



Registration of a Charge

Company Name: **ABONA FUNDING LIMITED**

Company Number: **14419564**



XBJC2RYY

Received for filing in Electronic Format on the: **21/12/2022**

Details of Charge

Date of creation: **16/12/2022**

Charge code: **1441 9564 0001**

Persons entitled: **CITIBANK N.A., LONDON BRANCH, CITIGROUP CENTRE, CANADA SQUARE, CANARY WHARF, LONDON E14 5LB AS SECURITY TRUSTEE (AS SECURITY TRUSTEE FOR AND ON BEHALF OF THE SECURED PARTIES)**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by:

CLIFFORD CHANCE LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 14419564

Charge code: 1441 9564 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th December 2022 and created by ABONA FUNDING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st December 2022 .

Given at Companies House, Cardiff on 28th December 2022

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

16 DECEMBER 2022

ABONA FUNDING LIMITED
AS ISSUER

UK MORTGAGE LENDING LTD
AS CASH MANAGER, ORIGINAL MEZZANINE NOTEHOLDER AND JUNIOR
NOTEHOLDER

PEPPER (UK) LIMITED
AS SERVICER

ALBION CAPITAL CORPORATION S.A.
AS ORIGINAL UNCOMMITTED SENIOR NOTEHOLDER

MUFG BANK, LTD. (LONDON BRANCH)
AS FUNDING AGENT AND ORIGINAL COMMITTED SENIOR NOTEHOLDER

MUFG SECURITIES EMEA PLC
AS ORIGINAL HEDGE COUNTERPARTY

BARCLAYS BANK PLC
AS ACCOUNT BANK

CITIBANK N.A., LONDON BRANCH
AS SECURITY TRUSTEE

LAW DEBENTURE CORPORATE SERVICES LIMITED
AS CORPORATE SERVICES PROVIDER, REGISTRAR AND BACK-UP SERVICER
FACILITATOR

DEED OF CHARGE

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THIS DEED OF CHARGE is made on 16 December 2022

BETWEEN:

- (1) **ABONA FUNDING LIMITED**, a company incorporated in England and Wales (registered number 14419564), whose registered office is at 8th Floor, 100 Bishopsgate, London EC2N 4AG (the "**Issuer**");
- (2) **UK MORTGAGE LENDING LTD**, a company incorporated in England and Wales (registered number 08698121), whose registered office is at 4 Capital Quarter, Tyndall Street, Cardiff CF10 4BZ, in its capacities as cash manager (the "**Cash Manager**"), holder of the Mezzanine Notes (the "**Original Mezzanine Noteholder**") and holder of the Junior Notes (the "**Junior Noteholder**");
- (3) **PEPPER (UK) LIMITED**, a company incorporated in England and Wales (registered number 06548489), whose registered office is at Harman House, 1 George Street, Uxbridge, London UB8 1QQ, in its capacity as servicer (the "**Servicer**");
- (4) **MUFG BANK, LTD. (LONDON BRANCH)**, a branch registered in England and Wales (registered number BR002013), whose registered office is at Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AN, of MUFG Bank, Ltd., a company incorporated in Japan, in its capacities as funding agent (the "**Funding Agent**") and original committed senior noteholder (the "**Original Committed Senior Noteholder**");
- (5) **ALBION CAPITAL CORPORATION S.A.**, a company incorporated in Luxembourg (registered number B51791), whose registered office is at 6, rue Eugène Ruppert L-2453 Luxembourg, in its capacity as original uncommitted senior noteholder (an "**Original Uncommitted Senior Noteholder**");
- (6) **MUFG SECURITIES EMEA PLC**, a company incorporated in England and Wales (registered number 01698498), whose registered office is at Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AJ in its capacity as a hedge counterparty (the "**Original Hedge Counterparty**");
- (7) **BARCLAYS BANK PLC**, a company incorporated in England and Wales (registered number 01026167), whose registered office is at 1 Churchill Place, London E14 5HP, in its capacity as account bank (the "**Account Bank**");
- (8) **CITIBANK N.A., LONDON BRANCH**, whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, in its capacity as security trustee for and on behalf of the Secured Parties acting pursuant to and with the benefit of the protections set out in this Deed (the "**Security Trustee**", which expression shall include such company and all such other persons for the time being acting as security trustee under this Deed);
- (9) **LAW DEBENTURE CORPORATE SERVICES LIMITED**, a company incorporated in England and Wales (registered number 03388362), whose registered office is at 8th Floor, 100 Bishopsgate, London EC2N 4AG, in its capacities as corporate services provider (the "**Corporate Services Provider**"), registrar (the "**Registrar**") and back-up servicer facilitator (the "**Back-Up Servicer Facilitator**"); and
- (10) **ANY OTHER PERSON** who accedes to this Deed by way of an Accession Deed.

