) may at its discretion and without notice, take such proceedings and/or other steps as it may think fit against the Issuer or any other person or party to any of the Transaction Documents to enforce the provisions of the Notes or the Certificates and any of its rights under this Deed or any other Transaction Document in such manner as it thinks fit;
- (d) the Security Trustee shall be at liberty to place this Deed and all deeds and other documents relating to this Deed with any bank or banking company, or lawyer or firm of lawyers believed by it to be of good repute, in any part of the world, and the Security Trustee shall not be responsible for or be required to insure against any loss incurred in connection with any such deposit and the Issuer shall pay all sums required to be paid on account of or in respect of any such deposit;



- (e) the Security Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Security Trustee (including the receipt and payment of money). Provided that the Security Trustee has exercised reasonable care in the selection of any such agent, the Security Trustee (except where such agent is an affiliate or associated company of, the Security Trustee) shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons;
- (f) where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or required by law) be converted at such rate or rates in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Security Trustee in its absolute discretion but having regard to current rates of exchange if available and the Security Trustee shall not be liable for any loss occasioned by the said conversion under this paragraph (f);
- (g) subject to Clause 25.5 (*Consent of Security Trustee*), any consent or approval given by the Security Trustee for the purposes of this Deed or any of the other Transaction Documents may be given on such terms and subject to such conditions (if any) as the Security Trustee thinks fit and, notwithstanding anything to the contrary contained in this Deed or any of the other Transaction Documents, may be given retrospectively;
- (h) the Security Trustee shall be entitled to rely upon a certificate, believed by it to be genuine, of the Issuer, the Cash Manager, the Servicer or the Seller or any other person in respect of every matter and circumstance for which a certificate is expressly provided under this Deed or the other Transaction Documents and to call for and rely upon a certificate of the Issuer, the Cash Manager, the Servicer or the Seller or any other person reasonably believed by it to be genuine as to any other fact or matter *prima facie* within the knowledge of the Issuer or such person as sufficient evidence thereof and the Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss, Liability, costs, damages, expenses or inconvenience that may be caused by it failing to do so;
- (i) the Security Trustee shall not be responsible for acting upon any resolution in writing or resolution purporting to have been passed at any meeting of the Noteholders and/or Certificateholders in respect whereof minutes have been made and purporting to have been signed by the chairman thereof, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Noteholders and/or Certificateholders;
- (j) the Security Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of Notes or the number of Certificates standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by

the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system or any successor system) in accordance with its usual procedures and in which the holder of a particular Principal Amount Outstanding of Notes or number of Certificates is clearly identified together with the amount of such holding. The Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic;

(k) subject to Clause 22.4 (*Mandatory Enforcement*), the Security Trustee shall, in connection with the exercise or performance by it of any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents:

(i) where it is required to have regard to the interests of the Noteholders of any Class, it shall:

(a) have regard to the general interests of the Noteholders of such Class as a Class and shall not have regard to any interest arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise or performance thereof for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders; and

(b) have regard to the interests of holders of each Class of Notes and Certificates (except where expressly provided otherwise) but where there is a conflict of interests between the holders of one or more Classes of Notes and/or Certificates it shall have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes and/or Certificates ranking in priority to the other relevant Classes of Notes and/or Certificates in the Pre-Enforcement Revenue Priority of Payments;

(ii) where it is required to have regard to the interests of the Certificateholders of any Class, it shall have regard to the general interests of the Certificateholders of such Class as a Class and shall not have regard to any interest arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise or performance thereof for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub division thereof and the Security Trustee shall not be

entitled to require, nor shall any Certificateholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders;

- (iii) notwithstanding that none of the Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by it and relied upon by the Security Trustee pursuant to this Clause 24.1(k)(iii), the Security Trustee may, among other things, for the purposes of exercising any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents and determining if such exercise will not be materially prejudicial to the interests of the Noteholders (or any Class thereof), have regard to any Rating Agency Confirmation. It is agreed and acknowledged by the Security Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders. In being entitled to take into account any Rating Agency Confirmation, it is agreed and acknowledged by the Security Trustee that such reliance does not impose or extend any actual or contingent liability of the Rating Agencies to the Security Trustee, the Noteholders or any other person or create any legal relations between the Rating Agencies and the Security Trustee, the Noteholders or any other person whether by way of contract or otherwise; and
- (iv) so long as any Notes are outstanding or any Certificates are in issue, not have regard to the interests of Secured Creditors, other than the Noteholders and/or Certificateholders;
- (l) the Security Trustee shall have no responsibility for the maintenance of any rating of the Rated Notes by the Rating Agencies or any other person;
- (m) the Security Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Security Trustee assigned by the Security Trustee to administer its corporate trust matters;
- (n) no provision of this Deed or any other Transaction Document shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers or otherwise in connection with this Deed or any other Transaction Document (including forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it;
- (o) notwithstanding anything else contained in this Deed or the other Transaction Documents, the Security Trustee may refrain without liability from doing anything which would or might in its opinion be contrary to any law of any state or jurisdiction (including, but not limited to the United States of America or any jurisdiction forming a part of it and England and Wales and Northern Ireland) or any directive or regulation of any agency of any such state or jurisdiction or which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation;

- (p) the Security Trustee shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be required to disclose to any Secured Creditor any information made available to the Security Trustee by the Issuer or any other person in connection with the trusts of this Deed or the other Transaction Documents and no Secured Creditor shall be entitled to take any action to obtain from the Security Trustee any such information;
- (q) the Security Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Security Trustee may determine, including for the purpose of depositing with a custodian this Deed or any documents relating to the trusts created hereunder. The Security Trustee shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons;
- (r) unless notified to the contrary, the Security Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to Clause 23.3(l) (*Positive Covenants*)) that no Notes are held by, for the benefit of, or on behalf of, a Relevant Person;
- (s) the Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note or Certificate purporting to be such and subsequently found to be forged or not authentic;
- (t) the Security Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience occasioned to the Security however caused, whether by an act or omission of the Issuer or any other party to the Transaction Documents or any other person (including any bank, broker, depositary, or other intermediary or any clearing system or operator thereof) acting in accordance with or contrary to the provisions of any Transaction Documents or otherwise and irrespective of whether the Security is held by or to the order of any such persons;
- (u) the Security Trustee shall not be under any obligation to insure any of the Security or any deeds or documents of title or other evidence in respect of the Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience which may be suffered by any person as a result of the lack of or inadequacy of any such insurance;
- (v) the Security Trustee will not be liable for any decline in value nor any loss realised upon any sale or other disposition pursuant to this Deed of, any of the Charged Assets. In particular and without limitation, the Security Trustee shall not be liable for any such decline, loss or Liability directly or indirectly arising from its acting or failing to act as a consequence of an opinion reached by it in good faith based on advice received by it in accordance with this Deed and the Conditions or the Certificates Conditions;
- (w) the Security Trustee shall have no responsibility whatsoever to the Issuer or Secured Creditors as regards any deficiency which might arise because the Security Trustee is subject to any Tax in respect of all or any of the Charged Assets, the income therefrom or the proceeds thereof;

- (x) it is a term of the trust created in this Deed, that, except where expressly provided otherwise in the Transaction Documents, any information provided to the Security Trustee under the terms of the Transaction Documents is for information purposes only and the Security Trustee will not and is not expected to routinely review or monitor such information;
- (y) the Security Trustee shall not be responsible for:
  - (i) identifying the occurrence of a Insolvency Event in relation to the Legal Title Holder or a Servicer Termination Event and shall assume that no such event has occurred unless notified thereof by the Issuer in accordance with the provisions of clause 7.1(a)(v) (*Perfection Trigger Events*) of the Mortgage Sale Agreement regarding a Insolvency Event in relation to the Legal Title Holder, or by the Servicer pursuant to clause 19 (*Termination or Resignation of the Servicer*) of the Servicing Agreement, regarding a Servicer Termination Event;
  - (ii) serving a Servicer Termination Notice, unless notified by the Servicer or the Issuer of the circumstances entitling it to serve such notice; or
  - (iii) analysing the circumstances which have informed the Servicer or the Issuer when notifying the Security Trustee of a Servicer Termination Event;
- (z) in connection with the Security Trustee's entitlement to take action to terminate the appointment of the Servicer, the Security Trustee:
  - (i) will not be responsible for carrying out the role of Servicer itself during the time the Issuer is attempting to identify such replacement Servicer or thereafter if the Issuer is unable to find such replacement; and
  - (ii) will not be required to take any action to find a replacement Servicer;
- (aa) the Security Trustee shall be entitled to assume that (i) no event has occurred which is a breach of the Servicer's obligations under the Servicing Agreement and (ii) no event has occurred which would, under the terms of the Servicing Agreement or other Transaction Documents, lead to the replacement of the Servicer, unless it is told otherwise as specified in the Transaction Documents;
- (bb) notwithstanding anything in this Deed or any other Transaction Document to the contrary, the Security Trustee shall not do, or be authorised or required to do, anything which might constitute a regulated activity for the purpose of FSMA, unless it is authorised under FSMA to do so;
- (cc) the Security Trustee shall have the absolute discretion at any time:
  - (i) to delegate any of the functions which fall to be performed by an authorised person under FSMA to any other agent or person which also has the necessary authorisations and licences; and
  - (ii) to apply for authorisation under FSMA and perform any or all such functions itself if, in its absolute discretion, it considers necessary, desirable or appropriate to do so;
- (dd) nothing in this Deed shall require the Security Trustee to assume an obligation of the Issuer arising under any provisions of the listing, prospectus, disclosure or

transparency rules (or equivalent rules of any other competent authority besides the Relevant Regulator);

- (ee) any liability of the Security Trustee arising under the Transaction Documents shall be limited to the amount of actual loss suffered (such loss shall be determined as at the date of default of the Security Trustee or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Trustee at the time of entering into the Transaction Documents, or at the time of accepting any relevant instructions, which increase the amount of the loss. In no event shall the Security Trustee be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive or consequential damages, whether or not the Security Trustee has been advised of the possibility of such loss or damages and regardless of whether the claim for damages is made in negligence, for breach of contract or otherwise. This paragraph (ee) shall not apply in the event that a court with jurisdiction determines that the Security Trustee has acted fraudulently; and
- (ff) the Security Trustee shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to this Deed or any other Transaction Document (including, without limitation, any consent, approval, modification, waiver or authorisation referred to in Clauses 25.5(b) (*Consent of the Security Trustee*), 25.7 (*Modification to the Transaction Documents*) and 25.8 (*Authorisation or Waiver of Breach*)), among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any confirmation provided by the Rating Agencies (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Security Trustee and irrespective of the method by which such confirmation is conveyed) that the then current rating by it of the Rated Notes would not be downgraded, withdrawn or qualified by such exercise or performance.

## **24.2 Representations and Warranties**

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

### **24.3 Perfection**

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

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

### **24.4 Enforceability**

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

- (a) the nature, status, creditworthiness or solvency of the Issuer;
- (b) the title, ownership, value, sufficiency, enforceability, unsuitability, inadequacy, unfitness or existence of any Charged Assets or any security (howsoever described) relating thereto as security for the Secured Obligations;
- (c) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of this Deed or any other Transaction Document comprised within the Charged Assets or any other document entered into in connection therewith;
- (d) the registration, recording, filing, protection or perfection of any security relating to this Deed or the other Transaction Documents relating to the Charged Assets or the priority of the security thereby created whether in respect of any initial advance or any subsequent advance or any other sums or liabilities;
- (e) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or any other person or entity who has at any time provided any Transaction Document comprised within the Charged Assets or in any document entered into in connection therewith;
- (f) the performance or observance by the Issuer or any other person of any provisions of this Deed or any other Transaction Document comprised within the Charged Assets or in any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the

existence or occurrence at any time of any default, event of default or similar event contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing;

- (g) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with the Charged Assets;
- (h) the title of the Issuer to any of the Charged Assets;
- (i) the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security created or purported to be created by or pursuant to this Deed or other documents entered into in connection therewith;
- (j) the failure to call for delivery of documents of title to or require any transfers, assignments, 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.

#### **24.5 No Supervision**

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

#### **24.6 No Liability**

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

#### **24.7 Conclusive and Binding Determinations**

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

#### **24.8 Use of Proceeds**

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



## **24.9 Material Prejudice**

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

## **24.10 No Indemnity**

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

## **25 Supplemental Provisions Regarding the Security Trustee**

### **25.1 Assumption of No Default**

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

### **25.2 Delegation**

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

### **25.3 Commercial Transactions**

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

### **25.4 Additional Powers**

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

### **25.5 Consent of Security Trustee**

Without prejudice to Clause 25.7 (*Modification to the Transaction Documents*), if a request is made to the Security Trustee by the Issuer or any other person to give its consent or approval to any event, matter or thing, then:

- (a) if the Transaction Document specifies that the Security Trustee is required to give its consent or approval to that event, matter or thing if certain specified conditions are satisfied in relation to that event, matter or thing, then the Security Trustee shall give its consent or approval to that event, matter or thing upon being satisfied that those specified conditions have been satisfied; and
- (b) in any other case, the Security Trustee may give its consent or approval if to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders and the Certificateholders or, if there are no Notes then outstanding and no Certificates then in issue, all the Secured Creditors, provided that (in respect of any such consent or approval which constitutes material amendment or waiver which would have the effect of changing or relates to any LFP Related Provision (as defined below)) the Liquidity Facility Provider has provided its consent.

### **25.6 Interests of Secured Creditors**

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

## 25.7 Modification to the Transaction Documents

- (a) The Security Trustee may (or in the case of paragraphs (iii) and (iv) below, shall) 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 Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other person in making or sanctioning any modification:
- (i) to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Security Trustee will not be materially prejudicial to the interests of the Noteholders or the Certificateholders or, the interest of the Security Trustee;
  - (ii) to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Security Trustee, such modification is of a formal, minor or technical nature or to correct a manifest error;
  - (iii) that would result in the Issuer entering into any new and/or amended bank account agreement or collection account agreement, or liquidity facility agreement (including where the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank, Collection Account Bank or Liquidity Facility Provider are downgraded below any relevant rating level as set out in the relevant Transaction Document, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents) in order to maintain the ratings of the Rated Notes at their then current ratings), provided that the Issuer certifies to the Security Trustee and/or the Note Trustee (upon which the Security Trustee and Note Trustee shall rely without enquiry or liability) that any such new agreement and/or amendment would not have an adverse effect on the then current rating of the Most Senior Class and provided that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (a) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions and/or the Certificates Conditions; or
  - (iv) that is required to effect the appointment of the Back-Up Servicer or the replacement Servicer selected by the Back-Up Servicer Facilitator (or in each case any affiliate or related entity to the Back-Up Servicer or the replacement Servicer) or a substitute servicer, as applicable, to act as Servicer of the Mortgage Loans, provided that:
    - (a) in the case of the appointment of the Back-Up Servicer or any affiliate or related entity, such person is appointed on substantially

the same terms as the Replacement Servicing Agreement, the form of which is set out in the Back-Up Servicing Agreement;

- (b) in the case of the appointment of the replacement Servicer selected by the Back-Up Servicer Facilitator or any affiliate or related entity, such person is appointed on substantially the same terms as the Back-Up Servicing Agreement; and
- (c) in the case of the appointment of any other third party to act as a substitute or successor servicer, the conditions to the appointment of a substitute or successor servicer set out in the Servicing Agreement, the Back-Up Servicing Agreement or the Replacement Servicing Agreement, as applicable, are satisfied,

provided that the Issuer certifies to the Security Trustee and/or the Note Trustee (upon which the Security Trustee and Note Trustee shall rely without further enquiry or liability) that any such new agreement and/or amendment would not have an adverse effect on the then current rating of the Most Senior Class and provided further that, prior to the LF Cancellation Date only, the Liquidity Facility Provider provides its consent to any material amendments made to items (a) to (g) of the Pre-Enforcement Revenue Priority of Payments, items (a) and (b) of the Pre-Enforcement Redemption Priority of Payments or items (a) to (c) of the Post-Enforcement Priority of Payments or any change to the date of payment of amounts due under any Priority of Payments or clause 20 (II) (*Supplement to Trustee Acts*) or clause 30.1(c)(ii) (*Substitution*) of the Trust Deed, which is prejudicial to the Liquidity Facility Provider or which would have the effect of or which relates to an increase in the amount of Commitment under the Liquidity Facility or a reduction in the amount of any payment of principal, interest, fees or commission payable to the Liquidity Facility Provider (the relevant provisions of the Transaction Documents are hereinafter referred to as the "**LFP Related Provisions**") and provided that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (a) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions and/or the Certificates Conditions.

- (b) Any such modification, waiver or authorisation by the Security Trustee, as applicable, in accordance with this Clause 25, the Conditions, the Certificates Conditions or the other Transaction Documents shall be binding on the Noteholders, the Certificateholders and the other Secured Creditors and, unless the Security Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders and the Certificateholders as soon as practicable thereafter in accordance with the Conditions and the Certificates Conditions, the Rating Agencies (while any Notes remain outstanding) and the Secured Creditors as soon as practicable thereafter.

- (c) Notwithstanding the above, the Security Trustee shall concur with the Issuer or any other person in making any modification to any Transaction Document only if so directed by (i) the Note Trustee, so long as there are any Notes outstanding or (ii) all of the other Secured Creditors, if there are no Notes outstanding.

## **25.8 Authorisation or Waiver of Breach**

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

## **25.9 Incorporation by Reference**

The provisions of clauses 20 (*Supplement to Trustee Acts*), 28 (*Entitlement to Treat Noteholder as Absolute Owner*), 29 (*Entitlement to Treat Certificateholders as Absolute Owner*), 30 (*Substitution*) and 37 (*Non-Responsive Rating Agency*) and Schedule 9 (*Provisions for Meetings of Noteholders and Certificateholders*) to the Trust Deed shall be deemed to be incorporated *mutatis mutandis* in this Deed but (except as the context otherwise requires) as if references therein to the Note Trustee were to the Security Trustee other than the references therein to an Extraordinary Resolution of the Most Senior Class directing the Note Trustee to give an Enforcement Notice under Condition 11 (*Events of Default*) and/or Certificates Condition 10 (*Events of Default*).

## **26 Remuneration and Indemnification of the Security Trustee**

### **26.1 Remuneration**

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

### **26.2 Additional Remuneration**

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

### **26.3 VAT**

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

### **26.4 Disputes**

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

- (a) (in a case to which Clause 26.1 (*Remuneration*) applies) upon the amount of any remuneration; or
- (b) (in a case to which Clause 26.2 (*Additional Remuneration*) applies) upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed or the other Transaction Documents or upon the amount of such additional remuneration,

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

and the determination of any such investment bank shall be final and binding on the Issuer and the Security Trustee.

## **26.5 Expenses**

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

## **26.6 Indemnity**

Subject to Clause 24.10 (*No Indemnity*) and without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify and keep it or him indemnified on demand the Security Trustee and the Receiver of the Issuer, on an after Tax basis, in respect of all Liabilities whether in contract, tort, delict or otherwise now or hereafter to which it (or any Appointee) may be or become liable or which may be properly incurred by it (or any such person as aforesaid) in the exercise, execution or purported execution of any of its trusts, duties, rights, powers, authorities and discretions hereunder or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Deed and any of the other Transaction Documents, or any such appointment (including, in each case, any Irrecoverable VAT in respect thereof) and the Security Trustee (and any Appointee) and the Receiver of the Issuer shall be entitled to be indemnified out of the Charged Assets (other than, for these purposes, any Standby Loan standing to the credit of the Liquidity Standby Ledger unless a drawing of a Liquidity Loan is required to be made in accordance with the terms of the Liquidity Facility Agreement) in respect thereof save where the same arises as the result of the fraud, gross negligence, or wilful default of the Security Trustee or its officers or employees. Following the giving of an Enforcement Notice, the Security Trustee may retain any part of any moneys in its hands arising from the trusts of this Deed (other than, for these purposes, any Standby Loan standing to the credit of the Liquidity Standby Ledger unless a drawing of a Liquidity Loan is required to be made in accordance with the terms of the Liquidity Facility Agreement) necessary to effect any indemnity and also to meet the remuneration of the Security Trustee hereinbefore provided and the Security Trustee shall have a lien on the Charged Assets (other than, for these purposes, any Standby Loan credited to the Liquidity Standby Ledger unless a drawing of a Liquidity Loan is required to be made in accordance with the terms of the Liquidity Facility Agreement) for all moneys payable to it under this Deed or howsoever otherwise. The Security Trustee shall not be entitled to be paid twice in respect of the same matter pursuant to this Clause 26.6.

The indemnity contained within this Clause 26.6 shall survive the discharge and release of the whole or any part of the Charged Assets from the Security.