WHEREAS:

- (A) The Security Trustee has agreed to act as Security Trustee for and on behalf of, and to hold the benefit of the Security on trust for, the Secured Parties.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

1.1 Unless otherwise defined in this Deed or the context requires otherwise, words and expressions used in this Deed have the meanings and constructions ascribed to them in the Master Definitions Schedule set out in schedule 1 (*Master Definitions Schedule*) to the Incorporated Terms Memorandum which is dated on or about the date of this Deed and signed for the purpose of identification by each of the Transaction Parties.

1.1 In addition, in this Deed:

"**Ancillary Asset Rights**" means in relation to an asset, all ancillary rights, accretions and supplements to such asset, including any guarantees or indemnities in respect of such asset.

"**Asset Rights**" in respect of any asset expressed and/or intended to be held, assigned, conveyed, transferred, held in trust, charged, sold, disposed of or the subject of any Security Interest granted by any person means all right, title, estate, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such asset and all Ancillary Asset Rights in respect of such asset including, without limitation:

- (a) all monies and proceeds payable or to become payable or received under, in respect of, or pursuant to such asset and such Ancillary Asset Rights and the right to receive payment of such monies and proceeds and all payments made including, if such asset is a bank account, all sums of money which are at any time 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;
- (b) all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such asset and such Ancillary Asset Rights;
- (c) all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such asset and such Ancillary Asset Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such asset and such Ancillary Asset Rights;
- (d) all items expressed to be held on trust for such person under or in any such asset or such Ancillary Asset Rights;
- (e) all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such asset and such Ancillary Asset Rights; and

- (f) all rights of action in respect of any breach of or in connection with any such asset and such Ancillary Asset Rights and all rights to receive damages or obtain other relief in respect of such breach.

"Assets" means all types of assets whether tangible, intangible, moveable or immovable including, without limitation, all types of property, rights, revenues, income, uncalled capital, licences, business and undertakings and any interest therein, in each case whatsoever and wheresoever situate, present and future.

"Collection Account" means the account with account number [REDACTED] and sort code [REDACTED] held at the Collection Account Bank in the name of UK Mortgage Lending Ltd as Legal Title Holder (including any replacement account or accounts, whether in the name of UK Mortgage Lending Ltd or a successor Legal Title Holder).

"Collection Investment Account" means the account with account number [REDACTED] and sort code [REDACTED] held at the Collection Account Bank in the name of UK Mortgage Lending Ltd as Legal Title Holder (including any replacement account or accounts, whether in the name of UK Mortgage Lending Ltd or a successor Legal Title Holder).

"Hedging Agreement" means any master agreement, confirmation, transaction, schedule or other agreement entered into or to be entered into by the Issuer for the purpose of hedging interest payable under the Loan Note Facility Agreement.

"Hedging Excluded Amounts Ledger" means the ledger in the books of the Issuer so named established and maintained by the Cash Manager in the Transaction Account and the Swap Collateral Account.

"Issuer Accounts" means the Transaction Account, the Transaction Investment Account, the Utilisation Account, the Utilisation Investment Account and the Swap Collateral Account, or such additional or replacement bank account established or to be established pursuant to the Account Bank Agreement.

"Legal Title Holder Accounts" means the Collection Account, the Collection Investment Account and the Pre-Completion Account.

"Legal Title Holder Accounts Declaration of Trust" means the declaration of trust in respect of the Legal Title Holder Accounts dated on or about the date of this Incorporated Terms Memorandum and made by the Legal Title Holder in favour of the Issuer.

"Legal Title Holder Accounts Trust Property" has the meaning given to it in the Legal Title Holder Accounts Declaration of Trust.

"Mortgage" means a Mortgage Loan and:

- (a) all Mortgage Security; and
(b) all Mortgage Receipts,

related thereto.

"Mortgage Loan" means any loan (including any Additional Mortgage Advances) advanced by the Originator to a Borrower in accordance with the terms of a Mortgage Loan Agreement including, without limitation, all Asset Rights in, to and under that Mortgage Loan Agreement.

"Mortgage Loan Agreement" means the agreement between a Borrower and the mortgagee containing the terms and conditions relating to advances made or to be made by the mortgagee to such Borrower.

"Mortgage Property Security" means, in relation to a Mortgage, a charge by way of legal mortgage in respect of the Mortgage Property (including, without limitation, all the mortgagee's or chargee's Asset Rights relating thereto) which is or, as the case may be, ought to be security for any Mortgage Loan relating to such Mortgage, together with and including, without limitation, all of the mortgagee's or chargee's Asset Rights in, to and under:

- (a) the Mortgage Property relating to such Mortgage;
- (b) each Deed of Charge relating to such Mortgage;
- (c) each Mortgage Occupier Consent relating to such Mortgage; and
- (d) each Mortgage Postponement Document relating to such Mortgage.

"Mortgage Security" means, in relation to a Mortgage, the security comprising the relevant Mortgage Property Security and the Mortgage Other Security in relation to that Mortgage.

"Portfolio" means the aggregate of all Assets and Asset Rights sold to the Issuer under the Mortgage Sale Agreement, excluding:

- (a) Assets and Asset Rights redeemed in full (and any Mortgagee Insurance policies relating thereto); and
- (b) Assets and Asset Rights repurchased by the Seller (and any Mortgagee Insurance policies relating thereto).

"Pre-Completion Account" means the account with account number [REDACTED] and sort code [REDACTED] held at the Pre-Completion Account Bank in the name of UK Mortgage Lending Ltd as Originator (including any replacement account or accounts, whether in the name of UK Mortgage Lending Ltd or a successor Originator).

"Security Asset" means all or any of the assets of the Issuer which from time to time are, or are expressed to be, the subject of the Transaction Security.

"Security Interest" means any mortgage or sub-mortgage, fixed or floating charge or sub-charge, pledge, lien, assignment or assignation by way of security or subject to a proviso for redemption, encumbrance, hypothecation, retention of title, or other security interest whatsoever howsoever created or arising and its equivalent or analogue whatever called in any other jurisdiction, and any agreement or arrangement having substantially the same economic or financial effect as any of the foregoing (including

any hold back or flawed asset arrangement) and any agreement, whether conditional or otherwise to create or grant any of the same.

"Swap Collateral Account" means the account with account number [REDACTED] and sort code [REDACTED] held at the Account Bank in the name of the Issuer (including any replacement account or accounts of that account, whether in the name of Abona Funding Limited or a successor Issuer).

"Transaction Account" means the account with account number [REDACTED] and sort code [REDACTED] held at the Account Bank in the name of the Issuer (including any replacement account or accounts of that account, whether in the name of Abona Funding Limited or a successor Issuer).

"Transaction Investment Account" means the account with account number [REDACTED] and sort code [REDACTED] held at the Account Bank in the name of the Issuer (including any replacement account or accounts of that account, whether in the name of Abona Funding Limited or a successor Issuer).

"Transaction Security" means the Security Interests created or evidenced or expressed to be created or evidenced under the Security Documents.

"Utilisation Account" means the account with account number [REDACTED] and sort code [REDACTED] held at the Account Bank in the name of the Issuer (including any replacement account or accounts of that account, whether in the name of Abona Funding Limited or a successor Issuer).

"Utilisation Investment Account" means the account with account number [REDACTED] and sort code [REDACTED] held at the Account Bank in the name of the Issuer (including any replacement account or accounts of that account, whether in the name of Abona Funding Limited or a successor Issuer).

1.2 The term **"full title guarantee"** will be construed in accordance with the Law of Property (Miscellaneous Provisions) Act 1989 but so that the covenants implied by the Law of Property (Miscellaneous Provisions) Act 1989 in respect of the Transaction Security do not include:

- (a) 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 Law of Property (Miscellaneous Provisions) Act 1989; and
- (b) section 6(2) of the Law of Property (Miscellaneous Provisions) Act 1989.

2. COMMON TERMS

2.1 Incorporation of Common Terms

Except as provided below, the Common Terms apply to this Deed and shall be binding on the parties to this Deed as if set out in full in this Deed.

2.2 **Conflict with Common Terms**

If there is any conflict between the provisions of the Common Terms and the provisions of this Deed, the provisions of this Deed shall prevail, other than in relation to any provision of this Deed which relates to VAT, in relation to which the VAT provisions of the Common Terms shall prevail.

2.3 **Obligor/Obligee**

For the purpose of this Deed, paragraph 1 (*Further Assurance*) of part 1 (*General Legal Terms*) of the Common Terms applies to this Deed as if set out in full in this Deed, and as if the Issuer were the Obligor and the Security Trustee were the Obligee for the purposes of such paragraph.

2.4 **Governing Law and Jurisdiction**

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

3. **COVENANT TO PAY**

3.1 **Payments to Secured Parties**

Subject to paragraph 7 (*Restriction on Enforcement of Transaction Security, Non-Petition and Limited Recourse*) of part 1 (*General Legal Terms*) of the Common Terms, the Issuer hereby covenants and undertakes to the Security Trustee (for its own account and as trustee for the other Secured Parties) that it shall discharge the Secured Liabilities.

3.2 **Duties and Taxes**

The Issuer shall pay all stamp, registration and other similar taxes (excluding for the avoidance of doubt, VAT) and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed and will indemnify (with recourse limited to the proceeds of the Security Assets) the Security Trustee and the Secured Parties (each an "**Indemnified Party**") on demand from and against all stamp duty, issue, registration, documentary and other similar taxes (excluding for the avoidance of doubt, VAT) paid by any such Indemnified Party in any jurisdiction or jurisdictions in connection with the execution and delivery of this Deed.

3.3 **Covenant of Compliance**

The Issuer covenants with and undertakes to the Security Trustee that it will comply with, perform and observe all the provisions of this Deed which are expressed to be binding on it. The terms and conditions of the Facilities granted pursuant to the Loan Note Facility Agreement shall be binding on the Issuer and the Senior Noteholders, the Mezzanine Noteholders and the Junior Noteholder as Secured Parties in respect of the Issuer's obligations under the Loan Note Facility Agreement. The Security Trustee shall

be entitled to enforce the rights of the Secured Parties under the Transaction Documents by reason of the Security Interests granted in its favour pursuant to Clause 4 (*Security*) hereof in accordance with the terms of this Deed.