## **26.7 Interest**

All sums payable by the Issuer under Clauses 26.4 (*Disputes*), 26.5 (*Expenses*) and 26.6 (*Indemnity*) shall be payable on the Interest Payment Date following a demand by the Security Trustee and:

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

Any amounts payable pursuant to Clauses 26.1 (*Remuneration*) and 26.2 (*Additional Remuneration*) shall carry interest at the aforesaid rate from the due date thereof to the date of actual payment.

## **26.8 Stamp Duties**

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

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

## **26.9 Survival**

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

## **26.10 Payments**

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



## **27 Appointment of New Security Trustee and Removal of Security Trustee**

### **27.1 Power of Issuer**

The power of appointing a new security trustee shall be vested in the Issuer, provided that such appointment must be approved by an Extraordinary Resolution of the holders of the Most Senior Class. A Trust Corporation may be appointed sole security trustee hereof but subject hereto there shall be at least two security trustees hereof. Any appointment of a new security trustee and any retirement or removal of an existing Security Trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Secured Creditors.

### **27.2 Power of Security Trustee**

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

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

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

### **27.3 Multiple Trustees**

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

## **28 Retirement of Security Trustee**

Any security trustee for the time being of this Deed may retire at any time upon giving not less than 60 days' prior notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs resulting from such retirement. The holders of the Most Senior Class, may, by Extraordinary Resolution, remove all trustee or trustees (but not some only) for the time being of this Deed and the Trust Deed. The retirement or removal of any security trustee shall not become effective unless there remains at least one security trustee hereof being a Trust Corporation in office upon such retirement or removal. The Issuer covenants that, in the event of a security trustee (being a sole security trustee or the only Trust Corporation) giving notice under this Clause 28 or being removed as referred to in this Clause 28, it shall use its best endeavours to procure a new security trustee of this Deed (being a Trust Corporation) to be appointed as soon as reasonably practicable thereafter. If the Issuer has not appointed a new security trustee prior to the expiry of the notice period given by the Security Trustee, the Security Trustee shall be entitled to nominate a replacement, being a Trust Corporation, but no such appointment shall take effect unless previously approved by Extraordinary Resolution of the holders of the Most Senior Class.

## **29 Notices**

### **29.1 In writing**

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

### **29.2 Changes**

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

### **29.3 Effectiveness**

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

## **30 Language**

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

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

- (a) in English; or

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

## **31 Further Provisions**

### **31.1 Evidence of Indebtedness**

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

### **31.2 Rights Cumulative, Waivers**

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

### **31.3 Partial Invalidity**

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

### **31.4 Severability**

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

### **31.5 Counterparts**

This Deed may be executed and delivered in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same deed and any party to this Deed may enter into the same by executing and delivering a counterpart (including by facsimile).

### **31.6 Further Assurance**

The Issuer shall (at its own cost) do and execute, or arrange for the doing and executing of, each act, document and thing requested of it by the Security Trustee or any Receiver (including the giving of notices of assignment or assignation and the effecting of filings of registration in any jurisdiction) for perfecting or protecting the Security from time to time

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

### **31.7 Amendments**

Subject to Clause 25.7 (*Modification to the Transaction Documents*), any amendment, modification or variation to this Deed may only be made with the prior written consent of each party to this Deed.

### **31.8 Secured Creditors**

Each Secured Creditor (other than the Security Trustee) shall be bound by the provisions of this Deed, the Conditions, the Certificates 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 shall observe and be bound by all the provisions of this Deed expressed to apply to Secured Creditors.

### **31.9 Assignment**

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 except that no consent is required for any assignment, encumbrance or transfer by the Liquidity Facility Provider in connection with its transfer or assignment of its rights and/or obligations under, and in accordance with, the terms of the Liquidity Facility Agreement.

### **31.10 Rights of Third Parties**

Other than in respect of the Arranger and the Managers, a person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 or the equivalent provisions of Scots law to enforce any term of this Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act or those rules.

## **32 Choice of Law**

### **32.1 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, provided that any terms hereof which are particular to the law of Scotland shall be construed in accordance with Scots law and any terms hereof which are particular to the law of Northern Ireland shall be construed in accordance with the laws of Northern Ireland.

### 32.2 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 the English courts.

Each party to this Deed hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

**In witness** whereof the parties hereto have caused this Deed to be duly executed and delivered as a deed the day and year first before written.

### Signatories

**Executed and Delivered as a Deed by  
TOWD POINT MORTGAGE FUNDING 2016-  
VANTAGE1 PLC**

as Issuer  
acting by a Director

[Redacted Signature Block]

Mark Filer

Director:

in the presence of:

.....  
(Witness' Signature)

Stuart Watson

.....  
(Witness' Name)

.....  
(Witness' Address)

[Redacted Address Block]

Executed as a Deed by  
**WILMINGTON TRUST SP SERVICES (LONDON)  
LIMITED**

as Corporate Services Provider, Share Trustee and  
Back-Up Servicer Facilitator  
acting by its Delegated Signatory

Mark Filer

Delegated Signatory:

in the presence of:

.....  
(Witness Signature)

**Stuart Watson**

.....  
(Witness' Name)

.....  
(Witness' Address)

Executed as a Deed by  
CERBERUS EUROPEAN RESIDENTIAL HOLDINGS  
B.V.

as Seller and Retention Holder  
acting by

.....  
[Redacted] **L.C. Baaijens**  
.....  
(Director) [Redacted]

.....  
[Redacted] **R.Th. Brokking**  
.....  
(Dire [Redacted])

.....  
[Redacted]  
.....  
(W [Redacted])

.....  
(Witn [Redacted])

.....  
(Witn [Redacted])

**Executed as a Deed by**

**U.S. BANK TRUSTEES LIMITED**

as Security Trustee and Note Trustee

acting by two duly authorised signatories

By:

[Redacted]

Chris Yates

Name:

[Redacted]

Title:

[Redacted]

Chris Hobbs

By:

[Redacted]

Name:

Title:



**Signed and Delivered as a Deed by  
ELAVON FINANCIAL SERVICES DESIGNATED  
ACTIVITY COMPANY, UK BRANCH**

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

Name:

Chris Yates

Signature:

Name:

Chris Hobbs

Signature

(Witness' Signature)

Emma WHITE

(Witness' Name)

(Witness' Address)

**Signed and Delivered as a Deed by**  
**WELLS FARGO BANK, N.A., LONDON BRANCH**

as Liquidity Facility Provider  
acting by its Authorised Signatory

*Stafford Butts*

Name and corporate title

Signature

in the presence of:

(Witness' Signature)

*Steven Ellmann*

(Witness' Name)

(Witness' Address)

Executed as a deed by **PEPPER (UK) LIMITED**  
(**TRADING AS ENGAGE CREDIT**) acting by a  
Director/Authorised Signatory:

[Redacted Signature]

(Director/Authorised Signatory) *Finance Manager*

In the presence of:

Signature of witness

[Redacted Signature]

ness: *GENAD PAMAS*

Address of witness:

[Redacted Address]

Executed as a Deed by  
HOMELoAN MANAGEMENT LIMITED

as Back-Up Servicer  
acting by an Authorised Representative



Authorised Representative:

JONATHAN PATTINSON

in the presence of:

[Redacted signature]

(Witness' Signature)

HELEN CAMPBELL-WOODRUP

(Witness' Name)

[Redacted address]

(Witness' Address)

Signed and Delivered as a Deed by  
BARCLAYS BANK PLC

as Collection Account Bank  
acting by its Authorised Signatory

*Jo Preston* [Redacted]  
.....

Name and corporate title

[Redacted]  
[Redacted]

Signature

in the presence of [Redacted]

.....  
(Witness' Signature)

*M. MATU*  
.....  
(Witness' Name)

.....  
(Witness' Address)

[Redacted]

## Schedule 1 Issuer Power of Attorney

**This Power of Attorney** is made on \_\_\_\_\_ by TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC (registered number 10462258), 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 \_\_\_\_\_ and made between, among others, the Principal and the Attorney (as defined below) provision was made for the execution by the Principal of this Power of Attorney.
- (2) Words and phrases in this Power of Attorney shall (save where expressed to the contrary) have the same meanings respectively as the words and phrases in the Deed of Charge.

**Now this Power of Attorney witnesseth:**

- 1 The Principal hereby irrevocably and by way of security for the performance of the covenants, conditions, obligations and undertakings on the part of the Principal contained in the Deed of Charge, the Scottish Trust Security and any Scottish Sub-Security appoints U.S. Bank Trustees Limited in its capacity as Security Trustee, and any other person or persons for the time being the security trustee or security trustees of and under the Deed of Charge (the "**Attorney**") and any Receiver (including any administrative receiver) and/or administrator (the "**Administrator**") appointed from time to time by the Attorney or on its behalf its true and lawful attorney for and in the Principal's name or otherwise jointly and severally to do any act matter or thing which the Attorney, Receiver or Administrator considers in each case bona fide necessary for the protection or preservation of the Attorney's interests and rights in and to the Charged Assets or which ought to be done under the covenants, undertakings and provisions contained in the Deed of Charge (and any document entered into or to be entered into by the Principal pursuant thereto) in any circumstances where the Attorney has become entitled to take the steps referred to in clauses 9.4 (*Power of Sale*) to 9.9 (*Deficiency or Additional Payment*) (inclusive) of the Deed of Charge including any or all of the following:
  - (a) to do every act or thing which the Attorney, Receiver or Administrator may deem to be necessary, proper or expedient for fully and effectually vesting, transferring or assigning the Security and/or the Charged Assets or any part thereof (including the execution, delivery, intimation and registration of the Scottish Trust Security or any Scottish Sub-Security) and/or the Principal's estate, right, title, benefit and/or interest therein or thereto in or to the Attorney and its successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Principal could have done; and
  - (b) the power by writing under its hand by an officer of the Attorney or by an officer of any Receiver or Administrator appointed by the Attorney from time to time to appoint a substitute attorney (each a "**Substitute**") who shall have power to act on behalf of the Principal as if that Substitute shall have been originally appointed Attorney by this Power of Attorney and/or to revoke any such appointment at any time without assigning any reason therefore.

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

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

**Executed as a Deed by**  
**TOWD POINT MORTGAGE FUNDING 2016-**  
**VANATAGE1 PLC**

as Issuer  
acting by a Director

in the presence of:

.....  
(Witness' Signature)

.....  
(Witness' Name)

.....  
(Witness' Address)

## Schedule 2

### Form of Deed of Charge Accession Undertaking

**This Deed** is made on [●] between:

- (1) [●] (registered number [●]), a company incorporated under the laws of [●], with its registered office at [●] (the **"New Secured Creditor"**);
- (2) **CERBERUS EUROPEAN RESIDENTIAL HOLDINGS B.V.** (registered number 62579533), a company incorporated under the laws of The Netherlands, with its registered office at Oude Utrechtseweg 32, 3743 KN Baarn, The Netherlands (the **"Seller"** and **"Retention Holder"**);
- (3) **ELAVON FINANCIAL SERVICES DESIGNATED ACTIVITY COMPANY, UK BRANCH** a designated activity company limited by shares registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373), from its offices at Fifth Floor, 125 Old Broad Street, London EC2N 1AR (the **"Cash Manager"**, **"Issuer Account Bank"**, **"Principal Paying Agent"**, **"Registrar"** **"Agent Bank"**);
- (4) **U.S. BANK TRUSTEES LIMITED** (registered branch number 2379632), a private limited liability company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (acting in its capacity as the **"Note Trustee"** for the Noteholders and the Certificateholders and the **"Security Trustee"** for the Secured Creditors, which expressions include such company and all other persons or companies for the time being note trustee(s) and/or security trustee(s) under the Transaction Documents);
- (5) **TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC** (registered number 10462258), 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"**);
- (6) **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED** (registered number 2548079), 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 (the **"Corporate Services Provider"**, the **"Share Trustee"** and **"Back-Up Servicer Facilitator"**);
- (7) **WELLS FARGO BANK, N.A., LONDON BRANCH**, a national banking association organised under the laws of the United States with its head office at 420 Montgomery Street, San Francisco, CA 94104, USA, registered with the U.S. Office of the Comptroller of the Currency under charter number 1, registered with the UK's Companies House under number FC026633 and authorised by the Prudential Regulation Authority in the UK, and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority, as lender (the **"Liquidity Facility Provider"**);
- (8) **PEPPER (UK) LIMITED (TRADING AS ENGAGE CREDIT)**, a company incorporated under the laws of England and Wales with registered number 06548489, whose registered office is at Harman House, 1 George Street, Uxbridge, London UB8 1QQ (the **"Servicer"**);
- (9) **HOMELoan MANAGEMENT LIMITED**, a company incorporated under the laws of England and Wales with registered number 02214839, whose registered office is at The Pavilions, Bridgwater Road, Bristol, Avon, BS13 8AE (the **"Back-Up Servicer"**); and



(10) **BARCLAYS BANK PLC** (registered number 01026167), whose registered office is at 1 Churchill Place, London E14 5HP (as "**Collection Account Bank**");

**Whereas:**

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

**It is hereby agreed** as follows:

## **1 Interpretation**

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

## **2 Representations and Warranties**

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

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

### **3 Accession**

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

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

### **4 Scope of the Deed of Charge**

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

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

### **5 Amendment to the Priorities of Payments**

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

[•]

### **6 Application**

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

### **7 Notices and Demands**

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

The address referred to in this Clause 7 for the New Secured Creditor is:

[•]

For the attention of: [•]

Telephone: [•]

Facsimile: [•]

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

## 8 Choice of Law

This Deed (and any non-contractual obligations arising out of or in connection with it) shall be governed by, and construed in accordance with, the laws of England and the parties hereto irrevocably submit to the jurisdiction of the courts of England, provided that any terms hereof which are particular to the laws of Northern Ireland shall be construed in accordance with the laws of Northern Ireland.

**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.

## Signatories

**Executed** and **Delivered** as a **Deed** by

[•]

as [•]

acting by two duly authorised Attorneys

in the presence of this witness

Witness Signature:

Full Name:

Address:

.....  
(Witness' Signature)

.....  
(Witness' Name)

.....  
(Witness' Address)

**Executed and Delivered as a Deed by  
TOWD POINT MORTGAGE FUNDING 2016-  
VANTAGE1 PLC**

as Issuer  
acting by a Director

in the presence of:

.....  
(Witness' Signature)

.....  
(Witness' Name)

.....  
(Witness' Address)  
(Witness' Signature)

.....  
(Witness' Name)

.....  
(Witness' Address)

**Executed as a Deed by  
WILMINGTON TRUST SP SERVICES (LONDON)  
LIMITED**

as Corporate Services Provider, Share Trustee and  
Back-Up Servicer Facilitator  
acting by its Delegated Signatory

in the presence of:

.....  
(Witness' Signature)

.....  
(Witness' Name)

.....  
(Witness' Address)

**Executed** as a **Deed** by

**U.S. BANK TRUSTEES LIMITED**

as Security Trustee and Note Trustee

acting by two duly authorised signatories

Name:

Signature:

Name:

Signature:

**Signed** and **Delivered** as a **Deed** by

**ELAVON FINANCIAL SERVICES DESIGNATED**

**ACTIVITY COMPANY, UK BRANCH**

as Cash Manager, Issuer Account Bank, Principal

Paying Agent, Registrar and Agent Bank

acting by two duly authorised signatories

Name:

Signature:

Name:

Signature:

.....  
(Witness' Signature)

.....  
(Witness' Name)

.....  
(Witness' Address)

Executed as a deed by **PEPPER (UK) LIMITED**  
**(TRADING AS ENGAGE CREDIT)** acting by a  
Director/Authorised Signatory:

.....  
(Director/Authorised Signatory)

In the presence of:

Signature of witness

.....  
Name of witness:

Address of witness:

**Executed** as a **Deed** by  
**CERBERUS EUROPEAN RESIDENTIAL HOLDINGS**  
**B.V.**

as Seller and Retention Holder  
acting by

.....  
(Director)

.....  
(Director)

.....  
(Witness' Signature)

.....  
(Witness' Name)

.....  
(Witness' Address)

**Executed as a Deed by**  
**HOMELoAN MANAGEMENT LIMITED**

as Back-Up Servicer  
acting by

.....  
(Authorised Representative)

.....  
(Witness)

.....  
(Witness' Signature)

.....  
(Witness' Name)

.....  
(Witness' Address)

**Signed** and **Delivered** as a **Deed** by  
**BARCLAYS BANK PLC**

as Collection Account Bank  
acting by its Authorised Signatory  
Name and corporate title:

in the presence of:

.....  
(Witness' Signature)

.....  
(Witness' Name)

.....  
(Witness' Address)

**Signed** and **Delivered** as a **Deed** by  
**WELLS FARGO BANK, N.A., LONDON BRANCH**

as Liquidity Facility Provider  
acting by its Authorised Signatory  
Name and corporate title:

in the presence of:

.....  
(Witness' Signature)

.....  
(Witness' Name)

.....  
(Witness' Address)



### Schedule 3

#### Form of Scottish Sub-Security (Land Register)

WE, **TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC** (registered number 10462258), 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 (hereinafter referred to as the "**Issuer**") CONSIDERING that:

- (a) we have entered into a trust deed (as the same may be amended, restated, novated, varied or supplemented from time to time, the "**Trust Deed**") dated [●] between us and **U.S. BANK TRUSTEES LIMITED** as note trustee thereunder with its registered office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (hereinafter referred to as the "**Note Trustee**", which expression shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) constituting certain mortgage-backed floating rate notes and certificates;
- (b) in security of the performance of the obligations specified therein to the Note Trustee and others we have entered into a deed of charge (the same may be amended, restated, novated, varied or supplemented from time to time, the "**Deed of Charge**") between us, **U.S. BANK TRUSTEES LIMITED** as security trustee thereunder (registered number 02379632), with its registered office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (the "**Security Trustee**", which expression shall include such company and all other persons and successors for the time being acting as trustee or trustees under the Deed of Charge or this deed) and others dated [●]; and
- (c) in terms of the Deed of Charge we have agreed to grant this deed.

NOW THEREFORE hereby in security of the payment and discharge of all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) constituting or comprised within the Secured Obligations and any variation or alteration thereof and in implementation *pro tanto* of Clause 3.4 (*Scottish Sub-Securities*) of the Deed of Charge GRANT a Standard Security in favour of the Security Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 2 of the Schedule annexed and executed as relative hereto in favour of the party whose name is specified in the relative entry in Column 3 of the said Schedule for all sums due and to become due over the subjects therein described, said respective Standard Securities being registered in the Land Register of Scotland under the title number(s) specified in the relative entry in Column 5 of the said Schedule on the date specified in the relative entry in Column 6 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the "**Principal Securities**"): Together with our whole right, title and interest, present and future therein and thereto: The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland Act) 1970 (the "**said Act**") and any lawful variation thereof operative for the time being shall apply: And we agree that:

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

construed in accordance with the principles of interpretation and constructions set out in the Master Definitions and Construction Schedule;

- (Second) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security;
- (Third) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Deed of Charge (the terms of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said remaining Standard Conditions, the Deed of Charge shall, subject to the provisions of the said Act, prevail and take effect;
- (Fourth) upon the Deed of Charge becoming immediately enforceable, in accordance with the provisions of Clause 9.2 (*Enforceable*) thereof, we shall be deemed to be in default within the meaning of Condition 9(1)(b) of the Standard Conditions whereupon, and without prejudice to its whole other rights and powers under the said Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the said Act;
- (Fifth) without prejudice to the rights and remedies of the Security Trustee under the said Act or otherwise, in the event of our being in default hereunder and provided that an Enforcement Notice has been served by the Security Trustee (a) we shall on demand grant, execute and deliver a valid assignment of the Principal Securities or any of them in favour of the Security Trustee or any nominee of the Security Trustee and (b) the Security Trustee shall have power to uplift, receive, sue for and discharge all sums and liabilities due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if this deed had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Security Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Security Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise; and
- (Sixth) the security rights and interests created, made or given under or pursuant to this deed shall be held by the Security Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Deed of Charge:

And we grant warrandice **[[insert any exceptions therefrom]]**: And we further ASSIGN to the Security Trustee in security of all monies, obligations and liabilities foresaid our whole right, title and interest in and to all and any personal bonds, credit agreements or agreements for loan (howsoever constituted) granted by or entered into with the said respective parties whose names are specified in Column 2 of the said Schedule and secured by the Principal Securities:

**In witness** whereof this Deed typewritten on this and the two preceding pages, together with the Schedule annexed and executed as relative hereto, are executed as follows:

**Subscribed** for and on behalf of the said

**TOWD POINT MORTGAGE FUNDING 2016-  
VANTAGE1 PLC**

At

On

By

.....  
[•]

.....  
[•]

in the presence of this witness:

Witness signature .....