3.4 Only Security Trustee to act

Without prejudice to paragraph 7 (*Restriction on Enforcement of Transaction Security, Non-Petition and Limited Recourse*) of part 1 (*General Legal Terms*) of the Common Terms, only the Security Trustee may pursue the remedies available under the general law or under this Deed to enforce the rights under this Deed of the Secured Parties. No other Secured Party shall be entitled to proceed directly against the Issuer or the assets of the Issuer to enforce the performance of any of the provisions of this Deed or the other Transaction Documents (if any) unless the Security Trustee fails to take proceedings or neglects to do so within a reasonable period of time and such failure or neglect is continuing.

3.5 Application of monies

All monies received by the Security Trustee pursuant to this Deed shall, despite any appropriation of all or part of them by the Issuer, be held by the Security Trustee upon trust to apply in the manner and order of priority set out in this Deed.

3.6 Agreement to act as Security Trustee

- (a) Each Secured Party (other than the Security Trustee) authorises the Security Trustee to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Trustee to act as Security Trustee under this Deed and in connection with the Transaction Documents.
- (b) The Security Trustee declares that it holds the Security Assets on trust for the Secured Parties on the terms contained in this Deed.

4. SECURITY

4.1 Security Assignment

As continuing security for the payment, performance and discharge of the Secured Liabilities and subject to Clause 4.3 (*Withdrawals from Issuer Accounts*) and Clause 18 (*Release of Security*), the Issuer, with full title guarantee in favour of the Security Trustee for itself and on trust for the other Secured Parties, hereby:

- (a) assigns absolutely all its right, title, interest and benefit present and future in and to any Transaction Document which the Issuer has, or may at any time be expressed to have, the benefit of or to have any rights under or to have any other interest in, unless otherwise charged or secured by way of fixed security under this Clause 4.1, (including, without limitation, all supplements and accretions thereto, all rights to receive payment of any amounts which may become payable thereunder and all payments received by the Issuer thereunder, all rights to serve notices or give consents and directions or make demands thereunder or take such steps as are required to cause payments to become due and payable thereunder, all rights of action in respect of any breach thereof and all rights to

receive damages or obtain other relief in respect thereof and, in respect of each Hedging Agreement, without prejudice to, and after giving effect to, any contractual netting provision contained in such Hedging Agreement);

- (b) charges by first fixed charge all its rights, title, interest and benefit present and future in and to the Mortgage Loans and their Mortgage Security comprised in the Portfolio, together with all amounts accruing from time to time thereon and debts represented thereby;
- (c) charges by way of first fixed charge all its rights, title, interest and benefit present and future in and to the Legal Title Holder Accounts Trust Property under the Legal Title Holder Accounts Declaration of Trust; and
- (d) charges by way of first fixed charge all its right, title, interest and benefit present and future in and to the Issuer Accounts (other than the Swap Collateral Account and any amounts recorded as a credit to the Hedging Excluded Amounts Ledger) and any bank or other accounts (other than the Swap Collateral Account) in which the Issuer may at any time have or acquire a benefit, together with all interest accruing from time to time thereon and the debts represented thereby (other than any amounts recorded as a credit to the Hedging Excluded Amounts Ledger),

in each case, hereinafter referred to as the "**Fixed Security**", **provided that** such Fixed Security may only be enforced in accordance with the provisions of Clause 5 (*Enforcement of Security*).

4.2 **Floating Charge**

- (a) The Issuer, as continuing security for payment and discharge of the Secured Liabilities from time to time, subject to Clause 18 (*Release of Security*) with full title guarantee hereby charges to the Security Trustee, by way of first floating charge, the whole of its undertaking and all its property, assets, rights and revenues, whatsoever and wheresoever present and future including its uncalled capital (including assets expected to be subject to the Fixed Security) (other than the Swap Collateral Account and any amounts recorded as a credit to the Hedging Excluded Amounts Ledger) (the "**Floating Security**" and, together with the Fixed Security, the "**Security**") and the Security Trustee shall hold the benefit of the Floating Security on trust for itself and the other Secured Parties.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this Clause 4.2.
- (c) The floating charge created by paragraph (a) above shall be postponed to any valid fixed charges which remain outstanding under this Deed from time to time and any rights of the Issuer to deal with the assets subject to the floating charge, shall be expressly subject to any restrictions placed on dealing with those assets contained in any fixed charge over the same.
- (d) The floating charge created by paragraph (a) above will (to the extent permitted by applicable law) automatically convert into a fixed charge as regards:

- (i) all of the Issuer's assets subject to the floating charge, upon the service of an Enforcement Notice; and
- (ii) any assets of the Issuer subject to the floating charge if those assets (contrary to the covenants and undertakings contained in the Transaction Documents) are or become subject to any Security Interest in favour of any person other than the Security Trustee immediately prior to that Security Interest (other than Permitted Security) arising or that sale, transfer or other disposition being made.