Full Name .....

Address .....

Schedule referred to in the foregoing Standard Security by TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC in favour of U.S. BANK TRUSTEES LIMITED (as Security Trustee)

1	2	3	4	5	6
Account Number	Borrowers' Full Names	Originator	Secured Property	Title Number	Date of Registration

.....	.....
[•]	[•]

## Schedule 4

### Form of Scottish Sub-Security (Sasine Register)

WE, **TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC** (registered number 10462258), 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 (hereinafter referred to as the "**Issuer**") CONSIDERING that:

- (a) we have entered into a trust deed (as the same may be amended, restated, novated, varied or supplemented from time to time, the "**Trust Deed**") dated [●] between us and **U.S. BANK TRUSTEES LIMITED** as note trustee thereunder with its registered office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (hereinafter referred to as the "**Note Trustee**", which expression shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) constituting certain mortgage-backed floating rate notes and certificates;
- (b) in security of the performance of the obligations specified therein to the Note Trustee and others we have entered into a deed of charge (the same may be amended, restated, novated, varied or supplemented from time to time, the "**Deed of Charge**") between us, **U.S. BANK TRUSTEES LIMITED** as security trustee thereunder (registered number 02379632), with its registered office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (the "**Security Trustee**", which expression shall include such company and all other persons and successors for the time being acting as trustee or trustees under the Deed of Charge or this deed) and others dated [●]; and
- (c) in terms of the Deed of Charge we have agreed to grant this deed,

NOW THEREFORE hereby in security of the payment and discharge of all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) constituting or comprised within the Secured Obligations and any variation or alteration thereof and in implement *pro tanto* of Clause 3.4 (*Scottish Sub-Securities*) of the Deed of Charge GRANT a Standard Security in favour of the Security Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 2 of the said Schedule annexed and executed as relative hereto in favour of the party whose name is specified in the relative entry in Column 3 of the said Schedule for all sums due and to become due over ALL and WHOLE the subjects described in the relative entry in Column 4 of the said Schedule lying in the county specified in the relative entry in Column 5 of the said Schedule, said respective Standard Securities being recorded in the General Register of Sasines for the county specified as aforesaid in the relative entry in Column 5 of the said Schedule on the date specified in the relative entry in Column 6 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the "**Principal**" **Securities**): Together with our whole right, title and interest, present and future therein and thereto: The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (the "**said Act**") and any lawful variation thereof operative for the time being shall apply: And we agree that:

- (First) capitalised terms in this deed (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in the master definitions and construction schedule made between, amongst others, us the Issuer and the Security Trustee dated [●] (as the same may be amended, restated, novated, varied or supplemented from

time to time with the consent of the parties thereto, the “**Master Definitions and Construction Schedule**”) and this deed shall be construed in accordance with the principles of interpretation and constructions set out the Master Definitions and Construction Schedule:

- (Second) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security;
- (Third) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Deed of Charge (the terms of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said remaining Standard Conditions, the Deed of Charge shall, subject to the provisions of the said Act, prevail and take effect;
- (Fourth) upon the Deed of Charge becoming immediately enforceable, in accordance with the provisions of Clause 9.2 (*Enforceable*) thereof, we shall be deemed to be in default within the meaning of Condition 9(1)(b) of the Standard Conditions, whereupon and without prejudice to its whole other rights and powers under the said Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the said Act;
- (Fifth) without prejudice to the rights and remedies of the Security Trustee under the said Act or otherwise, in the event of our being in default hereunder and provided that an Enforcement Notice has been served by the Security Trustee (a) we shall on demand grant, execute and deliver a valid assignation of the Principal Securities or any of them in favour of the Security Trustee or any nominee of the Security Trustee and (b) the Security Trustee shall have power to uplift, receive, sue for and discharge all sums and liabilities due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if this deed had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Security Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Security Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise; and
- (Sixth) the security rights and interests created, made or given under or pursuant to this deed shall be held by the Security Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Deed of Charge.

And we grant warrandice **[[insert any exceptions therefrom]:]** And we further ASSIGN to the Security Trustee in security of all monies, obligations and liabilities foresaid our whole right, title and interest in and to all and any personal bonds, credit agreements or agreements for loan (howsoever constituted) granted by or entered into with the said respective parties whose names are specified in Column [●] of the said Schedule and secured by the Principal Securities:

**In witness** whereof this Deed typewritten on this and the two preceding pages, together with the Schedule annexed and executed as relative hereto, are executed as follows:

**Subscribed** for and on behalf of the said  
**TOWD POINT MORTGAGE FUNDING 2016-  
VANTAGE1 PLC**

At

On

By

.....  
[•]

.....  
[•]

in the presence of this witness:

Witness signature .....

Full Name .....

Address .....

Schedule referred to in the foregoing Standard Security by TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC in favour of U.S. Bank Trustees Limited (as Security Trustee)

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

.....  
[•]

.....  
[•]



## Schedule 5

### Form of Scottish Trust Security

#### Assignment in Security

##### By

- (1) **TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC** (registered number 10462258), 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**")

##### In favour of

- (2) **U.S. BANK TRUSTEES LIMITED** (registered branch number 2379632), a private limited liability company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (acting in its capacity as "**Security Trustee**" for the Secured Creditors, which expressions include such company and all other persons or companies for the time being trustee(s) under the Transaction Documents);

##### With intimation to and acknowledgement by

- (3) **PROMONTORIA (VANTAGE) LIMITED** (incorporated in England and Wales with registered number 09578284) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP ("**Promontoria**"); and

##### Whereas:

- (A) This Scottish Trust Security is supplemental to a deed of charge dated on or around the effective date hereof (as the same may be amended, restated, varied or supplemented from time to time, the "**Deed of Charge**") made between the Issuer, the Security Trustee and others;
- (B) In terms of the Deed of Charge, the Security Trustee *inter alia* holds the security constituted or to be constituted by or pursuant to the Deed of Charge for the Secured Creditors;
- (C) A Scottish declaration of trust with an effective date on or before the effective date hereof (the "**Scottish Declaration of Trust**") has been executed by Promontoria in favour of CERBERUS EUROPEAN RESIDENTIAL HOLDINGS B.V ("**CERH**") and delivered, in terms of which certain Scottish Mortgage Loans together with their related Scottish Mortgages and other Related Security relative thereto as more fully specified and defined therein (the "**Scottish Trust Property**") are held in trust by Promontoria for CERH;
- (D) [Subsequent to the execution and delivery of the Scottish Declaration of Trust, an assignment (the "**Scottish Trust Transfer**") was granted by CERH in favour of the Issuer and intimated to Promontoria in terms of which CERH assigned its whole beneficial interest and right in and to the abovementioned Scottish Trust Property and the Scottish Declaration of Trust in favour of the Issuer; and]
- (E) This Scottish Trust Security is granted by the Issuer in favour of the Security Trustee in accordance with and pursuant to Clause 3.5 (*Scottish Trust Security*) of the Deed of Charge.

**Now therefore it is declared and agreed** as follows:

- 1** Capitalised terms in this deed (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in the Deed of Charge (whether by reference, incorporation or otherwise) and this deed shall be construed in accordance with the principles of interpretation and constructions so comprised therein
- 2** The Issuer as holder of the beneficial interest therein and with absolute warrandice and subject to the proviso for release contained in Clause 4 (*Release of Charged Assets*) of the Deed of Charge HEREBY ASSIGNS to and in favour of the Security Trustee in security for the payment and discharge of the Secured Obligations the Issuer's whole right, title, interest and benefit, present and future, in and to the Scottish Trust Property and in, to and under the Scottish Declaration of Trust, surrogating and substituting the Security Trustee in its full right and place therein and thereto.
- 3** The Issuer and the Security Trustee hereby intimate to Promontoria this assignation and Promontoria by its execution hereof hereby acknowledges this intimation.
- 4** The Issuer hereby agrees that all the obligations, undertakings, covenants, rights and powers specified and contained in the Deed of Charge which relate to the property referred to therein and the security and other rights and powers created thereunder and pursuant thereto shall be deemed to be repeated herein to the extent relevant or relating to the property and assets secured hereby and the security and other rights and powers created hereunder and shall apply except so far as inconsistent herewith *mutatis mutandis* to the property referred to herein, provided always that this deed shall be without prejudice to the Deed of Charge and all of the rights, powers, obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this deed.
- 5** This Scottish Trust Security may be executed in any number of counterparts and by each of the parties on separate counterparts.

Where executed in counterpart:

- (a) this Scottish Trust Security will not take effect until each of the counterparts hereof have been delivered;
  - (b) each counterpart will be held as undelivered until the parties agree a date on which the counterparts are to be treated as, and the Scottish Declaration of Trust and the Scottish Trust Transfer have been, delivered; and
  - (c) the date of delivery may be inserted in the testing Clause in the space provided for the effective date of this Scottish Trust Security.
- 6** This deed shall be governed by and construed in accordance with Scots law.

**In witness** whereof these presents typewritten on this and the preceding [2] pages are executed in counterpart by the parties as undernoted, with an effective date of [●] 2016 and with the counterparts executed by the Issuer, the Security Trustee and Promontoria being treated as delivered on such date and in such order as follows:

**Subscribed** for and on behalf of the said  
**TOWD POINT MORTGAGE FUNDING 2016-  
VANTAGE1 PLC**

at  
on  
by

.....	.....
Print Name	Authorised Signatory / Director
.....	.....
Print Name	Authorised Signatory / Director

in the presence of:

.....	Witness signature
.....	Witness Name
.....	Witness Address
.....	

**Subscribed** for and on behalf of the said  
**U.S. Bank Trustees Limited**

at  
on  
by

.....	.....
Print Name	Authorised Signatory / Director
.....	.....
Print Name	Authorised Signatory / Director

**Subscribed** for and on behalf of the said  
**Promontoria (Vantage) Limited**

at  
on  
by

.....	.....
Print Name	Authorised Signatory / Director
.....	.....
Print Name	Authorised Signatory / Director

in the presence of:

.....	Witness signature
.....	Witness Name
.....	Witness Address
.....	

## Schedule 6

### Definitions

#### 1 Definitions

**"1881 Act"** means the Conveyancing and Law of Property Act 1881;

**"1925 Act"** means the Law of Property Act 1925;

**"1970 Act"** means the Conveyancing and Feudal Reform (Scotland) Act 1970;

**"1999 Regulations"** means the Unfair Terms in Consumer Contracts Regulations 1999 as amended;

**"3 Month GBP LIBOR"** means the London Interbank Offered Rate for three-month Sterling deposits as displayed on Reuters Screen page LIBOR01;

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

**"€", "EUR" or "Euro"** means the lawful currency for the time being of the Member States of the European Union that have adopted the single currency introduced at the third stage of the European Economic and Monetary Union pursuant to the Treaty Establishing the European Communities as amended from time to time;

**"\$", "US\$", "USD", "U.S. Dollar" or "US Dollar"** means the lawful currency for the time being of the United States of America;

**"Account"** means:

- (a) the Collection Account;
- (b) an Issuer Account; and
- (c) any Additional Account;

**"Account Bank"** means the Issuer Account Bank;

**"Account Bank Fee Letter"** means the letter dated on or about the Closing Date between the Issuer and the Issuer Account Bank relating to the fees payable under Clause 3.3 (*Bank Charges*) of the Bank Account Agreement;

**"Account Bank Ratings"** means:

- (a) in the case of the Account Bank:
  - (i) in the case of S&P, a short-term unsecured, unsubordinated and unguaranteed debt rating of at least A-1 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by S&P, or should the Issuer Account Bank not benefit from a short-term unsecured, unsubordinated and unguaranteed debt rating of at least A-1 from S&P, a long-term unsecured, unsubordinated and unguaranteed debt rating of at least A+ by S&P;
  - (ii) in the case of DBRS, a long-term critical obligations rating of at least A by DBRS or if a critical obligations rating is not available on the Account Bank,

- an issuer rating or long-term senior unsecured debt rating of at least A by DBRS (or its DBRS Equivalent Rating); and
  - (iii) in the case of Moody's, a long-term, unsecured, unguaranteed and unsubordinated debt obligation rating of at least A3; or
  - (iv) (in each case) such other credit rating as approved in writing by the Security Trustee (the "**Account Bank Ratings**");
- (b) in the case of the Collection Account Bank:
  - (i) in the case of S&P, a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-2 (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB, or should the Collection Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-2, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB+;
  - (ii) in the case of DBRS, a long-term critical obligations rating of at least BBB(low) by DBRS or if a critical obligations rating is not available on the Collection Account Bank, an issuer rating or long-term senior unsecured debt rating of at least BBB(low) by DBRS (or its DBRS Equivalent Rating); and
  - (iii) in the case of Moody's, a long-term, unsecured and unsubordinated debt obligation rating of at least Baa3; or
  - (iv) (in each case) such other credit rating as approved in writing by the Security Trustee (the "**Collection Account Bank Ratings**");

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

**"Accrued Interest"** means in relation to a Loan, as at any given date, the aggregate amount of interest accrued but not due and payable from and including the immediately preceding Monthly Payment Date (or, if later, the date of completion of such Loan) relative to that Loan to, and including the end of, that given date;

**"Additional Account"** means any account of the Issuer or the Legal Title Holder, other than the Deposit Account, established in accordance with the Bank Account Agreement and Collection Account Agreement;

**"Additional Interest"** has the meaning given to it in Condition 17.2 (*Subordination by Deferral*);

**"Additional Service"** has the meaning given to it in clause 8 (*Additional Services*) of the Corporate Services Agreement;

**"Affiliate"** means, in relation to any person:

- (a) a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company; or
- (b) any other person that controls, is controlled by, or is under common control with such person;

**"Agency Agreement"** means the agency agreement dated on or prior to the Closing Date the Closing Date between the Issuer, the Principal Paying Agent, the Agent Bank, the Registrar, the Security Trustee and the Note Trustee, which sets out the appointment of the Paying Agents, the Registrar and the Agent Bank for the Notes and the Certificates;

**"Agent Bank"** means Elavon Financial Services Designated Activity Company, acting through its UK Branch from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom, acting as Agent Bank under the terms of the Agency Agreement, or such other person as may from time to time be appointed as Agent Bank pursuant to the Agency Agreement;

**"Agents"** means the Paying Agents, the Registrar and the Agent Bank;

**"Aggregate Expense Fee Rate"** means 0.90% per annum;

**"AIFM Regulation"** or **"AIFMR"** means Regulation (EU) No. 231/2013, referred to as the Alternative Investment Fund Manager Regulation;

**"Ancillary Rights"** means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including any guarantees or indemnities in respect of such Right;

**"Applicable Compensation Fee Cap"** has the meaning given to in paragraph 10 (*Application of Available Revenue Receipts prior to the service of an Enforcement Notice*) of Schedule 2 (Cash Management and Maintenance of Ledgers) of the Cash Management Agreement;

**"Applicable Laws"** means:

- (a) for the purpose of the Mortgage Sale Agreement, the Servicing Agreement, and the Back-Up Servicing Agreement, (i) all applicable laws, rules, regulations, ordinances, directives, statutes, authorisations, permits, licences, notices, instructions, decrees, administrative practices, formal or informal guidance, policies, measures or publications of any government authority or any other relevant regulator (including for the avoidance of doubt the FCA's guidance, policies and publications relating to the FCA's Treating Customers Fairly initiative), any judgment, court decree or judicial practice of any court, any rules of any stock exchange on which the shares of any party (or its holding company) are listed and any other requirements of any government authority having jurisdiction with respect to the Mortgage Loans and, for the avoidance of doubt, the foregoing shall include MCOB where applicable; and
- (b) for all other purposes, any law or regulation including, but not limited to: (i) any domestic or foreign statute or regulation; (ii) any rule or practice of any Authority with which any party is bound or accustomed to comply; and (iii) any agreement entered into by any party and any Authority or between any two or more Authorities;

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

**“Arranger”** means Credit Suisse Securities (Europe) Limited, a public limited company incorporated in England and Wales with offices at One Cabot Square, Canary Wharf, London E14 4QJ, United Kingdom;

**“Arrears of Interest”** means as at any date and in relation to any Mortgage Loan, the aggregate of all interest (other than Capitalised Arrears or Accrued Interest) on such Mortgage Loan which is currently due, payable and unpaid on that date;

**“Article 8b Requirements”** means any applicable requirements under Article 8b of the Credit Rating Agencies Regulation and the corresponding implementing measures from time to time (including the disclosure and reporting requirements under Articles 3 to 7 of Regulation (EU) No. 2015/3);

**“Article 51”** means Article 51 of the AIFM Regulation;

**“As beneficial owner”** shall be construed within the meaning of section 7 of the Conveyancing and Law of Property Act 1881 in relation to any Northern Irish Loans, their Related Security and/or any other assets or rights situated in or governed by the laws of Northern Ireland;

**“Assigned Rights”** means the benefit of the Mortgages, the Mortgage Loans and the Related Security sold, conveyed, transferred and assigned or to be assigned (i) to the Issuer by the Seller in accordance with the terms of the Mortgage Sale Agreement or (ii) to the Seller by the Legal Title Holder in accordance with the terms of the Initial Mortgage Sale Agreement;

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

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

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

**“Authorised Investments”** means:

- (a) Sterling gilt-edged securities; 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 either:

- (i) such investments (A) have a maturity date of 60 days or less and mature before the next following Interest Payment Date or within 60 days, whichever is sooner (and in each case for at least the price paid for the relevant investment), (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 60 days, whichever is sooner, and (C) are rated at least P-1 by Moody's (and A2 (long term) by Moody's if the investments have a long-term rating), rated at least (in the case of investments having a maturity date of 30 days or less)



R-1 (low) (or A (long term) or (in all other cases ) R-1 (middle) or AA (low (long term))) by DBRS (or its DBRS Equivalent Rating) and A-1 by S&P; or

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

For the avoidance of doubt, where such investments would be in a money market fund or would result in the recharacterisation of the Notes or any transaction as a "re-securitisation" or a "synthetic securitisation" as defined in Articles 4(63) and 242(11), respectively, of Regulation (EU) No 575/2013 (as amended and/or supplemented from time to time), such investments shall not qualify as "Authorised Investments";

**"Authorised Representative"** means a person named in Part 1 (*Authorised Representatives*) of Schedule 4 (*Authorised Representatives and Callback Contacts*) to the Bank Account Agreement, as amended pursuant to clause 4.7 of the Bank Account Agreement;

**"Authorised Signatory"** means:

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

**"Authority"** means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction, domestic or foreign;

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

- (a) all Redemption Receipts or, if in a Determination Period, any Calculated Redemption Receipts, (in each case, excluding an amount equal to any Closing Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date), (i) received by or on behalf of the Issuer during the immediately preceding three Collection Periods and (ii) if representing amounts received in respect of any indemnity payments made by the Seller pursuant to the Mortgage Sale Agreement received by the Issuer from (but excluding) the Monthly Pool Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from (and including) the Closing Date) to (and including) the Monthly Pool Date immediately preceding the

relevant Interest Payment Date or (iii) in respect of the exercise of the Portfolio Purchase Option or a Market Portfolio Purchase, amounts received from a third party purchaser or amounts received from the Portfolio Option Holder, as applicable, and determined by the Issuer (or the Cash Manager on its behalf) to be applied as Redemption Receipts to effect a redemption pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Optional Redemption of the Notes in full*), Condition 8.5 (*Mandatory Redemption following the exercise of the Portfolio Purchase Option or a Market Portfolio Purchase*) or Condition 8.6 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), within two Business Days prior to such Interest Payment Date or such other date as may be agreed with the Security Trustee;

- (b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A1 Principal Deficiency Sub-Ledger and/or the Class A2 Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger and/or the Class Z Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date;
- (c) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Redemption Receipts in accordance with Condition 6.10(c) (*Determinations and Reconciliation*);
- (d) any Closing Reconciliation Amount (representing principal) paid by the Seller pursuant to the terms of the Mortgage Sale Agreement;
- (e) principal from any Authorised Investments to be received on or prior to the Interest Payment Date; and
- (f) on the earlier of the Class D Redemption Date and the Final Maturity Date, all amounts standing to the credit of the Excess Cashflow Reserve Fund after first applying amounts standing to the credit of the Excess Cashflow Reserve Fund in accordance with paragraph (i) of the definition of "Available Revenue Receipts" and second crediting Available Revenue Receipts to the Excess Cashflow Reserve Fund Ledger in accordance with item (aa) of the Pre-Enforcement Revenue Priority of Payments;

less

- (g) any Closing Reconciliation Amount (representing principal) owed by the Issuer pursuant to the terms of the Mortgage Sale Agreement; and
- (h) amounts required to be retained in the Collection Account pursuant to the Collection Account Agreement.