4.3 Withdrawals from Issuer Accounts

- (a) Notwithstanding the Security Interests created by or pursuant to this Deed, prior to the delivery of an Enforcement Notice to the Issuer, amounts standing to the credit of the Issuer Accounts from time to time may be withdrawn therefrom by the Issuer (or any Authorised Signatory (including the Cash Manager) on its behalf) but only in accordance with the applicable provisions of the Transaction Documents including (without limitation) the terms hereof, the Cash Management Agreement and the Account Bank Agreement; and
- (b) Upon and following the delivery of an Enforcement Notice to the Issuer, the Security Trustee shall exercise and enforce the rights under the Account Bank Agreement and the Security Trustee shall notify the Account Bank of such Enforcement Notice upon delivery thereof to the Issuer.

4.4 Exercise of Rights

Notwithstanding the Security Interests created in this Deed, the Issuer or such other party as the Issuer may appoint from time to time may, but only prior to receiving an Enforcement Notice from the Security Trustee, exercise its rights, powers and discretions and perform its obligations in relation to the Security Assets and under the Transaction Documents and any other documents or arrangements to which it is a party in accordance with the provisions of the Transaction Documents or (as the case may be) such other documents or arrangements.

5. ENFORCEMENT OF SECURITY

5.1 When Security Becomes Enforceable

The Security will become immediately enforceable and if it has not already crystallised, the Floating Security shall, to the extent permitted by law, crystallise upon the delivery of an Enforcement Notice by the Security Trustee to the Issuer.

5.2 Enforcement Notice

The parties hereto acknowledge and agree that the relevant circumstances in which the Security Trustee may or shall deliver an Enforcement Notice and the conditions applicable to delivery of an Enforcement Notice are set out in clause 23.11 (*Acceleration*) of the Loan Note Facility Agreement. The Security Trustee will provide a copy of any Enforcement Notice to the Secured Parties.

5.3 Appointment of Receiver

At any time after the delivery of an Enforcement Notice to the Issuer, the Security Trustee, upon the instruction of the Instructing Party (subject to being indemnified and/or secured and/or prefunded to its satisfaction) may appoint any person or persons to be a Receiver or Receivers of the Security Assets which is subject to such Security or any part thereof to act jointly or jointly or severally as receiver, manager, receiver or manager, compulsory or interim manager or other similar officer as the Security Trustee shall determine, and may (subject to Section 45 of the Insolvency Act 1986) remove any Receiver so appointed and appoint another in its place.

5.4 Enforcement of Security by the Security Trustee

Subject to Clause 7.1 (*Preconditions to Security Trustee acting*), at any time after the delivery of an Enforcement Notice to the Issuer:

- (a) the Security Trustee may, without notice, recover judgment in its own name and take such actions, steps and proceedings as it may be directed or requested to enforce the Security created in favour of the Security Trustee by and pursuant to, and contained in, this Deed, **provided that** the Security Trustee shall be bound by Clause 6 (*Post-Enforcement Priority of Payments*) in determining the priority in which any monies received by it shall be applied;
- (b) no amount (other than any Third Party Amounts not owned by the Issuer and Hedging Excluded Payable Amounts) standing to the credit of an Issuer Account may be withdrawn therefrom by any person without the prior written consent of the Security Trustee; and
- (c) the Security Trustee shall hold and apply all monies received by it under or pursuant to this Deed in connection with the realisation of the Security Assets or enforcement of the Security in accordance with the Post-Enforcement Priority of Payments.

5.5 Moratorium under Part A1 of the Insolvency Act 1986

Notwithstanding anything to the contrary in this Deed and except to the extent that a floating charge created pursuant to Clause 4.2 (*Floating Charge*) is of a type referred to in section A52(4) of Part A1 of the Insolvency Act 1986, neither the obtaining of a moratorium by the Issuer under Part A1 of the Insolvency Act 1986 nor the doing of anything by the Issuer with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- (a) an event under this Deed which causes the floating charge created by Clause 4.2 (*Floating Charge*) to be converted into a fixed charge; and
- (b) an event under this Deed which causes any restriction which would otherwise apply to be imposed on the disposal of any property of the Issuer; or
- (c) a ground under this Deed for the appointment of a receiver.