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

- (a) Revenue Receipts or, if in a Determination Period, Calculated Revenue Receipts, (in each case, excluding any Closing Reconciliation Amounts to be applied as

Available Redemption Receipts on that Interest Payment Date) received (i) by or on behalf of the Issuer during the immediately preceding three Collection Periods, or (ii) if representing amounts received in respect of any indemnity payments made by the Seller pursuant to the Mortgage Sale Agreement from (but excluding) the Monthly Pool Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to (and including) the Monthly Pool Date immediately preceding the relevant Interest Payment Date or (iii) in respect of the exercise of the Portfolio Purchase Option or a Market Portfolio Purchase, amounts received from a third party purchaser or amounts received from the Portfolio Option Holder, as applicable, and determined by the Issuer (or the Cash Manager on its behalf) to be applied as Revenue Receipts including accrued interest, fees, costs and expenses for the Issuer and other amounts to be applied as revenue to effect a redemption pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Optional Redemption of the Notes in full*), Condition 8.5 (*Mandatory Redemption following the exercise of the Portfolio Purchase Option or a Market Portfolio Purchase*) or Condition 8.6 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), within two Business Days prior to such Interest Payment Date or such later date as may be agreed with the Security Trustee;

- (b) interest payable to the Issuer on the Issuer Accounts (including interest earned on the Deposit Account) and received in the immediately preceding three Collection Periods and income from any Authorised Investments to be received on or prior to the Interest Payment Date;
- (c) (A) prior to the LF Cancellation Date, any Liquidity Drawing (where for the avoidance of doubt, "Liquidity Drawing" does not include any Liquidity Standby Drawing) and (B) on and from the First Optional Redemption Date, the Liquidity Reserve Fund Actual Amount, but only to the extent necessary (after applying all other Available Revenue Receipts and any Principal Addition Amounts to do so (assuming for the purpose of this paragraph (c) that this paragraph (c) had not applied)) to make payments in the Pre-Enforcement Revenue Priority of Payments to the extent there is a shortfall to meet items (a) to (i) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments. If the LF Cancellation Date has not yet occurred, Principal Addition Amounts applied to cure any PAA Deficit, then (on and from the First Optional Redemption Date) the Liquidity Reserve Fund Actual Amount will be applied first to meet such shortfall before the Issuer will make any drawing under the Liquidity Facility to meet the same;
- (d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.10(c) (*Determinations and Reconciliation*);
- (e) amounts credited to the Deposit Account on the previous Interest Payment Date in accordance with item (v) of the Pre-Enforcement Revenue Priority of Payments;
- (f) other net income of the Issuer received during the immediately preceding three Collection Periods, excluding any Redemption Receipts;
- (g) any Closing Reconciliation Amount (representing revenue) paid by the Seller pursuant to the terms of the Mortgage Sale Agreement;

- (h) Principal Addition Amounts to be applied as Available Revenue Receipts (prior to the application of Liquidity Drawings and the Liquidity Reserve Fund Actual Amount in accordance with paragraph (c) above and amounts standing to the credit of the Excess Cashflow Reserve Fund in accordance with paragraph (i) below) to pay:
- (i) if the Class A Notes are the Most Senior Class:
    - (A) for as long as any Class A1 Notes remain outstanding: items (a) to (i) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments until all amounts payable thereunder are paid in full; and
    - (B) following full redemption of the Class A1 Notes and for as long as any Class A2 Notes remain outstanding, items (a) to (g) and (i) but disregarding item (f)) of the Pre-Enforcement Revenue Priority of Payments until all amounts payable thereunder are paid in full;
  - (ii) if the Class B Notes are the Most Senior Class, items (a) to (g) and (l) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments;
  - (iii) if the Class C Notes are the Most Senior Class, items (a) to (g) and (n) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments;
  - (iv) if the Class D Notes are the Most Senior Class, items (a) to (g) and (p) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments;
  - (v) if the Class E Notes are the Most Senior Class, items (a) to (g) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments; and
  - (vi) if the Class F Notes are the Most Senior Class, items (a) to (g) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments;
- in each case, after application of Available Revenue Receipts (but disregarding for these purposes items (c), (h) and (i) of the definition of "Available Revenue Receipts");
- (i) on and following the First Optional Redemption Date and up to (and including) the earlier of the Class D Redemption Date and the Final Maturity Date, amounts standing to the credit of the Excess Cashflow Reserve Fund, but only to the extent necessary (after applying all other Available Revenue Receipts and any Principal Addition Amounts to do so (assuming for the purpose of this paragraph (i) that this paragraph (i) had not applied)) to pay items (l), (n), and (p) of the Pre-Enforcement Revenue Priority of Payments; and
  - (j) any amounts standing to the credit of the SDC Ledger;
- less*
- (k) amounts applied from time to time during the immediately preceding three Collection Periods in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to):
    - (i) certain costs and expenses charged by the Servicer in respect of its servicing of the Loans, costs or expenses incurred in relation to any audit in respect of title and security, other than any amounts payable by way of Servicing Fees in accordance with item (b)(viii) and (w) of the Pre-

Enforcement Revenue Priority of Payments and not otherwise covered by the items below;

- (ii) payments of certain insurance premiums in respect of the Insurance Contracts (to the extent referable to the Loans);
- (iii) amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited and such other amounts that have been paid in error or otherwise recalled or is required by the Collection Account Bank to be credited to a reserve which will set aside an amount for such payments in the collection account of the Legal Title Holder, as applicable; 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;

(items within this paragraph (k) being collectively referred to herein as "**Third Party Amounts**");

- (l) any tax payments paid or payable by the Issuer during the immediately preceding three Collection Periods to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger;
- (m) (taking into account any amount paid by way of Third Party Amounts) to pay any amounts due to the Collection Account Bank in respect of the Loans;
- (n) any Closing Reconciliation Amount (representing revenue) owed by the Issuer pursuant to the terms of the Mortgage Sale Agreement; and
- (o) amounts required to be retained in the Collection Account pursuant to the Collection Account Agreement;

**"BACS"** means the operator for the time being of the Direct Debiting Scheme, being at the date of this Agreement, Bankers Automated Clearing Services Limited (as may be amended or supplemented from time to time or any scheme replacing the same);

**"Back-Up Servicer"** means the back-up servicer appointed under a Back-Up Servicing Agreement (or any successor duly appointed);

**"Back-Up Servicer Facilitator"** means Wilmington Trust SP Services (London) Limited, a private limited company incorporated under the laws of England and Wales, with registered number 2548079, whose registered office is at Third Floor, 1 King's Arms Yard, London, EC2R 7AF, or such other person as may from time to time be appointed as back-up servicer facilitator to perform certain services pursuant to the terms of the Servicing Agreement;

**"Back-Up Servicing Agreement"** means (a) the back-up servicing agreement between, amongst others, the Back-Up Servicer and the Issuer appointing the Back-Up Servicer as back-up servicer to perform certain services; and (b) any Replacement Servicing Agreement;

**"Back-Up Servicing Fees"** means the fees agreed as such in the Back-Up Servicing Agreement (if any);

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

**"Bank of England Base Rate"** means the official rate from time to time of the Bank of England;

**"Banking Act 2009"** means the Banking Act 2009 which includes provision for a special resolution regime pursuant to which specified UK incorporated entities, including authorised deposit-taking institutions and investment firms and powers to recognise and give effect to certain resolution actions in respect of third country institutions;

**"Basic Terms Modification"** has the meaning given to it in Paragraph 12 of Schedule 9 (*Provisions for Meetings of Noteholders and Certificateholders*) to the Trust Deed;

**"Benefit"** in respect of any asset, agreement, property or right (each a Right for the purpose of this definition and the definition of Ancillary Rights above) held, assigned, conveyed, transferred, charged, sold or disposed of by any person shall be construed so as to include:

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

**"Block Buildings Policy"** means any block buildings insurance policies which relates to Mortgage Loans in the Mortgage Portfolio from time to time;

**"Block Voting Instruction"** has the meaning given to it in Paragraph 1 (*Definitions*) of Schedule 9 to the Trust Deed (*Provisions for Meetings of Noteholders and Certificateholders*);

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

**"Breach of Duty"** means in relation to any person (other than the Note Trustee, the Security Trustee, the Issuer Account Bank, the Cash Manager, the Paying Agent and the Registrar), a wilful default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person and in relation to the Note Trustee, the Security Trustee, the Issuer Account Bank, the Cash Manager, the Paying Agent and the Registrar, means a wilful default, fraud or gross negligence by the Note Trustee, the Security Trustee, the Issuer Account Bank, the Cash Manager, the Paying Agent or the Registrar (as the case may be);

**"Building Policies"** means any buildings insurance policies and other contracts relating to freehold, leasehold or fee farm grant English Properties, Northern Irish Properties or any Scottish Properties which have been taken out in the name of the relevant Mortgage Borrower or in the name of the Mortgage Borrower and the Legal Title Holder or in the name of the Mortgage Borrower with the Legal Title Holder's interest noted, in accordance with the applicable Mortgage Conditions or the Alternative Insurance Requirements, including, without limitation, any Block Buildings Policy;

**"Business Day"** means a day (other than a Saturday or Sunday or a public holiday) on which banks are open for general business in London and New York;

**"Buy-to-Let Mortgage Loans"** means loans which are secured by non-owner occupied freehold, fee farm grant, heritable or leasehold properties;

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

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

**"Calculation Date"** means the third Business Day preceding each Interest Payment Date;

**"Capital Requirements Regulation"** or **"CRR"** means Regulation (EU) No. 575/2013;

**"Capitalised Arrears"** means, in relation to a Mortgage Loan, on any date, amounts (excluding Arrears of Interest or amounts comprising Capitalised Expenses) which as at that date have been added to the Capital Balance of such Mortgage Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Mortgage Borrower;

**"Capital Balance"** means, in relation to any Mortgage Loan at any date, the principal balance of that Mortgage Loan to which the relevant interest rate at which interest on each Mortgage Loan applies;

**"Capitalised Expenses"** means for any Mortgage Loan at any date, expenses which as at that date have been added to the Capital Balance of that Mortgage Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Mortgage Borrower;

**"Cash Management Agreement"** means the cash management agreement dated on or about the Closing Date between the Cash Manager, the Seller, the Retention Holder, the Issuer and the Security Trustee;

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

**"Cash Manager"** means Elavon Financial Services Designated Activity Company, acting through its UK Branch from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom, 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 13.1 (*Cash Manager Termination Events*) of the Cash Management Agreement;

**"CCA"** and **"Consumer Credit Act"** means the Consumer Credit Act 1974 as amended;

**"Central Bank"** means the Central Bank of Ireland;

**"CERH"** means Cerberus European Residential Holdings B.V.;

**"CERH Power of Attorney"** has the meaning given to it in clause 9.2 (*CERH Power of Attorney*) of the Mortgage Sale Agreement;

**"CERH Power of Attorney"** means the power of attorney delivered by the Seller pursuant to the Mortgage Sale Agreement;

**"CERH Warranty"** means the representations and warranties of CERH set out in Schedule 3 (*CERH's Representations and Warranties*) to the Mortgage Sale Agreement;

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

**"Certificate of Title"** means a solicitor's, licensed or (in Scotland) qualified conveyancer's report or certificate of title obtained in respect of each Mortgaged Property substantially in the form of the pro forma set out in the Standard Documentation;

**"Certificates"** means the SDC Certificates, the DC1 Certificates and the DC2 Certificates issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof;

**"Certificates Payment"** means each of the SDC Payment and the DC1 Payment;

**"Certificates Conditions"** means the terms and conditions of the Certificates set out in Schedule 6 (*Terms and Conditions of the Certificates*) to the Trust Deed, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Trust Deed and any reference to a numbered Certificates Condition shall be construed accordingly;

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

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



**"Charged Documents"** means each of the Transaction Documents (other than the Trust Deed, the Deed of Charge, the Scottish Trust Security, the Scottish Declaration of Trust, the Scottish Trust Transfer and any Scottish Transfer or Scottish Sub-Security) to which the Issuer is a party;

**"Claim"** has the meaning given to it in clause 10.4 (*Indemnity*) of the Corporate Services Agreement;

**"Class"** in relation to the Notes means each or any of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes as the case may be, or to the respective holders thereof and in relation to the Certificates means each or any of the SDC Certificates, the DC1 Certificates and the DC2 Certificates, as the case may be, or to the respective holders thereof;

**"Class A Noteholders"** means the Class A1 Noteholders and the Class A2 Noteholders;

**"Class A1 Noteholders"** means the persons who for the time being are registered in the Register as holders of Class A1 Notes;

**"Class A2 Noteholders"** means the persons who for the time being are registered in the Register as holders of Class A2 Notes;

**"Class A Notes"** means the Class A1 Notes and the Class A2 Notes;

**"Class A1 Notes"** means the £451,927,000 Class A1 mortgage backed floating rate notes due February 2054;

**"Class A2 Notes"** means the £32,867,000 Class A2 mortgage backed floating rate notes due February 2054;

**"Class A1 Principal Deficiency Sub-Ledger"** means the Principal Deficiency Ledger relating to the Class A1 Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement;

**"Class A2 Principal Deficiency Sub-Ledger"** means the Principal Deficiency ledger relating to the Class A2 Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement;

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

**"Class B Net WAC Additional Amount"** means the amount of Net WAC Additional Amount determined in respect of the Class B Notes;

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

**"Class B Notes"** means the £50,944,000 Class B mortgage backed floating rate notes due February 2054;

**"Class B Principal Deficiency Sub-Ledger"** means the Principal Deficiency Ledger relating to the Class B Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement;

**"Class C Net WAC Additional Amount"** means the amount of Net WAC Additional Amount determined in respect of the Class C Notes;

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

**"Class C Notes"** means the £57,518,000 Class C mortgage backed floating rate notes due February 2054;

**"Class C Principal Deficiency Sub-Ledger"** means the Principal Deficiency Ledger relating to the Class C Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement;

**"Class D Net WAC Additional Amount"** means the amount of Net WAC Additional Amount determined in respect of the Class D Notes;

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

**"Class D Notes"** means the £40,263,000 Class D mortgage backed floating rate notes due February 2054;

**"Class D Principal Deficiency Sub-Ledger"** means the Principal Deficiency Ledger relating to the Class D Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement;

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

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

**"Class E Notes"** means the £45,193,000 Class E mortgage backed fixed rate notes due February 2054;

**"Class E Principal Deficiency Sub-Ledger"** means the Principal Deficiency Ledger relating to the Class E Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement;

**"Class F Noteholders"** means the persons who for the time being are registered in the Register as the holders of Class F Notes;

**"Class F Notes"** means the £60,804,000 Class F mortgage backed fixed rate notes due February 2054;

**"Class F Principal Deficiency Sub-Ledger"** means the Principal Deficiency Ledger relating to the Class F Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement;

**"Class Z Noteholders"** means the persons who for the time being are registered in the Register as the holders of Class Z Notes;

**"Class Z Notes"** means the £82,168,000 Class Z mortgage backed fixed rate notes due February 2054;

**"Class Z Principal Deficiency Sub-Ledger"** means the Principal Deficiency Ledger relating to the Class Z Notes and maintained by the Cash Manager in accordance with the Cash Management Agreement;

**"Clear Days"** has the meaning given to it in Paragraph 1 (*Definitions*) of Schedule 9 to the Trust Deed (*Provisions for Meetings of Noteholders and Certificateholders*);

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

**"Clearstream, Luxembourg"** means Clearstream Banking, S.A.;

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

**"Co-Sponsors"** means Cerberus European Residential Holdings B.V. and FirstKey Mortgage, LLC;

**"Closing Date"** means 13 December 2016;

**"Closing Date Revenue Collections"** means an amount representing an aggregate of all amounts referred to in the definition of Revenue Receipts (to the extent applicable) received in respect of the Mortgage Portfolio during the period between the Cut-Off Date and the Closing Date as determined by the Cash Manager on the Reconciliation Date;

**"Closing Date Principal Collections"** means an amount representing an aggregate of all amounts referred to in the definition of Redemption Receipts (to the extent applicable and, for the avoidance of doubt, other than item (f) of the definition of Redemption Receipts) received in respect of the Mortgage Portfolio during the period between the Cut-Off Date and the Closing Date as determined by the Cash Manager on the Reconciliation Date;

**"Closing Date Purchase Price"** means an amount equal to the Current Balance of the Loans and their Related Security as at (and including) 31 October 2016 or such other amount as may be agreed between the Issuer and the Seller;

**"Closing Reconciliation Amount"** has the meaning set out in clause 3.5 (*Reconciliation*) of the Mortgage Sale Agreement;

**"Code"** means the U.S. Internal Revenue Code of 1986, as amended;

**"Collection Account"** means an account in the name of the Legal Title Holder held with the Collection Account Bank in to which Collections are paid by Mortgage Borrowers from time to time;

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

**"Collection Account Bank"** means Barclays Bank plc, or such other person as may from time to time be appointed as Collection Account Bank at which the Collection Accounts are maintained from time to time;

**"Collection Account Declaration of Trust"** means the agreement so named between among others the Legal Title Holder, the Collection Account Bank, the Issuer and the Security Trustee under which the Legal Title Holder declares a trust over its rights, title and

beneficial interest under the Collection Account in favour of certain beneficiaries including the Issuer;

**"Collection Account Trust"** means the trust created by the Legal Title Holder in clause 2 (*Declaration of Trust*) of the Collection Account Declaration of Trust;

**"Collection Account Trust Trustee"** means the Legal Title Holder;

**"Collection Period"** means each period from (and including) the first day in a calendar month to (and including) the last day of that same calendar month, save that the first Collection Period shall begin on the first day of November 2016;

**"Collections"** means Revenue Receipts and Redemption Receipts;

**"Collections Procedures"** means the collections procedures of the Servicer as set out in the Service Specifications;

**"Commitment"** means the commitment of the Liquidity Facility Provider to the extent not cancelled, transferred or reduced under the Liquidity Facility Agreement, on the date of the Liquidity Facility Agreement and on each Interest Payment Date thereafter, being an amount equal to the Liquidity Facility Required Amount;

**"Common Depositary"** means Elavon Financial Services Designated Activity Company, UK Branch in its capacity as nominee for Euroclear and Clearstream, Luxembourg;

**"Companies Act"** has the meaning given to the term "Companies Act" 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;

**"Compensation Fee Cap"** means 0.20% per annum on the average aggregate Current Balance of the Loans, as determined as at the first day of each of the immediately preceding three Collection Periods multiplied by the number of days in each of the immediately preceding three Collection Periods divided by 365, plus (on or before the First Optional Redemption Date) any amounts standing to the credit of the SDC Ledger (prior to the application of Available Revenue Receipts on such date in accordance with the Pre-Enforcement Revenue Priority of Payments);

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

**"Completion Date"** means the Closing Date;

**"Computer System"** means any computer hardware or software or any equipment operated by electronic means;

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

**"Conditions"** or **"Terms and Conditions of the Notes"** means the terms and conditions of the Notes set out in Schedule 5 (*Terms and Conditions of the Notes*) to the Trust Deed, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Trust Deed and any reference to a numbered Condition shall be construed accordingly;

**“Contractual Monthly Subscription”** means, in relation to any Mortgage Loan, the amount in the ordinary course of administration of that Mortgage Loan due to be debited to the account of the relevant Borrower on a Monthly Payment Date;

**“Corporate Services Agreement”** means the agreement dated on or about the Closing Date and made between the Corporate Services Provider, the Share Trustee, Holdings, the Issuer and the Security Trustee for the provision by the Corporate Services Provider of certain corporate services to the Issuer and Holdings;

**“Corporate Services Provider”** means Wilmington Trust SP Services (London) Limited (registered number 2548079), a company incorporated under the laws of England and Wales, whose principal 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 the Holdings under the Corporate Services Agreement;

**“Corporate Services Provider Fee Letter”** has the meaning given to it in clause 1.2 (*Definitions and Interpretation*) of the Corporate Services Agreement;

**“Corrupt Act”** means, any act or omission which would in the ordinary course of business be understood to be corrupt, wrongful, dishonest or criminal in nature, including:

- (a) the offering of any payment, reward or other advantage to any person, including employees, agents or sub-contractors of that person or any other person intended to improperly influence the person concerned in the exercise of his or her duties;
- (b) the offering or giving of any advantage to influence the action of a person holding public office or exercising public functions or a director, employee or representative of a public authority or public enterprise or a director or official of a public international organisation in connection with the transactions contemplated by the Transaction Documents; any act which improperly influences or is intended improperly to influence the procurement process or the implementation of the transactions contemplated by the Transaction Documents;
- (c) any act(s) of a similar nature to those described in paragraph (a) or (b) above which has been found or is likely to be found by a court in any competent jurisdiction to constitute an offence under any applicable law; or any other violation of any anti-bribery or anti-corruption laws or regulations including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and any implementing legislation enacted pursuant to the OECD Convention Combating Bribery of Foreign Public Officials in International Business Transactions, in each case as amended from time to time and regardless of whether or not they are technically applicable to, or binding on the Issuer or any other relevant person (the **“Anti-Corruption Laws”**);

**“Current Balance”** for a Mortgage Loan means, at any given date, the aggregate balance of the amounts charged to the Mortgage Borrower’s account in respect of a Mortgage Loan as at such date (but avoiding double counting) including:

- (a) the Initial Advance (excluding any completion fees) and any further amount advanced on or before the given date to the relevant Mortgage Borrower and 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 capitalised in accordance with the relevant Mortgage Conditions or with the relevant Mortgage Borrower’s consent or

capitalised in accordance with the Servicer's normal charging practices and any applicable regulatory obligation and added to the amounts secured or intended to be secured by the related Mortgage; and

- (c) any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Mortgage Borrower and has not been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Mortgage Borrower's consent or in accordance with the Servicer's normal charging practices and any applicable regulatory obligations but which is secured or intended to be secured by the related Mortgage, as at the end of the Business Day immediately preceding that given date;

taking into account any repayment or payment, or any waiver, release or discharge in respect of any of the foregoing made on or before the end of the Business Day immediately preceding that given date;

**"Current Interest"** means, with respect to any Class of Notes and any Interest Payment Date, the amount equal to (A) the product of (i) the actual number of days in the relevant Interest Period; (ii) the applicable Rate of Interest in relation to such Class of Notes for such Interest Payment Date; and (iii) the Principal Amount Outstanding of such Class of Notes immediately prior to such Interest Payment Date; divided by (B) 365;

**"Customer Files"** means the Mortgage Loan Files;

**"Cut-Off Date"** means 31 October 2016;

**"Daily Mortgage Loan Amount"** means the aggregate daily amount credited to the Collection Account that relates to the Mortgage Loans;

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

**"Data Protection Act"** means the Data Protection Act 1998;

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

**"DBRS"** means DBRS Ratings Limited;

**"DBRS Equivalent Chart"** means:

DBRS Long-Term Rating	Applicable Rating Agency	
	Moody's	S&P
AAA	Aaa	AAA
AA (high)	Aa1	AA+
AA	Aa2	AA
AA (low)	Aa3	AA-
A (high)	A1	A+
A	A2	A
A (low)	A3	A-
BBB (high)	Baa1	BBB+

<b>DBRS Long-Term Rating</b>	<b>Applicable Rating Agency</b>	
BBB	Baa2	BBB
BBB (low)	Baa3	BBB-
BB (high)	Ba1	BB+
BB	Ba2	BB
BB (low)	Ba3	BB-
B (high)	B1	B+
B	B2	B
B (low)	B3	B-
CCC (high)	Caa1	CCC+
CCC	Caa2	CCC
CCC (low)	Caa3	CCC-
CC	Ca	CC
D	D	D

**"DBRS Equivalent Rating"** means with respect to the long-term senior debt ratings, (i) if public ratings by any Moody's and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalent Chart); and (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) above, and therefore only a public rating by one of Moody's and S&P is available, such rating will be the DBRS Equivalent Rating (upon conversion on the basis of the DBRS Equivalent Chart);

**"DC1 Certificates"** means the DC1 Certificates constituted by the Trust Deed;

**"DC1 Certificateholders"** means the persons who for the time being are registered in the Register as the holders of the DC1 Certificates;

**"DC1 Payment"** means, on any date of determination:

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

**"DC2 Certificates"** means the DC2 Certificates constituted by the Trust Deed;

**"DC2 Certificateholders"** means the persons who for the time being are registered in the Register as the holders of the DC2 Certificates;

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

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

**"Deed of Consent"** means a deed whereby a person in or intended to be in occupation of a Mortgaged Property agrees with the Legal Title Holder to postpone his or her interest (if any) in the Mortgaged Property so that it ranks after the interest of the Legal Title Holder created by the relevant Mortgage;

**"Deed of Postponement"** means a deed whereby a Mortgagee or other security or chargeholder of a Mortgaged Property agrees with the Legal Title Holder to postpone its Mortgage over the Mortgaged Property so that the sums secured by it will rank for repayment after the sums secured by the relevant Mortgage;

**"Deed of Reassignment"** means the deed substantially in the form of Schedule 10 (*Deed of Reassignment*) to the Mortgage Sale Agreement;

**"Deed Poll"** means the deed poll dated the Closing Date executed by the Issuer in favour of the Portfolio Option Holder and the Market Sale Option Holder from time to time;

**"Default"** means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default;

**"Deferred Interest"** shall have the meaning given to it in Condition 17.1 (*Deferred Interest*);

**"Definitive Certificates"** means any of the Certificates in definitive registered form;

**"Definitive Notes"** means the Reg S Definitive Notes and/or the Rule 144A Definitive Notes, as the context may require;

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

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

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

**"Deposit Account Rate"** means the rates of interest as set out in clause 18.1 of the Bank Account Agreement;



**"Determination Period"** has the meaning given to it in Paragraph 12.1 of Schedule 2 (*Cash Management and Maintenance of Ledgers*) to the Cash Management Agreement;

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

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

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

**"Distribution Compliance Period"** means the period of 40 days to be calculated after the later of the commencement of the offering of the Reg S Notes and the Closing Date;

**"Downgrade Event"** has the meaning given to it in clause 1.1 (*Definitions*) of the Liquidity Facility Agreement;

**"DPA"** means the Data Protection Act 1998;

**"DPA Registration"** means a registration with the Information Commissioner's Office under the DPA;

**"Dutch GAAP"** means the generally accepted accounting principles applicable to the relevant person in the Netherlands;

**"EEA"** means the European Economic Area;

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

**"Eligible Person"** means any one of the following persons who shall be entitled to attend and vote at a meeting:

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

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

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

**"Enforcement Notice"** means a notice served by the Note Trustee on the Issuer (with a copy to the Cash Manager, the Security Trustee, the Servicer, the Liquidity Facility Provider and the Issuer Account Bank, or any successor body) that (i) all Classes of Notes are immediately due and repayable at their respective Principal Amount Outstanding, together with accrued (but unpaid) interest (including any Net WAC Additional Amount), as provided in the Trust Deed, pursuant to Condition 11 (*Events of Default*);

**"Enforcement Procedures"** means the procedures for the enforcement of Mortgages undertaken by the Servicer from time to time in accordance with the service specification as set out in the Servicing Agreement;

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

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

**“English Mortgage Loans”** means a Mortgage Loan secured by an English Mortgage;

**“English Property”** means a Mortgaged Property situated in England or Wales;

**“Euroclear”** means Euroclear Bank S.A./N.V.;

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

**“Excess Cashflow Reserve Fund”** means the fund established by the Issuer or the Cash Manager on and from the First Optional Redemption Date and which will be credited in accordance with item (aa) of the Pre-Enforcement Revenue Priority of Payments, and will be available to pay interest due and payable on the Class B Notes, the Class C Notes, the Class D Notes, in accordance with items (l), (n) and (p) of the Pre-Enforcement Revenue Priority of Payments (after applying any Principal Addition Amounts towards any PAA Deficit on such Interest Payment Date);

**“Excess Cashflow Reserve Fund Ledger”** means the ledger which will be established on and from the First Optional Redemption Date and shall record:

- (a) as a credit (i) any amounts made available in accordance with item (aa) of the Pre-Enforcement Revenue Priority of Payments; (ii) any Excess Liquidity Amount; (iii) any amounts debited from the SDC Ledger in accordance with the Pre-Enforcement Ledgers Priority of Payments; and (iv) on the Class A Redemption Date, any amounts debited from the Liquidity Reserve Fund Ledger on that date; and
- (b) as a debit (i) amounts used to pay any interest due and payable on the Class B Notes, the Class C Notes and the Class D Notes in accordance with items (l), (n) and (p) of the Pre-Enforcement Revenue Priority of Payments (after applying any Principal Addition Amounts towards any PAA Deficit on such Interest Payment Date) and (ii) on the earlier of the Class D Redemption Date and the Final Maturity Date, all amounts standing to the credit of the Excess Cashflow Reserve Fund, to be applied as Available Redemption Receipts (after first applying amounts standing to the credit of the Excess Cashflow Reserve Fund in accordance with item (i) of the definition of “Available Revenue Receipts”);

**“Excess Liquidity Amount”** means the amount (if positive) by which the amount credited to the Liquidity Reserve Fund Ledger as at the last Interest Payment Date exceeds the Liquidity Reserve Target as determined on the current Interest Payment Date;

**“Exchange Act”** means the U.S. Securities Exchange Act of 1934, as amended;

**“Exercise Notice”** means a notice to be delivered by the Portfolio Option Holder or Market Sale Option Holder, as applicable, in accordance with the Deed Poll to exercise the Portfolio Call Option;

**“Extraordinary Resolution”** has the meaning given to it in Condition 13 (*Meetings of Noteholders and Certificateholders, Modification, Waiver and Substitution*) and/or

Certificates Condition 12 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*), as the context requires;

**"Extension Refusal"** means the refusal by the Liquidity Facility Provider to grant an extension of the terms of the Liquidity Facility Agreement or the failure by the Liquidity Facility Provider to deliver a notice to the Issuer as provided by clause 2.2(b) (*Extension of the Facility*) of the Liquidity Facility Agreement by the date specified therein;

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

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

**"FCA Rules"** means the rules established by the FCA in the FCA Handbook of rules and guidance from time to time;

**"Final Discharge Date"** means the date on which the Security Trustee notifies the Issuer and the Secured Creditors that it is satisfied that all the Secured Obligations and all other monies and other liabilities due or owing by the Issuer under the Transaction Documents have been paid or discharged in full;

**"Final Maturity Date"** means the Interest Payment Date falling in February 2054;

**"Final Rated Notes Redemption Date"** means the Interest Payment Date in respect of which the Cash Manager determines on the immediately preceding Calculation Date that, following the application on that Interest Payment Date of Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, the sum of the Available Redemption Receipts (other than item (c)) and all amounts standing to the credit of the Liquidity Reserve Fund Ledger would be sufficient to redeem in full the Rated Notes (if any) on such Interest Payment Date (including as the case may be as a result of any redemption under Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Optional Redemption of the Notes in full*), Condition 8.5 (*Mandatory Redemption following the exercise of the Portfolio Purchase Option or a Market Portfolio Purchase*) or Condition 8.6 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), as applicable);

**"Financial Year"** means the 12-month period ending on 31 December of each year, provided that the first Financial Year ends on 31 December 2016;

**"First Interest Payment Date"** means February 2017;

**"First Optional Redemption Date"** or **"FORD"** means the Interest Payment Date falling in November 2019;

**"Floating Rate of Interest"** means the floating rate of interest payable from time to time in respect of each Class of the Notes (save for the Class E Notes, the Class F Notes and the Class Z Notes);

**"Force Majeure Event"** means an event beyond the reasonable control of the person affected including (without limitation) strike, lock out, labour dispute, act of God, war, riot, civil commotion, epidemics, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, electricity power-cut, fire or flood; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; or market conditions affecting the execution or settlement of transactions or the value of assets and breakdown, failure or malfunction of any telecommunication system;

**"FOS"** means the Financial Ombudsman Service or any successor entity that assumes its relevant functions;

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

**"FSMA 2000"** or **"FSMA"** means the Financial Services and Markets Act 2000;

**"Full Title Guarantee"** shall be construed in accordance with the LP (MP) Act;

**"Global Certificate"** means the global certificate in registered form representing the Certificates in, or substantially in, the form set out in Schedule 7 (*Form of the Global Certificate*) to the Trust Deed;

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

**"Goodbye Letter"** means a letter in the form set out in Schedule 5 (*Form of Goodbye Letter*) of the Mortgage Sale Agreement;

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

**"Guarantee"** means each guarantee in support of the obligations of a Mortgage Borrower under a Mortgage Loan and **"Guarantees"** means any or all of the guarantees;

**"Guarantor"** means an individual who has provided a Guarantee in support of the obligations of a Mortgage Borrower under a Mortgage Loan;

**"Heritable Creditor"** means, in relation to Scottish Mortgage Loans, the holder of a standard security over heritable or long leasehold property in Scotland;

**"HMRC"** means HM Revenue & Customs;

**"Holding Company"** means, in relation to a person, any other person in respect of which it is a Subsidiary;

**"Identified Person"** has the meaning given to it in Paragraph 3 (*Procedure for Issue of Voting Certificates, Block Voting Instructions*) of Schedule 9 (*Provisions for Meetings of Noteholders and Certificateholders*) to the Trust Deed;

**"Initial Mortgage Sale Agreement"** means the mortgage sale agreement between, amongst others, the Legal Title Holder and CERH in respect of the transfer to CERH of the beneficial title in the Mortgage Loans;

**"Illicit Origin"** means any origin which is illegal or fraudulent, including drug traffic, corruption, organised criminal activities, terrorism or fraud against financial interests of the World Bank or the European Union or any Member State thereof;

**"in issue"** or **"outstanding"** means, in relation to the Certificates, all the Certificates issued from time to time other than:

- (a) those Certificates which have been cancelled in accordance with Certificates Condition 11.4 (*Limited Recourse*);
- (b) those Certificates which have become void or in respect of which claims have become prescribed, in each case under Certificates Condition 9 (*Prescription*);
- (c) those mutilated or defaced Certificates which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Certificates Condition 14 (*Replacement of Certificates*);
- (d) any Global Certificate to the extent that it shall have been exchanged for another Global Certificate or for the Certificates in definitive form pursuant to the Certificates Conditions,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Certificateholders, the passing of an Extraordinary Resolution in writing or an Ordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents through the relevant Clearing System(s) as envisaged by Paragraph 1 (*Definitions*) of Schedule 9 (*Provisions for Meetings of Noteholders and Certificateholders*) to the Trust Deed and any direction or request by the Certificateholders;
- (ii) the determination of how many and which Certificates are for the time being outstanding for the purposes of clause 14.1 (*Action, Proceedings and Indemnification*) and Schedule 7 (*Form of the Global Certificate*) to the Trust Deed, Certificates Conditions 10 (*Events of Default*) and 11 (*Enforcement*);
- (iii) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Certificateholders; and
- (iv) the determination by the Security Trustee and the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Certificateholders,

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

**"Indemnified Claim"** has the meaning given to it in clause 10.6 (*Indemnity*) of the Corporate Services Agreement;

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

**"Indemnity Notice"** has the meaning given to it in clause 10.4 (*Indemnity*) of the Corporate Services Agreement;

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

**"Initial Advance"** means in relation to a Loan, the initial principal amount together with the amount of any retention advanced to the relevant Borrower after completion of the Mortgage, together with any completion fees (to the extent capitalised);

**"Insolvency Act"** means the Insolvency Act 1986;

**"Insolvency Event"** in relation to an entity, means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, assignation, trust, arrangement scheme or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up, examinership or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency, examinership or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, examinership or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
  - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency

proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;

- (g) has a resolution passed for its winding-up, official management, examinership or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, examiner, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, diligence, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty days thereafter;
- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or
- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

**"Insolvency Proceedings"** means any winding-up, dissolution or administration (whether by court action or otherwise) of a company and shall be construed so as to include any equivalent or analogous proceedings under the law of any jurisdiction including the seeking of liquidation, winding-up, reorganisation, dissolution, administration (whether by court action or otherwise), arrangement, adjustment, protection or relief of debtors;

**"Insolvency Regulation"** or **"EU 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 Contracts"** means any insurance contracts or policies arranged by the Legal Title Holder from time to time relating to the Mortgage Loans in the Mortgage Portfolio;

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

**"Interest Amount"** means in respect of an Interest Period and a Class of Notes, the Sterling amount, payable in respect of interest on the Principal Amount Outstanding of such Class of Notes for the relevant Interest Period, as determined by the Agent Bank as soon as practicable after 11.00 a.m. (London time) on the Interest Determination Date falling in such Interest Period, but in no event later than the third Business Day thereafter;

**"Interest Determination Date"** means the first Business Day of the Interest Period for which the rate will apply;

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

**"Interest Payment Date"** means the 20<sup>th</sup> day of each of February, May, August and November in each year or, if such day is not a Business Day, the immediately following Business Day, with the first Interest Payment Date falling in February 2017;

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

**"Interim SDC Sub-Ledger"** means the ledger which will record (A) as a credit items made available in accordance with item (f) of the Pre-Enforcement Revenue Priority of Payments on a given Interest Payment Date, and (B) as a debit any amounts to be credited to the SDC Ledger in accordance with the Pre-Enforcement Ledgers Priority of Payments;

**"Investment Company Act"** means the Investment Company Act 1940, as amended;

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

**"Irish Stock Exchange"** means the Irish Stock Exchange plc;

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

**"Issuer"** means TOWD POINT MORTGAGE FUNDING 2016-VANTAGE1 PLC (registered number 10462258), a limited liability 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 Account Bank"** means Elavon Financial Services Designated Activity Company, UK Branch acting through its UK Branch (registered number BR009373) from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom as Issuer Account Bank under the terms of the Bank Account Agreement, or such other person as may from time to time be appointed as Issuer Account Bank at which the Issuer Accounts are maintained from time to time pursuant to the Bank Account Agreement;

**"Issuer Account Bank Termination Event"** means an event of default in respect of the Issuer Account Bank in accordance with the terms of the Bank Account Agreement;

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

**"Issuer Covenants"** means the Covenants made by the Issuer under Schedule 1 (*Issuer Covenants*) to the Mortgage Sale Agreement;



**"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 Profit Amount"** means an amount equal to £1,000 to be retained by the Issuer as profit in respect of the business of the Issuer;

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

**"ITA 2007"** means the United Kingdom Income Tax Act 2007;

**"Joint Lead Managers"** means each of:

- (a) Credit Suisse Securities (Europe) Limited (registered number 00891554), a private company incorporated under the laws of England and Wales, with its registered office at One Cabot Square, London, E14 4QJ;
- (b) Credit Suisse Securities (USA) LLC (registered number 3605871), a private company incorporated under the laws of Delaware, with its registered office at Eleven Madison Avenue New York, New York 10010;
- (c) MUFG Securities Americas Inc., a New York corporation with its principal place of business located at 1221 Avenue of the Americas, 6th Floor New York, NY, 10020-1001;
- (d) MUFG Securities EMEA plc a public limited company incorporated under the laws of England and Wales (registered number 1698498), whose registered office is at Ropemaker Place, 25 Ropemaker Street London EC2Y 9AJ;
- (e) Wells Fargo Securities International Ltd, a private limited liability company incorporated under the laws of England and Wales, with its registered office at One Plantation Place, 30 Fenchurch Street, London EC3M 3BD, United Kingdom;
- (f) Wells Fargo Securities, LLC, a limited liability company organised under the laws of Delaware, whose principal office is at 550 S Tryon St, Charlotte, NC, 28202, United States of America;

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

**"Land Registry Transfer"** means, in relation to Properties situated in England or Wales, title to which is registered or is in the course of being registered with the Land Registry, each transfer of the relevant English Mortgages substantially in the appropriate form set out in Schedule 13 (*English Transfers*) to the Mortgage Sale Agreement (with such modifications as may be required from time to time) and delivered pursuant to (as appropriate) clause 7 (*Perfection*) thereof;

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

**"LBTT"** means Scottish land and buildings transaction tax;

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

**"Legal Title Holder"** means Promontoria (Vantage) Limited or any person to whom legal title to the Mortgage Loans is subsequently transferred;

**"Legal Title Transferee"** means any person to whom Promontoria (Vantage) Limited transfers the legal title to the Mortgage Loans;

**"Legal Title Holder Power of Attorney"** means the power of attorney granted by the Legal Title Holder in favour of the Issuer and the Security Trustee on or about the Closing Date substantially in the form set out in Schedule 8 (*Legal Title Holder Power of Attorney*) to the Mortgage Sale Agreement;

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

**"LF Cancellation Date"** means the earlier of (a) the LRF Date, (b) the expiry of the Availability Period (as defined in the Liquidity Facility Agreement) and (c) the Class A Redemption Date;

**"LFP Amount"** has the meaning given in item (e) of the Pre-Enforcement Revenue Priority of Payments;

**"LFP Related Provisions"** has the meaning given in clause 25.7 (*Modification to the Transaction Documents*) of the Deed of Charge;

**"LFP Excess Amount"** has the meaning given in item (e) of the Pre-Enforcement Revenue Priority of Payments;

**"Liability"** means, in respect of any person, any loss, damage, cost, charge, award, claim, demand, expense, judgment, decree, action, proceeding or other liability whatsoever including properly incurred legal fees and any Tax (other than VAT or amounts in respect of VAT which, in each case, is recoverable and any Tax incurred on actual net income, profits or gains) and penalties incurred by that person, together with (but without double counting) any irrecoverable VAT charged or chargeable in respect of any of the sums referred to in this definition;

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

**"Life Policy"** means each life insurance and/or assurance policy which serves as collateral security for the repayment of a Mortgage Loan;

**"Liquidity Documents"** means:

- (a) the Liquidity Facility Agreement;
- (b) the Liquidity Facility Fee Letter;

- (c) a Transfer Certificate; and
- (d) any other document designated as such by the Liquidity Facility Provider, the Security Trustee and the Issuer;

**"Liquidity Drawing"** means a drawing by the Issuer under the Liquidity Facility, following a determination by the Cash Manager that (after applying any Principal Addition Amounts to cure any PAA Deficit and first taking into account (on and from the First Optional Redemption Date) any Liquidity Reserve Fund Actual Amounts) there would be a shortfall in Available Revenue Receipts to pay items (a) to (i) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments, such drawing being an amount equal to such shortfall for application by the Issuer to pay items (a) to (i) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments;

**"Liquidity Facility"** has the meaning given to the term "Facility" in the Liquidity Facility Agreement;

**"Liquidity Facility Agreement"** means the liquidity facility agreement entered into on or before the Closing Date and made between, the Issuer, the Liquidity Facility Provider, the Cash Manager and the Security Trustee, pursuant to which the Liquidity Facility Provider will provide a renewable 364-day committed liquidity facility;

**"Liquidity Facility Event of Default"** means each of the events of default set out in clause 20 (*Default*) of the Liquidity Facility Agreement;

**"Liquidity Facility Fee Letter"** has the meaning given to it in the Liquidity Facility Agreement;

**"Liquidity Facility Maximum Commitment Amount"** means:

- (a) on any Interest Payment Date up to (but excluding) the LF Cancellation Date, an amount equal to the product of (i) 1.70% and (ii) the Principal Amount Outstanding of the Class A Notes on such date; and
- (b) thereafter, zero;

**"Liquidity Facility Provider"** means Wells Fargo Bank, N.A., London Branch, a national banking association organised under the laws of the United States with its head office at 420 Montgomery Street, San Francisco, CA 94104, USA, registered with the U.S. Office of the Comptroller of the Currency under charter number 1, registered with the UK's Companies House under number FC026633 and authorised by the Prudential Regulation Authority in the UK, and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority, as lender, or any person as may, from time to time, become a Liquidity Facility Provider pursuant to the Liquidity Facility Agreement;

**"Liquidity Facility Required Amount"** means the excess of (i) the Liquidity Facility Maximum Commitment Amount over (ii) the aggregate of all amounts credited to the Liquidity Reserve Fund Ledger on the current Interest Payment Date and all prior Interest Payment Dates (disregarding any debit entries made to the Liquidity Reserve Fund Ledger on or prior to such Interest Payment Date), provided that if the Liquidity Facility Required Amount is less than zero, it shall be deemed to be zero;

**"Liquidity Loan"** means, unless stated otherwise in the Liquidity Facility Agreement, the principal amount of each borrowing made under clause 2.1(b)(i) (*Facility*) of the Liquidity Facility Agreement or the principal amount outstanding of that borrowing;

**"Liquidity Reserve Fund"** means the fund established on the Closing Date, which comprises the Liquidity Reserve Fund Actual Amounts;

**"Liquidity Reserve Fund Actual Amount"** means:

- (a) on each Interest Payment Date on and from the Closing Date to but excluding the First Optional Redemption Date, zero;
- (b) on the First Optional Redemption Date, the lesser of (A) the Liquidity Reserve Target; and (B) the amount available to be credited on that date in accordance with (1) first, the Pre-Enforcement Ledgers Priority of Payments and (2) second, item (b) of the Pre-Enforcement Redemption Priority of Payments; and
- (c) on each Interest Payment Date following the First Optional Redemption Date, the lesser of (A) the Liquidity Reserve Target; and (B) the amount already standing to the credit of the Liquidity Reserve Fund plus (i) the amount available to be credited on that date in accordance with item (r) of the Pre-Enforcement Revenue Priority of Payments and (ii) subsequently (if required) the amount available (if any) to be credited on that date in accordance with item (b) of the Pre-Enforcement Redemption Priority of Payments;

**"Liquidity Reserve Fund Ledger"** means the ledger maintained by the Cash Manager on behalf of the Issuer which records amounts of Liquidity Reserve Fund Actual Amounts credited to, and debited from, the Liquidity Reserve Fund;

**"Liquidity Reserve Target"** means:

- (a) on any Interest Payment Date up to (but excluding) the Class A Redemption Date, an amount equal to the product of (i) 2.05% and (ii) the Principal Amount Outstanding of the Class A Notes on the Closing Date; and
- (b) thereafter, zero;

**"Liquidity Standby Drawing"** means a drawing by the Issuer under the Liquidity Facility, being an amount the Issuer may require the Liquidity Facility Provider to pay in accordance with the terms of the Liquidity Facility Agreement, which will be an amount equal to Issuer's undrawn Commitment under the Liquidity Facility Agreement;

**"Liquidity Standby Ledger"** means a ledger on the Deposit Account that is used to credit the amount of Liquidity Standby Drawing requested under clause 5.1(b) (*Giving of Requests*) of the Liquidity Facility Agreement and paid into the Deposit Account;

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

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

**"Loan Data Tape"** means the loan data file containing details of the Mortgage Loans and their Related Security, delivered by the Seller to the Issuer and the Security Trustee on or before the Closing Date and updated thereafter with relevant data from each Servicer Report;

**"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* all material correspondence between the Borrower and the relevant Originator and including mortgage documentation applicable to each Loan, each letter of offer for that Loan, the Valuation Report and the Certificate of Title (where available), whether in original form or otherwise;

**"Losses"** means any of:

- (a) all realised losses on the Mortgage Loans which are not recovered from the proceeds following the sale of the Property to which such Mortgage Loan relates;
- (b) any losses realised by the Issuer on the Mortgage Loans as a result of a failure by the Collection Account Bank to remit funds to the Issuer;
- (c) any loss to the Issuer as a result of an exercise of any set-off by any Mortgage Borrower in respect of its Mortgage Loan unless this is fully compensated under either the provisions of the Servicing Agreement or the Mortgage Sale Agreement;
- (d) 100% of the Current Balance of any Mortgage Loan which the Seller was required to repurchase pursuant to the terms of the Mortgage Sale Agreement but has failed to do so; and
- (e) any other non-recovery of the full principal balance outstanding of a Mortgage Loan other than where the same has been compensated by a repurchase or indemnity by the Seller under the Mortgage Sale Agreement;

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

**"LRF Date"** means the first Interest Payment Date on which the aggregate of all amounts credited to the Liquidity Reserve Fund Ledger on such Interest Payment Date and all prior Interest Payment Dates (disregarding any debit entries made to the Liquidity Reserve Fund Ledger on or prior to such Interest Payment Date) is equal to or greater than the Liquidity Facility Maximum Commitment Amount;

**"Margin"** means:

- (a) in respect of the Class A1 Notes, 1.200% per annum;
- (b) in respect of the Class A2 Notes, 1.200% per annum;
- (c) in respect of the Class B Notes, 1.500% per annum;
- (d) in respect of the Class C Notes, 2.000% per annum; and
- (e) in respect of the Class D Notes, 2.500% per annum;

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

**"Manager"** means each of the Joint Lead Managers;

**"Market Portfolio Purchase"** means in the event that the Portfolio Option Holder does not elect to exercise the Portfolio Purchase Option in respect of any Interest Payment Date on or following the First Optional Redemption Date, the sale of the Portfolio resulting from the Market Sale Option Holder directing a sale of the Portfolio by directing the Issuer to appoint the Retention Holder or its nominee as a third party portfolio manager to conduct such sale on behalf of the Issuer subject to the terms and conditions set out in the Deed Poll;

**"Market Sale Option"** means an option held by the Market Sale Option Holder to direct a sale of the Portfolio;

**"Market Sale Option Holder"** means any holder or holders of more than 50% of the DC2 Certificates (or any entity or entities representing more than 50% of the DC2 Certificates) (for the avoidance of doubt, taking into account those DC2 Certificates held directly or indirectly by or on behalf of the Retention Holder or an affiliate thereof);

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

**"Master Definitions and Construction Schedule"** means this master definitions and construction schedule;

**"Material Adverse Effect"** means, as the context specifies:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or
- (b) in respect of the Seller, a material adverse effect on:
  - (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of it; or
  - (ii) its ability to perform its obligations under any of the Transaction Documents; or
  - (iii) the rights or remedies of it under any of the Transaction Documents; or
- (c) in the context of the Secured Obligations, a material adverse effect on the interests of the Issuer or the Security Trustee in the Secured Obligations (including a material adverse effect on the effectiveness of the sale, assignment or holding in trust of the Mortgage Loans and Related Security in accordance with the Mortgage Sale Agreement, the Servicing Agreement, the Scottish Declaration of Trust or the Scottish Trust Transfer), or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect all amounts outstanding under the Mortgage Loans or on the amount that may be collected under, or the value of, the Mortgage Loans or on the ability of the Security Trustee to enforce its Security or on the validity or enforceability of the Secured Obligations (including the Mortgage Loans);

**"MCOB"** means the FCA's Mortgage and Home Finance: Conduct of Business Sourcebook, which sets out the rules under the FCA's rules for regulated mortgage activities;

**"Member State"** means a state of the European Union;

**"Memorandum of Release"** means the form of notice set out in Schedule 12 (*Form of Memorandum of Release*) to the Mortgage Sale Agreement;

**"MHA/CP Documentation"** means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 or (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or the Scottish Property to which it relates;

**"Minimum Portfolio Sale Price"** means an amount equal to not less than the sum of:

- (a) the aggregate Principal Amount Outstanding of the Rated Notes plus accrued and unpaid interest (including any Net WAC Additional Amount) thereon calculated as

at the Interest Payment Date immediately following the date on which the Market Portfolio Purchase is expected to be completed; plus

- (b) any fees, costs, amounts and expenses of the Issuer payable senior to the DC1 Certificates in the Pre-Enforcement Revenue Priority of Payments (but disregarding any amounts to be paid directly to the Liquidity Facility Provider from amounts standing to the credit of the Liquidity Standby Ledger); less
- (c) any amounts standing to the credit of the Deposit Account as at the most recent Servicer Report (but disregarding any amounts standing to the credit of the Liquidity Standby Ledger);

**"Money Laundering Laws"** means any laws, regulations of any governmental, supranational and other authority and body relating to the prevention of money laundering (and shall include any "know your client" requirements);

**"Monthly Instalment"** means the Contractual Monthly Subscription;

**"Monthly Payment"** means, in respect of a Mortgage Loan, the amount which the applicable Mortgage Conditions to which such Mortgage Loan is subject require the relevant Mortgage Borrower to pay on a Monthly Payment Date in respect of that Mortgage Loan;

**"Monthly Payment Date"** means, in relation to any Mortgage Loan, the day in the month when the Contractual Monthly Subscription falls due;

**"Monthly Period"** means the monthly period commencing on and including the first calendar day of each month and ending on and including the last calendar day of each month (for the avoidance of doubt, the first Monthly Period shall commence on the Closing Date and end on the last calendar day of December 2016);

**"Monthly Pool Date"** means the first day of a calendar month;

**"Moody's"** means Moody's Investors Service Ltd or any successor to its ratings business;

**"Mortgage"** means:

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

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

- (d) the Mortgage Sale Agreement in respect of an English Mortgage Loan or Northern Irish Mortgage Loan; or
- (e) an assignation of the Seller's interest as beneficiary under the Scottish Trust created by the Scottish Declaration of Trust, in respect of any Scottish Loan;

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

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

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

**"Mortgage Enforcement Action"** means any action which may be taken against a Mortgage Borrower, the Property or any other Related Security by way of enforcement by a lender of its rights in respect of the Mortgage Loan;

**"Mortgage Loan"** means unless specified otherwise any mortgage loan which is sold and (as applicable) assigned by CERH to the Issuer pursuant to the terms of the Mortgage Sale Agreement and referenced by its mortgage loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies due or owing with respect to that Mortgage Loan under the relevant Mortgage Conditions to which such Mortgage Loan is subject by a Mortgage Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Mortgage Borrower's obligations in respect of the same but excluding (for the avoidance of doubt) each Mortgage Loan and its Related Security which is repurchased by the Seller pursuant to the Mortgage Sale Agreement and is no longer beneficially owned by the Issuer;

**"Mortgage Loan Agreement"** means, in relation to any Mortgage Loan, the agreement, facility letter or accepted offer of advance pursuant to which the monies secured by the relevant Mortgage were advanced to the Mortgage Borrower (as varied from time to time in accordance with the applicable Mortgage Conditions and including any modifying agreement within the meaning of Section 82 of the Consumer Credit Act insofar as it relates to that Mortgage Loan);

**"Mortgage Loan Files"** means the Loan Files;

**"Mortgage Loan Repurchase Notice", "Loan Repurchase Notice" or "Repurchase Notice"** means a notice in the form set out in Schedule 9 (*Mortgage Loan Repurchase Notice*) to the Mortgage Sale Agreement;

**"Mortgage Loan Warranties"** means the representations and warranties given by the Seller as set out in Schedule 6 (*Mortgage Loan Warranties*) to the Mortgage Sale Agreement;

**"Mortgage Portfolio"** means the Portfolio;

**"Mortgaged Property"** means Property;

**"Mortgage Sale Agreement"** means the mortgage sale agreement dated on or about the Closing Date between, *among others*, the Seller, the Issuer, the Security Trustee, and the Retention Holder, in relation to the sale of the Portfolio to the Issuer;

**"Mortgage Rate"** means, in relation to any Loan and in relation to any Interest Payment Date, the annual rate of interest payable on such Loan in accordance with the relevant Mortgage Conditions;

**"Mortgagee"** means, in relation to any Mortgage Loan, the person for the time being entitled to exercise the rights of the mortgagee or chargee or (in Scotland) Heritable Creditor under the relevant Mortgage securing repayment of such Mortgage Loan;

**"Most Senior Class"** means

(a) the Class A1 Notes; or



- (b) if there are no Class A1 Notes then outstanding, the Class A2 Notes; or
- (c) if there are no Class A Notes then outstanding, the Class B Notes; or
- (d) if there are no Class A Notes or Class B Notes then outstanding, the Class C Notes; or
- (e) if there are no Class A Notes, Class B Notes or Class C Notes then outstanding, the Class D Notes; or
- (f) if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes; or
- (g) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class F Notes; or
- (h) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class Z Notes; or
- (i) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, or Class Z Notes then outstanding, the SDC Certificates; or
- (j) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, or Class Z Notes, then outstanding and the SDC Certificates have been cancelled, the DC1 Certificates; or
- (k) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes or Class Z Notes, then outstanding and the SDC Certificates and DC1 Certificates have been cancelled, the DC2 Certificates;

**"NRSRO"** means any nationally recognised statistical rating organisation, including without limitation the Rating Agencies;

**"NRSRO Certification"** means a certification executed by an NRSRO in favour of the Rule 17g-5 information provider that states that either (i) such NRSRO is one of the Rating Agencies or (ii) such NRSRO has provided the Issuer with the appropriate certifications under Exchange Act Rule 17g-5(e) and has access to the website established by the Rule 17g-5 information provider for purposes of Rule 17g-5 compliance.

**"Net Mortgage Rate"** means, in relation to any Interest Payment Date and in relation to any Loan, the result of (i) the applicable Mortgage Rate as at the first day of the Quarterly Collection Period in which the immediately preceding Interest Period falls minus (ii) the Aggregate Expense Fee Rate;

**"Net WAC"** means in relation to any Interest Payment Date, the product of:

- (a) the result, expressed as a percentage of: (i) the total of interest accruing or to accrue (whether or not collected) on the Loans during the Quarterly Collection Period calculated as of the first day of the first Collection Period falling in the immediately preceding Quarterly Collection Period at the applicable Net Mortgage Rates less any LFP Excess Amounts owed by the Issuer to the Liquidity Facility Provider but unpaid, divided by (ii) the aggregate Current Balance of the Loans as at the first day of the Quarterly Collection Period immediately prior to the relevant Interest Payment Date (or in the case of the First Interest Payment Date, the Current Balance as at the Closing Date); and

(b) the result, expressed as a percentage, of (i) 365 divided by (ii) the number of days in the relevant Interest Period;

**"Net WAC Additional Amount"** means, in relation to any Interest Payment Date and the Rated Notes (other than the Class A Notes, the Class E Notes and the Class F Notes), the sum of (a) the excess (if any) of (i) the Current Interest for such Class of Notes where for such purposes the applicable Rate of Interest shall be the Floating Rate of Interest over (ii) the Current Interest for such Class of Notes where for such purposes the applicable Rate of Interest shall be the Net WAC, for each such Class on such Interest Payment Date and (b) any amount payable under paragraph (a) which has become payable but remains unpaid from prior Interest Payment Dates, together with Additional Interest thereon (in accordance with Condition 17 (*Subordination by Deferral*)) at (i) the Relevant Screen Rate plus the relevant Margin, in respect of any Interest Payment Date prior to and on the First Optional Redemption Date or (ii) the Relevant Screen Rate plus the relevant Step-Up Margin on any Interest Payment Date thereafter. The Net WAC Additional Amount shall not be lower than zero and where determined in respect of the Class B Notes, the Class C Notes and the Class D Notes shall mean the **"Class B Net WAC Additional Amount"**, **"Class C Net WAC Additional Amount"** and **"Class D Net WAC Additional Amount"** respectively;

**"New Secured Creditors"** means the new Secured Creditors that may accede to the provisions of the Deed of Charge in accordance with clause 5.3 (*Accession of New Secured Creditors*) of the Deed of Charge;

**"Non-Responsive Rating Agency"** has the meaning given in Condition 18(b)(i) (*Non-responsive Rating Agency*);

**"Northern Irish Loan"** means a Northern Irish residential mortgage loan secured by a Northern Irish Mortgage and, where applicable, other Related Security sold, conveyed, assigned or transferred by the Seller to the Issuer pursuant to the Mortgage Sale Agreement;

**"Northern Irish Mortgage"** means a first ranking legal charge or mortgage secured over a Property located in Northern Ireland;

**"Northern Irish Mortgage Loans"** means a Mortgage Loan secured by a Northern Irish Mortgage;

**"Northern Irish Property"** means a Mortgaged Property situated in Northern Ireland;

**"Note Acceleration Notice"** means an Enforcement Notice;

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

**"Note Trustee"** means U.S. Bank Trustees Limited acting through its registered office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom as Note Trustee under the terms of the Trust Deed, or such other person as may from time to time be appointed as Note Trustee (or co-trustee) pursuant to the Trust Deed;

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

**"Notes"** means each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes;

**"Notices Conditions"** means:

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

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

**"Option Repurchase Price"** means, for the Portfolio, an amount equal to:

- (a) the aggregate Principal Amount Outstanding of the Rated Notes and the Class Z Notes plus accrued and unpaid interest (including any Net WAC Additional Amount) thereon calculated as at the Interest Payment Date on which the relevant purchase is expected to be completed under Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Optional Redemption of the Notes in full*) or Condition 8.6 (*Mandatory Redemption of the Rated Notes following the exercise of a Risk Retention Regulatory Change Option*); plus
- (b) any fees, costs and expenses of the Issuer payable senior to the DC1 Certificates in the Pre-Enforcement Revenue Priority of Payments; less
- (c) any amounts standing to the credit of the Deposit Account as at the most recent Servicer Report;

**"Optional Redemption Exercise Date"** means an Interest Payment Date on which a Portfolio Call Option has occurred;

**"Ordinary Resolution"** has the meaning given to it in Paragraph 1 (*Definitions*) of Schedule 9 (*Provisions for Meetings of Noteholders and Certificateholders*) to the Trust Deed;

**"Original Sale Agreement"** means the Vantage Mortgage Sale Agreement;

**"Original Sellers"** mean GE Money Home Lending Limited with company number 03770763 and whose registered office is PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom, WD18 1YY, GE Money Home Finance Limited with company number 00592986 and whose registered office is PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom, WD18 1YY, GE Money Mortgages Limited with company number 03770776 whose registered office is PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom WD18 1YY, GE Money Consumer Lending Limited with company number 02248981 and whose registered office is at PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom, WD18 1YY, GE Money Secured Loans Limited with company number 03860257 whose registered office is at PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom WD18 1YY, First National Mortgage Corporation Limited with company number 02024169 and whose registered office is at PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom, WD18 1YY, FN Mortgages Limited with company number 01989335 and whose registered office is at PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom WD18 1YY, Household Mortgage Corporation Limited with company number 02026572 and whose registered office is at PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom WD18 1YY, Igroup BDA Limited with company number 03675910 and whose registered office is at PO BOX 2497 Building 4, Hatters