6. POST-ENFORCEMENT PRIORITY OF PAYMENTS

6.1 Post-Enforcement Priority of Payments

Following the delivery of an Enforcement Notice, the Post-Enforcement Amounts shall be applied in payment by the Security Trustee (or the Cash Manager on its behalf or a Receiver), in the amounts required (together in each case with any amounts in respect of VAT payable pursuant to the relevant Transaction Document or any VAT which must be accounted for directly to the relevant tax authority), 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):

- (a) *first*, in or towards payment, *pari passu* and *pro rata* according to the respective amounts thereof, of any remuneration, fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Security Trustee and any Receiver or Appointee under the provisions of this Deed and the other Transaction Documents;
- (b) *second*, in or towards payment, *pari passu* and *pro rata* according to the respective amounts thereof, of:
 - (i) any fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Corporate Services Provider under the provisions of the Transaction Documents;
 - (ii) any fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Back-Up Servicer Facilitator under the provisions of the Transaction Documents;
 - (iii) any fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Account Bank under the provisions of the Transaction Documents;
 - (iv) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Servicer under the provisions of the Transaction Documents;
 - (v) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Registrar under the provisions of the Transaction Documents; and
 - (vi) any fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Cash Manager under the provisions of the Transaction Documents (up to, in respect of any amounts due and payable to the Cash Manager pursuant to clause 4.4 (*Interest on Cash Manager Fees*) of the Cash Management Agreement, an amount equal to £12,000);
- (c) *third*, in or towards payment of any legal fees, company secretarial expenses and audit fees of the Issuer required by applicable law which are not provided for payment elsewhere;

- (d) *fourth*, in or towards payment of any amounts then due and payable to each Hedge Counterparty under the Transaction Documents;
- (e) *fifth*, in or towards payment, *pari passu* and *pro rata* according to the respective amounts thereof, of all fees, costs and expenses due to the Senior Noteholders under the Transaction Documents;
- (f) *sixth*, in or towards payment, *pari passu* and *pro rata* according to the respective amounts thereof, of any interest due and payable under the Senior Notes (including any unpaid interest and accrued interest thereon and default interest);
- (g) *seventh*, *pari passu* and *pro rata* according to the respective amounts thereof: (i) in or towards the redemption of the Senior Notes until the Senior Notes are redeemed in full; and (ii) in or towards payment of any amounts due and payable to the Senior Noteholders under the Transaction Documents not specified elsewhere in this Clause 6.1, including any indemnities;
- (h) *eighth*, in or towards payment, *pari passu* and *pro rata* according to the respective amounts thereof, of all fees, costs and expenses due to the Mezzanine Noteholders under the Transaction Documents;
- (i) *ninth*, in or towards payment, *pari passu* and *pro rata* according to the respective amounts thereof, of any interest due and payable under the Mezzanine Notes (including any unpaid interest and accrued interest thereon and default interest, Deferred Amounts in respect of the Mezzanine Notes and any interest on any Deferred Amounts in respect of the Mezzanine Notes);
- (j) *tenth*, *pari passu* and *pro rata* according to the respective amounts thereof: (i) in or towards the redemption of the Mezzanine Notes until the Mezzanine Notes are redeemed in full; and (ii) in or towards payment of any amounts due and payable to the Mezzanine Noteholders under the Transaction Documents not specified elsewhere in this Clause 6.1, including any indemnities;
- (k) *eleventh*, in or towards payment, *pari passu* and *pro rata* according to the respective amounts thereof, of all fees, costs and expenses due to the Junior Noteholder under the Transaction Documents;
- (l) *twelfth*, in or towards payment of any fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Cash Manager under the provisions of the Transaction Documents remaining unpaid after application of Post-Enforcement Amounts in accordance with item (b)(vi) above in this Clause 6.1;
- (m) *thirteenth*, in or towards payment, *pari passu* and *pro rata* according to the respective amounts thereof, of any interest due and payable under the Junior Notes (including any unpaid interest and accrued interest thereon and default interest, Deferred Amounts in respect of the Junior Notes and any interest on any Deferred Amounts in respect of the Junior Notes);
- (n) *fourteenth*, *pari passu* and *pro rata* according to the respective amounts thereof: (i) in or towards the redemption of the Junior Notes until the Junior Notes are

redeemed in full; and (ii) in or towards payment of any amounts due and payable to the Junior Noteholder under the Transaction Documents not specified elsewhere in this Clause 6.1;

- (o) *fifteenth*, in or towards the retention of any amounts to provide for the Issuer's liability or possible liability for corporation tax to the extent not paid from amounts standing to the credit of the Issuer Profit Ledger;
- (p) *sixteenth*, in or towards retention by the Issuer of an amount equal to the Issuer Profit Amount, including any previously unpaid Issuer Profit Amount, to be credited to the Issuer Profit Ledger which the Issuer may use to meet any United Kingdom corporation tax thereon; and
- (q) *seventeenth*, in payment of Additional Junior Interest to the Junior Noteholder.

6.2 **Application of amounts in respect of Hedging Excluded Receipt Amounts, Hedging Excluded Payable Amounts and Third Party Amounts**

- (a) Third Party Amounts shall be paid directly to the relevant third party, without regard to the Priorities of Payment and in accordance with the terms of the Cash Management Agreement.
- (b) The application of Hedging Excluded Payable Amounts in accordance with the terms of the Cash Management Agreement shall be made without regard to the Priorities of Payment. Hedging Excluded Receipt Amounts which are not or cease to be potential Hedging Excluded Payable Amounts shall be transferred to the Revenue Ledger and applied in accordance with the Priorities of Payment.