Lane, Watford, United Kingdom WD18 1YY, Igroup 2 Limited with company number 03610605 and whose registered office is PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom WD18 1YY, Igroup UK Loans Limited with company number 03749420 and whose registered office is PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom WD18 1YY, Igroup 3 Limited with company number 03730890 and whose registered office is PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom WD18 IYY and MAES ECP No.1 Limited with company number 02165066 and whose registered office is No 1 Dorset Street, Southampton, Hampshire, SO15 2DP; Building 4;

**"Originators"** mean GE Money Home Lending Limited with company number 03770763 and whose registered office is at PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom WD18 1YY, GE Money Home Finance Limited (formerly known as First National Bank plc) with company number 00592986 and whose registered office is at GEMHFL is PO BOX 2497 Building 4, Hatters Lane, Watford, United Kingdom, WD18 1YY and Igroup Limited with company number 03389478 and whose registered office is at No 1 Dorset Street, Southampton, Hampshire SO15 2DP;

**"OTC"** means over the counter;

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

- (a) those Notes which have been cancelled in accordance with Condition 12.4 (*Limited Recourse*);
- (b) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 10 (*Prescription*);
- (c) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 15 (*Replacement of Notes*);
- (d) any Global Note to the extent that it shall have been exchanged for another Global Note or for the Notes in definitive form pursuant to the Conditions;

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders, the passing of an Extraordinary Resolution in writing or an Ordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents through the relevant Clearing System(s) as envisaged by Paragraph 1 (*Definitions*) of Schedule 9 (*Provisions for Meetings of Noteholders and Certificateholders*) to the Trust Deed and any direction or request by the Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of clause 14.1 (*Action, Proceedings and Indemnification*), Schedule 1 (*Form of the Regulation S Global Note*) and Schedule 2 (*Form of the Rule 144A Global Notes*) to the Trust Deed, Conditions 11 (*Events of Default*) and 12 (*Enforcement*);
- (iii) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders; and

- (iv) the determination by the Security Trustee and the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders;

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

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

**"Overpayment"** means in respect of any Mortgage Loan, any additional amounts of principal receipts received in a month above the regular, scheduled Monthly Payment, paid by the relevant Mortgage Borrower which:

- (a) is permitted by the terms of such Mortgage Loan or by agreement with the Borrower; and
- (b) reduces the Current Balance of such Mortgage Loan;

**"PAA Deficit"**, means a deficit in amounts available to pay:

- (a) if the Class A Notes are the Most Senior Class:
  - (i) for as long as any Class A1 Notes remain outstanding: first, items (a) to (i) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments until all amounts payable thereunder are paid in full;
  - (ii) following full redemption of the Class A1 Notes and for as long as any Class A2 Notes remain outstanding, items (a) to (g) and (i) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments until all amounts payable thereunder are paid in full;
- (b) if the Class B Notes are the Most Senior Class, items (a) to (g) and (l) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments;
- (c) if the Class C Notes are the Most Senior Class, items (a) to (g) and (n) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments;
- (d) if the Class D Notes are the Most Senior Class, items (a) to (g) and (p) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments;
- (e) if the Class E Notes are the Most Senior Class, items (a) to (g) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments; and
- (f) if the Class F Notes are the Most Senior Class, items (a) to (g) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments;

in each case, after application of Available Revenue Receipts (but disregarding for these purposes items (c), (h) and (i) of the definition of "Available Revenue Receipts");

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

**"Payment"** means, in relation to the SDC Certificates, the SDC Payment and in relation to the DC1 Certificates, the DC1 Payment;

**"Payment Amount"** means, for a Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the Payment for that date, divided by the number of Certificates then in issue;

**"Payment Instruction"** means a payment instruction, substantially in the form set out at Schedule 3 (*Form of Payment Instruction*), to the Bank Account Agreement;

**"Perfection Trigger Events"** means any of the following:

- (a) an Enforcement Notice has been delivered by the Note Trustee following the occurrence of an Event of Default which is continuing;
- (b) the Legal Title Holder is required to perfect the Issuer's legal title to the Loans by an order of a court of competent jurisdiction or by any organisation of which the Legal Title Holder is a member or by a regulatory authority which has jurisdiction over the Legal Title Holder; or
- (c) it becomes necessary by law or regulation to do any or all of the acts referred to in paragraph (b) above;
- (d) the security created under or pursuant to the Deed of Charge or any material part of that security is, in the opinion of the Security Trustee, in danger of being seized or sold under any form of distress, enforcement process, diligence, attachment, execution or other legal process or otherwise in jeopardy; or
- (e) an Insolvency Event in relation to the Legal Title Holder or any other entity in which legal title to any Loan is vested;

**"Perfection Notice"** means the notice determined in accordance with the Mortgage Sale Agreement in respect of the occurrence of a Perfection Trigger Event;

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

**"Portfolio"** means the Mortgage Loans and their Related Security, particulars of which are set out in the Mortgage Sale Agreement which may be provided in a document stored upon electronic media (including, but not limited to, a CD-ROM) but excluding any such Mortgage Loan and its Related Security which has been redeemed in full since the Cut-Off Date and (subject where applicable to the subsisting rights of redemption of the Mortgage Borrowers) all right, title, interest and benefit of the Legal Title Holder in and to each of the following to the extent subject to the trust declared by the Legal Title Holder pursuant to clause 4 of the Mortgage Sale Agreement:

- (a) all sums of principal, interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears) and any other sum due or to become due under or in respect of such Mortgage Loans and their Related Security after the Cut-Off Date and including, without limitation, the right to demand, sue for, recover and give receipts for all such principal, interest or other amounts, the right to sue on all covenants and undertakings made or expressed to be made in favour of the Legal Title Holder under the applicable Mortgage and all sums due or to become due in respect of any Early Repayment Charge;
- (b) the benefit of all Related Security for such principal, interest and other sums payable (including without limitation any interest of the Legal Title Holder in any Life Policy), the benefit of all affidavits, declarations, consents, renunciations,

Deeds of Consent, MHA/CP Documentation and Deeds of Postponement, all third party guarantees, all ranking agreements, any Guarantee in respect of such Mortgage Loan or any other collateral security for the repayment of the relevant Mortgage Loans secured by the Mortgages;

- (c) the right to exercise all the powers of the Legal Title Holder in relation thereto subject to and in accordance with the relevant Mortgage Conditions;
- (d) all the estate and interest in the Mortgaged Properties in relation thereto vested in the Legal Title Holder;
- (e) to the extent they are assignable, each Certificate of Title and Valuation Report and any right of action of the Legal Title Holder against any solicitor, valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with any Mortgage Loan and its Related Security, or any part thereof affecting the decision of the Legal Title Holder to make or offer to make the relevant Mortgage Loan or part thereof;
- (f) the Block Building Policies and Insurance Contracts, in each case so far as they relate to such Mortgage Loans comprised in that portfolio of Mortgage Loans and their Related Security, including the right to receive the proceeds of all claims made or to be made by or on behalf of the Legal Title Holder or to which the Legal Title Holder is or may become entitled; and
- (g) the beneficial interest in the bare trust declared by the Legal Title Holder (including pursuant to a separate Scottish Declaration of Trust) in respect of the legal title to the Mortgage Portfolio;

**"Portfolio Call Option"** means the Portfolio Purchase Option or the Market Portfolio Purchase;

**"Portfolio Option Holder"** means the holder of all of the DC2 Certificates or an entity representing all of the holders of the DC2 Certificates (for the avoidance of doubt, including those DC2 Certificates held directly or indirectly by or on behalf of the Retention Holder, or an affiliate thereof);

**"Portfolio Purchase Option"** means the option of the Portfolio Option Holder to require the Issuer to (i) sell and transfer to the Portfolio Option Holder or its nominee the beneficial title to and interest in all Loans and Related Security in the Portfolio (the **"Portfolio Purchase Option Loans"**); (ii) transfer to the Portfolio Option Holder (or its nominee) the right to legal title to the Portfolio Purchase Option Loans and their Related Security; (iii) direct that the Legal Title Holder transfer legal title to the Portfolio Option Holder or its nominee specified as such in the Exercise Notice; and (iv) serve all relevant notices and take all steps (including carrying out requisite registrations and recordings) in order to vest or transfer legal title in and to the Portfolio Purchase Option Loans in the Portfolio Option Holder or its nominee, in each case subject to the terms of the Deed Poll and on any Business Day on and from the Interest Payment Date falling immediately prior to the First Optional Redemption Date;

**"Portfolio Purchase Option Loans"** means the beneficial title to all Loans and Related Security in the Portfolio sold and transferred to the Portfolio Option Holder or its nominee by the Issuer;

**"Portfolio Purchase Option Purchase Price"** means the purchase price for the Portfolio under the Portfolio Purchase Option which is an amount equal to:

- (a) the aggregate Principal Amount Outstanding of the Notes plus accrued and unpaid interest (including any Net WAC Additional Amount) thereon calculated as at the Interest Payment Date immediately following the date on which the Portfolio Purchase Option is expected to be completed; plus
- (b) any fees, costs, amounts and expenses of the Issuer payable senior to the DC1 Certificates in the Pre-Enforcement Revenue Priority of Payments (but disregarding any amounts to be paid directly to the Liquidity Facility Provider from amounts standing to the credit of the Liquidity Standby Ledger); less
- (c) any amounts standing to the credit of the Deposit Account as at the most recent Servicer Report (but disregarding any amounts standing to the credit of the Liquidity Standby Ledger);

**"Portfolio Reference Date"** means 31 October 2016;

**"Post-Enforcement Priority of Payments"** means the manner and priority of payments in which amounts received or recovered by the Security Trustee or any Receiver appointed by it in connection with the enforcement of the Security (other than those excluded under clause 7.2 (*Post-Enforcement Priority of Payments*) of the Deed of Charge) will be applied following the service of an Enforcement Notice on the Issuer, as set out in clause 7.2 (*Post-Enforcement Priority of Payments*) of the Deed of Charge;

**"PPI"** means payment protection Insurance;

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

**"Pre-Enforcement Ledgers Priority of Payments"** means the manner and priority of payments in which amounts standing to the credit of the Interim SDC Sub-Ledger, the SDC Ledger and the Liquidity Reserve Fund Ledger will be applied prior to the service of an Enforcement Notice on the Issuer, as set out in Paragraph 13 (*Application of amounts standing to the credit of the Interim SDC Sub-Ledger, the SDC Ledger and the Liquidity Reserve Fund Ledger prior to the service of an Enforcement Notice on the Issuer*) of Schedule 2 (*Cash Management and Maintenance of Ledgers*) to the Cash Management Agreement;

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

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



**"Principal Addition Amounts"** means, in respect of any Interest Payment Date prior to the redemption in full of the Rated Notes, the amount of Available Redemption Receipts to be applied by the Issuer on that Interest Payment Date to cure any PAA Deficit, pursuant to item (a) of the Pre-Enforcement Redemption Priority of Payments;

**"Principal Amount Outstanding"** has the meaning set out in Condition 8.7 (*Principal Amount Outstanding*);

**"Principal Deficiency Ledger"** means the Class A1 Principal Deficiency Sub-Ledger, the Class A2 Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger, the Class D Principal Deficiency Sub-Ledger, the Class E Principal Deficiency Sub-Ledger, the Class F Principal Deficiency Sub-Ledger and the Class Z Principal Deficiency Sub-Ledger (each a **"Principal Deficiency Sub-Ledger"**), maintained by the Cash Manager on behalf of the Issuer;

**"Principal Paying Agent"** means Elavon Financial Services Designated Activity Company acting through its UK Branch from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom acting as Principal Paying Agent under the terms of the Agency Agreement, or such other person as may from time to time be appointed as Principal Paying Agent pursuant to the Agency Agreement;

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

**"Process Agent"** means Hackwood Secretaries Limited (registered number 2600095), a limited company incorporated under the laws of England and Wales, whose registered office is at One Silk Street, London, EC2Y 8HQ;

**"Properties in Possession Cover"** or **"Properties in Possession Policy"** means the properties in possession insurance policy of the Seller for any possessed Properties;

**"Property"** means, in relation to a Loan (excluding any Shortfall Loan) and its related Mortgage (if any), the freehold, leasehold or fee farm grant or, in Scotland, heritable or long lease property charged as security for the repayment of such Loan;

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

**"Prospectus Directive"** means Directive 2003/71/EC (as amended);

**"Proposed Amendment"** means each of the following, in order to enable the Issuer to:

- (a) comply with, or implement or reflect, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;
- (b) comply 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 Article 254 of the Solvency II Regulation, after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRR, the AIFMR, the Solvency II Regulation or any other risk retention legislation or regulations or official guidance in relation thereto;
- (c) enable the Class A Notes to be (or to remain) listed on the Irish Stock Exchange;

- (d) enable the Issuer or any of the other transaction parties to comply with sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered in to pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code ("**FATCA**");
- (e) comply with any requirement to appoint an entity to carry out any disclosure or reporting requirements under the CRA Regulation; and
- (f) comply 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;

**"Prudent Mortgage Servicer"** means a reasonably prudent residential mortgage servicer who is servicing residential mortgage loans and their collateral security in respect of residential property in England, Wales, Northern Ireland or Scotland and which have in all material respects the same or similar characteristics to the Portfolio;

**"Purchase Price"** means the consideration payable by the Issuer to the Seller pursuant to clause 3.1 (*Agreement for Sale and Purchase of the Mortgage Portfolio*) of the Mortgage Sale Agreement;

**"QIBs"** means "qualified institutional buyers" as defined in Rule 144A under the Securities Act;

**"Quarterly Collection Period"** means the period from and including a Quarterly Collection Date to but excluding the following Quarterly Collection Date;

**"Quarterly Collection Date"** means the first day of February, May, August and November with the first Quarterly Collection Date being the first day of November 2016;

**"RAO"** means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

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

**"Rated Notes"** means the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes;

**"Rating Agencies"** means each of Moody's, DBRS and S&P, as the context so requires;

**"Rating Agency Confirmation"** has the meaning given in Condition 18 (*Non-Responsive Rating Agency*);

**"RC Certificates"** means the Definitive Certificates, the Global Certificates, or both, as the context may require;

**"Reasonable Prudent Mortgage Lender"** means a reasonably prudent residential mortgage lender lending to borrowers in England and Wales, Northern Ireland and Scotland where the Loan is secured over residential property;

**"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 Date"** means the date falling 20 Business Days after the Closing Date or such other date agreed between the Issuer and the Seller;

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

**"Recovery Proceeds"** means the proceeds of discounted pay-offs, enforcement or foreclosure in respect of any Mortgage Loan;

**"Redemption Fee"** has the meaning given to it in clause 7.1.4 of the Servicing Agreement;

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

**"Redemption Receipts"** means payments received by the Issuer representing (without double counting):

- (a) any payment in respect of principal received in respect of any Mortgage Loan (including Capitalised Arrears and Capitalised Expenses but excluding Accrued Interest and Arrears of Interest other than that arising on or prior to the Cut-Off Date) including, for the avoidance of doubt, all prepayments and repayments including repayments at maturity or extended maturity;
- (b) any payment pursuant to any insurance policy in respect of a Property in connection with a Mortgage Loan in the Mortgage Portfolio (to the extent the same are attributable to or constitute principal or the payment of any claim in respect of principal);
- (c) any Recovery Proceeds and all recoveries of principal from defaulting Borrowers received in respect of any Mortgage Loan in respect of which a Mortgage Enforcement Action has been commenced including recoveries of principal under that Mortgage Loan in respect of which enforcement procedures have been completed, in each case prior to the realisation of any Loss and a debit entry being made on the Principal Deficiency Ledger;
- (d) any other proceeds of any disposal in respect of any Mortgage Loan excluding any portion of the disposal proceeds that represent accrued interest in respect of the Mortgage Loans;
- (e) proceeds of the repurchase of any Mortgage Loan by the Seller from the Issuer or any indemnity payment made in lieu pursuant to the Mortgage Sale Agreement (excluding, for the avoidance of doubt, amounts attributable to Accrued Interest and Arrears of Interest (other than that arising on or prior to the Cut-Off Date) thereon and other interest amounts in respect of the Mortgage Loans and any fees as at the relevant repurchase date, but including Capitalised Arrears and Capitalised Expenses);
- (f) in respect of the First Interest Payment Date only, the Closing Date Principal Collections;

- (g) any proceeds from claims against the Seller under the Mortgage Sale Agreement in each case to the extent that such proceeds constitute or are attributable to principal or represent action in respect of principal;
- (h) any other payment received by the Issuer in the nature of principal (excluding, for the avoidance of doubt, any amounts drawn under or payable in respect of the Liquidity Facility Agreement);

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

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

**"Registered Definitive Certificates"** means any of the Certificates in definitive registered form;

**"Registered Definitive Notes"** means any of the Notes in definitive registered form;

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

**"Registries of Northern Ireland"** means the Land Registry of Northern Ireland and/or (as the context requires) the Registry of Deeds for Northern Ireland;

**"Registrar"** means Elavon Financial Services Limited Designated Activity Company, acting through its UK Branch from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom, acting as Registrar under the terms of the Agency Agreement to record the holders of the Notes and Certificates, or such other person as may from time to time be appointed as Registrar pursuant to the Agency Agreement;

**"Registrar of Companies"** means the Registrar of Companies in England and Wales;

**"Regulation S"** or **"Reg S"** means Regulation S under the Securities Act;

**"Reg S Definitive Notes"** means a Note in definitive form sold to non-U.S. persons outside the United States in reliance on Regulation S;

**"Reg S Global Notes"** means the global notes in a fully registered form offered pursuant to Regulation S;

**"Reg S Notes"** means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, and the Class Z Notes offered pursuant to Regulation S;

**"Regulations"** has the meaning given in clause 4.3 (*Restrictions on transfer*) of the Agency Agreement;

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

**"Related Security"** means, in relation to a Loan, any Mortgage relating thereto and all other collateral security for, and rights in respect of, such Loan including (but not limited to)

any relevant deed of consent, MHA/CP Documentation, ranking agreements and deeds of postponement and any rights against any person or persons in connection with the origination and completion of such Loan, each report on title, certificate of title or similar report in relation to the relevant mortgaged properties relating to such Mortgage obtained from a solicitor and/or conveyancer on the instructions by or on behalf of the relevant mortgagee or heritable creditor, each valuation report for security purposes of the relevant mortgaged properties relating to such Mortgages undertaken on the instructions by or on behalf of the relevant mortgagee or heritable creditor, and any life policies, endowment policies, life policy assignments, life policy assignments, each legal or equitable charge granted (whether by way of assignment, assignation, trust or deposit) by the relevant Borrower or mortgagor in favour of the relevant mortgagee or heritable creditor in respect of any such policy of life assurance or endowment policy by way of collateral security for the payment of the moneys secured by such Mortgage, priority letters, guarantees, searches, indemnities and related documentation and (to the extent assignable) the benefit of any of its rights (including notations of interest on) in any buildings insurance policies in respect of a Property taken out by a Mortgage Borrower or the relevant landlord or management company of the Mortgage Borrower, and any other deed or document providing ancillary security or indemnity for repayment of any sums due from time to time under the relevant Loan;

**"Released Loans"** has the meaning set out in Schedule 12 (*Form of Memorandum of Release*) to the Mortgage Sale Agreement;

**"Relevant Company"** means any party to any Transaction Document;

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

**"Relevant Information"** means any written information (other than any forecasts or projections made by or on behalf of the Issuer) including, but not limited to, the Loan Data Tape and the Reports;

**"Relevant Party"** has the meaning given to that term in the definition of Irrecoverable VAT;

**"Relevant Person"** means the Seller, a Co-Sponsor, any Holding Company of any of them or any other subsidiary of any of them;

**"Relevant Regulator"** means:

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

as applicable;

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

- (a) publication in the *Financial Times*, or, if such newspaper shall cease to be published or, if timely publication therein is not practicable, in such other English

newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom; and

- (b) publication by the Issuer on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders and Certificateholders;

**"Relevant Screen Rate"** has the meaning set out in Condition 6.3;

**"Relevant Transaction Documents"** means, with reference to any particular Transaction Party, the Transaction Documents to which such Transaction Party is a party together with the Transaction Documents that contain provisions that otherwise bind or confer rights upon such Transaction Party;