6.3 **Monies not required for Secured Liabilities**

Any monies held by the Receiver or the Security Trustee after application of monies received or recovered after delivery of an Enforcement Notice and not required for application in discharge of the Secured Liabilities in accordance with Clause 6 (*Post-Enforcement Priority of Payments*) shall be paid by the Receiver or the Security Trustee (as applicable) to the Issuer for application in or towards meeting the obligations of the Issuer, which do not constitute Secured Liabilities, as such obligations fall due.

6.4 **Set Off**

- (a) If, at the time a payment is proposed to be made to any Secured Party pursuant to Clause 6 (*Post-Enforcement Priority of Payments*), that Secured Party is in default under any of its obligations to make a payment under any of the Transaction Documents to which it is party (the "**Defaulted Payment**"), then the amount of the payment which may be made to that Secured Party pursuant to Clause 6 (*Post-Enforcement Priority of Payments*) shall be reduced by there being withheld from such payment an amount equal to the amount of such Defaulted Payment. Any amount so withheld shall not be available for any other person and shall be paid to that Secured Party as and when (and *pro rata* to the extent that) the Defaulted Payment is duly made by it.
- (b) The Security Trustee shall not be liable to the Issuer or any Secured Party for any loss or damage suffered by the Issuer or any Secured Party as a result of a

failure to exercise the right to withhold set out in this Clause 6.4, (i) unless the Security Trustee has received not less than 7 Business Days' actual notice in writing of the relevant Defaulted Payment from the Issuer or, (ii) other than in the case of gross negligence, wilful default or fraud on the part of the Security Trustee.

7. THE SECURITY TRUSTEE

7.1 Preconditions to Security Trustee acting

The Security Trustee:

- (a) may not take any proceedings, actions or steps as are contemplated by any provision of Clause 5 (*Enforcement of Security*); and
- (b) is not obliged to take any other action, step or institute any proceedings or exercise any right, power, trust, duty or authority or discretion pursuant to or in connection with this Deed or any other Transaction Document,

unless, subject to paragraph (f) of Clause 7.2 (*Security Trustee to Act*), directed or requested to do so by the Instructing Party in accordance with the Transaction Documents, and then only if it shall have been indemnified and/or secured and/or pre-funded to its reasonable satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing.

7.2 Security Trustee to Act

- (a) The Security Trustee shall, subject to paragraph (f) below (unless a Transaction Document specifies that the Security Trustee must take a specified course of action), and then only if it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Trustee in accordance with any instructions given to it by the Instructing Party and the Security Trustee shall have no liability for acting or refraining to act on such instructions.
- (b) The Security Trustee shall not be responsible for any Liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such directions where the Security Trustee has received such directions from the Instructing Party to so delay or such delay is caused by the Instructing Party not giving directions to the Security Trustee or where, in the opinion of the Security Trustee, such directions when given are insufficiently clear.
- (c) The Security Trustee shall be entitled to request instructions, or clarification of any instruction, from the Instructing Party as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Trustee may refrain from acting unless and until it receives those instructions or that clarification.

- (d) Notwithstanding anything to the contrary in this Deed or any Transaction Document, any reference to the Security Trustee acting in its discretion, as it sees fit or any analogous term shall not oblige the Security Trustee to exercise any such discretion and the Security Trustee shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction and except insofar as such determination is for the purpose of enabling the Security Trustee to protect its own interests or receive sums for its own account) at all times seek instructions of the Instructing Party and act (or refrain from acting) in accordance with the instructions of the Instructing Party and in doing so, the Security Trustee shall be acting in a purely mechanical and administrative capacity. The Security Trustee shall not be responsible to any party as a consequence of so acting, including for any delay in receiving such instructions, requesting clarification or being provided with mutually agreed instructions (if applicable) nor if any such delay causes another party's instructions to prevail or become excluded pursuant to the terms of this Deed.
- (e) In exercising its rights, powers, discretions and authorities under this Deed and any other Transaction Document to which the Security Trustee is party, the Security Trustee shall act subject to and in accordance with the provisions of Clause 7.1 (*Preconditions to Security Trustee acting*) and this Clause 7.2. If there is any conflict between the provisions of Clause 7.1 (*Preconditions to Security Trustee acting*) and this Clause 7.2, and any other Transaction Document to which the Security Trustee is party, the provisions of Clause 7.1 (*Preconditions to Security Trustee acting*) and this Clause 7.2 shall prevail.
- (f) Clause 7.1 (*Preconditions to Security Trustee acting*) and paragraph (a) above shall not apply in respect of any provision which protects the Security Trustee's own position in its personal capacity as opposed to its role of Security Trustee for the Secured Parties including without limitation Clause 7.5(j) (*Power to Delegate*), Clause 7.5(k) (*Employment of Agents*) and Clause 8.4 (*Successor Security Trustee*) (in respect of which the Security Trustee may take any action without instructions from the Instructing Party or any other person), or where the Security Trustee carries out what in its discretion it considers to be administrative acts, or acts which are incidental to any instruction, without any instructions (though not contrary to any such instruction), but so that no such instruction shall have any effect in relation to any administrative or incidental act performed prior to actual receipt of such instruction by the Security Trustee.