**"Relevant Transaction Party"** means, in respect of any representation, warranty, covenant or undertaking, the Transaction Party to whom such representation, warranty, covenant or undertaking is given;

**"Replacement Servicing Agreement"** means a replacement servicing agreement in the form set out in Schedule 1 (*Replacement Servicing Agreement*) of the Back-Up Servicing Agreement;

**"Replacement Servicing Fee"** has the meaning given to that term as set out in clause 7 (*Remuneration*) of the Replacement Servicing Agreement;

**"Request"** means, in the context of the Liquidity Facility Agreement, a request for a Liquidity Loan or a Standby Loan, as the case may be, substantially in the form of Schedule 4 (*Form of Request*) to the Liquidity Facility Agreement;

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

- (a) any law, treaty, rule, requirement or regulation;
- (b) a notice by or an order of any court having jurisdiction;
- (c) a mandatory requirement of any regulatory authority having jurisdiction; or
- (d) a determination of an arbitrator or Authority;

in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply;

**"Restricted Party"** means an individual, entity or vessel that is:

- (a) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List;
- (b) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions; or
- (c) otherwise a target of Sanctions (target of Sanctions signifying a person with whom a US person or other national of a Sanctions Authority would be prohibited by law from engaging in trade, business or other activities);

**"Retention Holder"** means Cerberus European Residential Holdings B.V.;

**"Revenue Ledger"** means the Ledger maintained by the Cash Manager on behalf of the Issuer which shall record:

- (a) as a credit (i) all Revenue Receipts and (ii) all amounts credited to the Deposit Account following a Determination Period in accordance with item (v) of the Pre-Enforcement Revenue Priority of Payments (but disregarding any amounts standing to the credit of the Liquidity Standby Ledger); and
- (b) as a debit (i) any Third Party Amounts withdrawn from the Deposit Account in accordance with the Cash Management Agreement and (ii) the distribution of the Revenue Receipts and the distribution of any other relevant amounts recorded on the Revenue Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);

**"Revenue Receipts"** means:

- (a) payments of interest and other fees due from time to time under the Loans (including any early repayment charges, Closing Date Revenue Collections and any Arrears of Interest) and other amounts received by the Issuer in respect of the Loans and their Related Security other than net Redemption Receipts;
- (b) recoveries of interest from defaulting Borrowers under Loans being enforced and all amounts recovered in respect of any Loan in relation to which enforcement procedures have been completed and in relation to which an unpaid amount remains outstanding;
- (c) recoveries of all amounts from defaulting Borrowers under Loans following enforcement and sale of the relevant property where any Loss has previously been realised in the prior Quarterly Collection Period and a debit entry was made on the Principal Deficiency Ledger;
- (d) the proceeds of indemnity payments attributable to revenue only made by the Seller to the Issuer pursuant to the Mortgage Sale Agreement; and
- (e) any proceeds from claims against the Seller under the Mortgage Sale Agreement, in each case to the extent that such proceeds constitute or are attributable to interest or represent action in respect of interest;

**"Right"** has the meaning given to it in the definition of "Benefit";

**"Risk Retention Regulatory Change Event"** means any change in or adoption of any new law, rule or regulation which as a matter of law has a binding effect on the Retention Holder or the Seller after the Closing Date which would impose a positive obligation on either of them to subscribe for any Notes over and above those required to be maintained by it under its Risk Retention Undertaking or which would otherwise result in the manner in which the minimum required interest is held by the Retention Holder to become non-compliant in relation to a Noteholder;

**"Risk Retention Regulatory Change Option"** means the option of the Retention Holder (or its delegate) in the Mortgage Sale Agreement to acquire all but not some of the Portfolio following a Risk Retention Regulatory Change Event;

**"Risk Retention Undertaking"** means the undertakings made by the Retention Holder to the Joint Lead Managers, the Arranger, the Issuer and the Security Trustee in accordance

with the terms of clause 14 (*CRR Undertaking*) of the Mortgage Sale Agreement and clause 4 (*Undertakings*) of the Subscription Agreement;

“**RPI**” means the U.K. Retail Prices Index (all items) published by the Office for National Statistics or the relevant successor index;

“**Rule 17g-5**” means paragraph (a)(3)(iii)(A)-(D) of Rule 17g-5 of the Exchange Act (“**Rule 17g-5**”);

“**Rule 144A**” means Rule 144A under Section 5 of the Securities Act;

“**Rule 144A Definitive Note**” means a Note in definitive form sold in the United States to QIBs pursuant to Rule 144A;

“**Rule 144A Global Note**” means the Global Notes in a fully registered form offered pursuant to Rule 144A;

“**Rule 144A Note**” means any of the Notes offered pursuant to Rule 144A;

“**S&P**” means Standard & Poor’s Rating Services, a division of Standard & Poor’s Credit Market Services Europe Limited;

“**Sanctions**” means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority;

“**Sanctions Authority**” means:

- (a) the United States government;
- (b) the United Nations;
- (c) the European Union;
- (d) Switzerland, the State Secretariat for Economic Affairs of Switzerland or the Swiss Directorate of Internal Law;
- (e) the United Kingdom; or
- (f) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (“**OFAC**”), the United States Department of State, and Her Majesty’s Treasury (“**HMT**”);

“**Sanctions List**” means the “Specially Designated Nationals and Blocked Persons” list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities;

“**Sasine Transfer**” means in relation to Mortgaged Properties situated in Scotland title to which is, or is required to be, recorded in the General Register of Sasines, each assignation of the relevant Scottish Mortgage Loans and their related Scottish Mortgages substantially in the appropriate form set out in Part 2 (*Sasine Transfer*) of Schedule 14 (*Scottish Transfers*) to the Mortgage Sale Agreement (with such modification as may be required from time to time) and delivered pursuant to clause 7.3 (*Perfection of transfer, conveyance and assignment of Mortgages*) thereof;

“**Scottish Declaration of Trust**” means a Scots law governed declaration of trust granted by the Legal Title Holder in favour of the Seller pursuant to clause 4 (*Scottish Loans*) of the



Initial Mortgage Sale Agreement and/or clause 4.2(a) (*Scottish Loans*) of the Mortgage Sale Agreement in respect of the Scottish Loans and their Related Security in the Portfolio, substantially in the form set out in Schedule 1 (*Form of Scottish Declaration of Trust*) to the Initial Mortgage Sale Agreement;

**"Scottish Loan"** means a Scottish residential mortgage loan secured by a Scottish Mortgage and, where applicable, other Related Security, the beneficial interest in which is sold, assigned or transferred by the Seller to the Issuer pursuant to the Mortgage Sale Agreement;

**"Scottish Mortgage"** means a first ranking standard security over a Scottish Property;

**"Scottish Mortgage Loan"** means a Scottish Loan secured by a Scottish Mortgage;

**"Scottish Property"** means a Property situated in Scotland and **"Scottish Properties"** shall be construed accordingly;

**"Scottish Sub-Security"** means each standard security to be executed pursuant to clause 3.4 (*Scottish Sub-Securities*) of the Deed of Charge substantially in the form set out in Schedules 3 (*Form of Scottish Sub-Security (Land Register)*) and 4 (*Form of Scottish Sub-Security (Sasine Register)*) thereto;

**"Scottish Transfer"** means an SLR Transfer or a Sasine Transfer;

**"Scottish Trust"** means the trust created by the Scottish Declaration of Trust;

**"Scottish Trust Property"** has the meaning given to it in the Scottish Declaration of Trust;

**"Scottish Trust Security"** means an assignation in security of the Issuer's interest in the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the Scottish Trust) entered into pursuant to Clause 3.5 (*Scottish Trust Security*) of the Deed of Charge and substantially in the form set out in Schedule 5 thereto;

**"Scottish Trust Transfer"** means an assignation by the Seller in favour of the Issuer of the Seller's interest in the Scottish Loans and their Related Security (comprising the Seller's beneficial interest under the Scottish Trust), entered into pursuant to the Mortgage Sale Agreement and substantially in the form set out in Schedule 11 thereto;

**"SDC Certificates"** means the SDC Certificates constituted by the Trust Deed;

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

**"SDC Payment"** means, on any date of determination:

- (a) prior to the delivery of an Enforcement Notice,
  - (i) in respect of each Interest Payment Date from the Closing Date to (and including) the First Optional Redemption Date: (I) if a redemption of the Notes in full occurs on such Interest Payment Date, the amount available for payment under item (b) of the Pre-Enforcement Ledgers Priority of Payments; or (II) if a redemption of the Notes does not occur on that Interest Payment Date, zero;
  - (ii) in respect of each Interest Payment Date after the First Optional Redemption Date, zero; and

- (b) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, an amount equal to the amount standing to the credit of the SDC Ledger on the date on which the Enforcement Notice is served less the aggregate of all amounts applied on any prior date in accordance with item (f) of the Post-Enforcement Priority of Payments;

**"SDC Ledger"** means the ledger which will record (A) as a credit any amounts credited to the SDC Ledger in accordance with the Pre-Enforcement Ledgers Priority of Payments on any Interest Payment Date and (B) as a debit (I) any amounts comprising SDC Payments to be applied in accordance with the Pre-Enforcement Ledgers Priority of Payments and (II) any amounts to be credited to the Liquidity Reserve Fund Ledger and/or the Excess Cashflow Reserve Fund Ledger in accordance with the Pre-Enforcement Ledgers Priority of Payments;

**"SDC Interim Transferred Amount"** means, on each Interest Payment Date, the aggregate of:

- (a) the amount by which 0.20% per annum on the average aggregate Current Balance of the Loans, as determined as at the first day of each of the immediately preceding three Collection Periods multiplied by the number of days in each of the immediately preceding three Collection Periods divided by 365 exceeds the amounts required to satisfy items (a) to (e) (other than item (b)(viii)) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date; and
- (b) the amount (if any) by which the Servicing Fee Cap exceeds the amounts payable under item (b)(viii) of the Pre-Enforcement Revenue Priority of Payments;

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

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

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

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

**"Security Documents"** means the Deed of Charge, all documents entered into pursuant to the Transaction Documents which create or evidence (or purport to create or evidence) Security Interest (including, but not limited to, each Scottish Trust Security and each Scottish Sub-Security) and any other document designated as a "Security Document" by the Security Trustee and the Issuer;

**"Security Interest"** means:

- (a) a mortgage, standard security, charge, pledge, lien, assignation in security or other encumbrance securing any obligation of any person;

- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

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

**"Security Trustee"** means U.S. Bank Trustees Limited through its registered office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom, acting in its capacity as the Security Trustee under the terms of the Deed of Charge, which expression shall include such company and all other persons or companies for the time being acting as security trustee (or co-trustee) pursuant to the terms of the Deed of Charge;

**"Seller"** means Cerberus European Residential Holdings B.V. acting in its capacity as seller of the Loans and their Related Security to the Issuer pursuant to the Mortgage Sale Agreement;

**"Senior Expenses"** means, for each Interest Payment Date, the items listed in paragraphs (a) to (i) but disregarding item (f) of the Pre-Enforcement Revenue Priority of Payments to be paid on that Interest Payment Date;

**"Service Specification"** has the meaning given to it in the Servicing Agreement;

**"Servicer"** means Pepper (UK) Limited, a private limited company incorporated under the laws of England and Wales, with registered number 06548489, whose registered office is at Harman House, 1 George Street, Uxbridge, London UB8 1QQ, or such other person or persons as may from time to time be appointed as servicer or, together acting as servicer, as applicable, of the Loans pursuant to the Servicing Agreement or any Replacement Agreement or otherwise;

**"Servicer Power of Attorney"** means the power of attorney from the Issuer and the Legal Title Holder provided pursuant to clauses 2.8 (*Servicer Power of Attorney*) and 15.1 (*Appointment of Attorney*) of the Servicing Agreement;

**"Servicer Report"** means a report to be provided by the Servicer no later than the close of business eight Business Days after the end of the relevant Collection Period (or if the end of the relevant Collection Period is not a Business Day, the immediately following Business Day) from and including December 2016 in accordance with the terms of the Servicing Agreement and detailing, *inter alia*, information relating to the Portfolio;

**"Servicer Termination Fee"** has the meaning given to it in clause 7.6 (*Termination Fee*) of the Servicing Agreement;

**"Servicer Termination Notice"** means a notice served by the Issuer or the Security Trustee, as applicable, pursuant to clause 19.1 (*Termination of the Servicer*) of the Servicing Agreement;

**"Servicer Termination Event"** means any of the events occurring in relation to the Servicer listed in clause 19.1 (*Termination of the Servicer*) of the Servicing Agreement;

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

**"Servicing Agreement"** means the servicing agreement dated on or about the Closing Date between inter alios, the Issuer, the Servicer and the Security Trustee and any Replacement Servicing Agreement which is entered into by (inter alios) the Issuer and a Back-Up Servicer or Successor Servicer pursuant to which mortgage administration services are provided in respect of the Portfolio;

**"Servicing Fee"** has the meaning given to it in clause 7.1 (*Servicing Fee*) of the Servicing Agreement and includes any fees payable to a replacement or successor servicer (including without limitation to the Back-Up Servicer following their assumption of the role of Servicer under the Replacement Agreement);

**"Servicing Fee Cap"** means 0.70% per annum on the average aggregate Current Balance of the Loans, as determined as at the first day of each of the immediately preceding three Collection Periods multiplied by the number of days in all of the immediately preceding three Collection Periods divided by 365;

**"Share Trust Deed"** means the declaration of trust dated 14 November 2016 pursuant to which the Share Trustee holds the beneficial interest in the share of Holdings on trust for discretionary purposes;

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

**"Shortfall"** means for each Interest Payment Date, the aggregate amount of the Issuer's obligations in respect of the Senior Expenses in each case after deducting the Available Revenue Receipts for that Interest Payment Date (but, for this purpose, disregarding any amount referred to under paragraph (c) of the definition of "Available Revenue Receipts");

**"Shortfall Loan"** means a Loan where the Property or Properties previously mortgaged to secure repayment of that Loan has or have been sold (following enforcement of such mortgage(s) or sale by the Borrower), but an amount remains outstanding under such Loan following the sale of such Property or Properties;

**"SLR Transfer"** means, in relation to Mortgaged Properties situated in Scotland title to which is registered or is in the course of being registered in the Land Register of Scotland, each assignation of the relevant Scottish Mortgage Loans and their related Scottish Mortgages substantially in the form set out in Part 1 (*SLR Transfer*) of Schedule 14 (*Scottish Transfers*) of the Mortgage Sale Agreement (with such modifications as may be required from time to time) and delivered pursuant to (as appropriate) clause 7.3 (*Perfection of transfer, conveyance and assignment of Mortgages*) thereof;

**"Solvency II Regulation"** means Article 254 of Regulation (EU) No 2015/35;

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

**"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 Conditions”** means the standard conditions specified in Schedule 3 of the Conveyancing and Feudal Reform (Scotland) Act 1970;

**“Standard Documentation”** means the standard documentation of the Originator being the documents which were used by the relevant Originator at the relevant time in connection with its activities as a residential mortgage lender, a list or CD of which is set out in or appended to Exhibit 1 (*Standard Documentation*) to the Mortgage Sale Agreement, or any update or replacement therefor as permitted by the terms of the Mortgage Sale Agreement;

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

**“Standard Variable Rate”** or **“SVR”** means, in relation to any Loan, the Legal Title Holder's standard variable rate from time to time in force as set by the Servicer in accordance with the relevant Mortgage Conditions and all Applicable Laws or following a Perfection Trigger Event the standard variable rate of the relevant legal title holder from time to time;

**“Standby Loan”** means, unless stated otherwise in the Liquidity Facility Agreement, the principal amount of each borrowing made under clause 2.1(b)(ii) (*Facility*) of the Liquidity Facility Agreement or the principal amount outstanding of that borrowing;

**“Step-Up Margins”** has the meaning given in Condition 6.3 (*Rate of Interest*);

**“Subscription Agreement”** means the subscription agreement dated on or about the Closing Date between, *inter alias*, the Seller, the Arranger, the Joint Lead Managers, and the Issuer;

**“Subsidiary”** means any person (referred to as the **“first person”**) in respect of which another person (referred to as the **“second person”**):

- (a) holds a majority of the voting rights in that first person or has the right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or
- (b) is a member of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or
- (c) has the right to exercise (directly or indirectly) a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or
- (d) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution; or

- (e) has the power to exercise, or actually exercises (in either case, directly or indirectly) dominant influence or control over the first person; or
- (f) together with the first person are managed on a unified basis;

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries is a member of that other person or, if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A Subsidiary shall include any Subsidiary the shares of which (if any) are subject to a Security Interest and where the legal title to the shares so secured are registered in the name of the secured party or its nominee pursuant to such Security Interest;

**"Successor Servicer"** means any replacement or successor servicer appointed by the Issuer to service the Loans;

**"Surplus SDC Amounts"** has the meaning given in item (a) of the Pre-Enforcement Ledgers Priority of Payments;

**"Taxes"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) and **"Tax"** and **"Taxation"** shall be construed accordingly;

**"Tax Advice"** means tax advice from an appropriately qualified and experienced United Kingdom tax adviser in the form and substance satisfactory to the Issuer and the Security Trustee (acting reasonably), or such other comfort as may reasonably be required by the Issuer and the Security Trustee (including, without limitation, any clearance or other confirmation granted by HM Revenue & Customs);

**"Three Month LIBOR"** means LIBOR for three month sterling deposits;

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

**"Title Deeds"** means, in relation to a Loan, the agreement or agreements for such Loan, the deed constituting the relevant Mortgage and the documents of title to the relevant Property and to the relevant Related Security;

**"TPA Notice"** has to meaning given to it in Clause 9.1.3 (*Collections*) of the Servicing Agreement;

**"Transaction"** means the transaction contemplated by the Transaction Documents;

**"Transaction Documents"** means the Agency Agreement, the Bank Account Agreement, the Back-Up Servicing Agreement, the Cash Management Agreement, CERH Power of Attorney, the Collection Account Agreement, the Collection Account Declaration of Trust, the Corporate Services Agreement, the Deed of Charge, the Deed Poll, the Issuer Power of Attorney, the Legal Title Holder Power of Attorney, the Liquidity Facility Agreement and the other Liquidity Documents, this Master Definitions And Construction Schedule, the Servicing Agreement, the Mortgage Sale Agreement, each Replacement Servicing Agreement, the Scottish Declaration of Trust, each Scottish Transfer, the Scottish Trust Transfer, the Scottish Trust Security, each Scottish Sub-Security, the Servicer Power of Attorney, the Share Trust Deed, 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 and/or the Certificates;

**"Transaction Party"** or **"Party"** means any person who is a party to a Transaction Document and **"Transaction Parties"** or **"Parties"** means some or all of them;

**"Transfer Certificate"** has the meaning given to it in the Liquidity Facility Agreement;

**"Transfer Costs"** means, in circumstances where a successor servicer is appointed following the occurrence of a Servicer Termination Event, or the voluntary resignation by the Servicer, the Issuer's costs and expenses associated with the transfer of servicing to the successor servicer;

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

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

**"Trust Indenture Act"** means the U.S. Trust Indenture Act of 1939, as amended;

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

**"UK Information Commissioner"** means the person designated as such pursuant to the Data Protection Act;

**"UK VAT Group"** means a VAT group for the purposes of Section 43 to 43C of the Value Added Tax Act 1994;

**"Uncovered Shortfall"** has the meaning given to it in clause 5.1 (*Giving of Requests*) of the Liquidity Facility Agreement;

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

**"United States"** means the United States of America;

**"UTCCR"** means the 1999 Regulations and, insofar as applicable, the Unfair Terms in Consumer Contracts Regulations 1994 (SI 1994/3159);

**"Utilisation Date"** means each date on which the revolving credit facility and the standby facility made available under the Liquidity Facility Agreement are utilised;

**"Valuation Report"** means the valuation report or reports for mortgage purposes, in the form of the pro forma contained in the Standard Documentation, obtained by the Legal Title Holder 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;

**"Vantage Mortgage Sale Agreement"** means the mortgage sale agreement entered into on 13 May 2015 between, amongst others, the Original Sellers and the Seller;

**"VAT"** or value added tax means any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) and any similar turnover tax replacing or introduced in addition to any of the same;

**"VATA 1994"** means the Value Added Tax Act 1994;

**"Voting Certificate"** has the meaning given to it in Paragraph 1 (*Definitions*) of Schedule 9 (*Provisions for Meetings of Noteholders and Certificateholders*) to the Trust Deed; and

**"Welcome Letter"** means a letter in the form set out in Schedule 4 (*Form of Welcome Letter*) to the Mortgage Sale Agreement;