7.3 Majority Senior Noteholder and Majority Mezzanine Noteholder instructions

Any reference in Clause 7.1 (*Preconditions to Security Trustee acting*) and 7.2 (*Security Trustee to Act*) to the Instructing Party providing instructions or directions to the Security Trustee shall include, where the terms of this Deed provide that the Security Trustee acts on the instructions or directions of the Majority Senior Noteholders and the Majority Mezzanine Noteholders, the Majority Senior Noteholders and the Majority Mezzanine Noteholders.

7.4 Duties of the Security Trustee

- (a) The Security Trustee's duties under the Transaction Documents are solely mechanical and administrative in nature.

- (b) The Security Trustee agrees to perform such duties and only such duties as are specifically set forth in this Deed to the extent permitted under and in compliance with applicable law and regulations (and no others shall be implied).
- (c) The Security Trustee hereby consents to the operation of the Issuer Accounts by the Issuer (or any Authorised Signatory (including the Cash Manager) on its behalf) in accordance with the provisions of the Transaction Documents.
- (d) After the delivery of an Enforcement Notice to the Issuer, the Security Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing), if it has received written notice of the same, notify the Account Bank and the other Parties, subject to Clause 7.1 (*Preconditions to Security Trustee acting*) and act promptly to exercise its rights under any bank mandate relating to the Issuer Accounts to prevent monies representing Security Assets being paid from such Issuer Account to a bank account which is not an Issuer Account.
- (e) Save as otherwise provided in this Deed, the Security Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in accordance with the instructions of the Instructing Party in accordance with the Transaction Documents relating to the time, method and place of conducting any proceeding for any remedy available to the Security Trustee, or exercising any discretion or power conferred upon the Security Trustee, under this Deed or any Transaction Document.
- (f) The Security Trustee shall promptly:
 - (i) forward to the Funding Agent, the Hedge Counterparty, the Senior Noteholders, the Mezzanine Noteholders and the Junior Noteholder a copy of any document, notice, report or any other information received by the Security Trustee from the Issuer under any Transaction Document; and
 - (ii) forward to a party the original or a copy of any document which is delivered to the Security Trustee for that party by any other party.
- (g) The Security Trustee is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another party.
- (h) If the Security Trustee receives notice from a party referring to any Transaction Document, describing an Event of Default and stating that the circumstance is described as an Event of Default, it shall promptly notify the Secured Parties.
- (i) Notwithstanding any other provision of this Deed or any other Transaction Document, the Security Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it believes that the repayment of such funds or adequate indemnity, security or pre-funding against such risk or liability is not assured to it to its satisfaction, and none of the provisions contained in this Deed or any other Transaction Document shall in

any event require the Security Trustee to perform, or be responsible for the manner of the performance of, any of the obligations of the Issuer or any other Party under this Deed or any other Transaction Document.

- (j) In relation to its obligations set forth in Clause 5 (*Enforcement of Security*) and Clause 10 (*Provisions upon Enforcement*), the Security Trustee shall not be obliged to act accordingly unless it has written notice of the occurrence of an Event of Default and has been instructed to do so by the Instructing Party in accordance with Clause 7.1 (*Preconditions to Security Trustee acting*) **provided that**, the Security Trustee shall not be obliged to act in accordance with such obligations if to do so is in breach of any of its obligations in law or under the Transaction Documents.
- (k) The Security Trustee shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.
- (l) The Security Trustee is not responsible for payment of any Taxes or stamp duty as a result of (i) it holding Security or (ii) it enforcing any Security held by it. Save as required by applicable law, the Security Trustee is not responsible for making any deductions or withholding in respect of Taxes or other governmental charges in respect of any amounts paid by the Security Trustee from the proceeds of any enforcement of Security. If any such deduction or withholding is required to be made by applicable law then the Security Trustee will not be obliged to pay additional amounts in respect thereof.

7.5 Powers of the Security Trustee

The Security Trustee shall have all powers conferred upon trustees by the Trustee Act 1925 and the Trustee Act 2000 (the "**Trustee Acts**") (other than section 1 of the Trustee Act 2000 which shall not apply to the duties of the Security Trustee in relation to the trusts constituted by this Deed) and where there are any inconsistencies between the Trustee Acts 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 Trustee Act 2000. By way of supplement to the Trustee Acts, it is expressly declared as follows:

- (a) *Advice*: The Security Trustee may (at the cost of the Issuer) in relation to this Deed and any other Transaction Document rely, act or refrain from acting on the advice, opinion, report or confirmation of or any certificate, report or information obtained from any lawyer, valuer, accountant, banker, broker, or other expert whether obtained by or addressed to the Issuer, the Security Trustee or otherwise and shall not be responsible for any Liability occasioned by so relying, acting or refraining from acting. Without prejudice to the generality of the preceding sentence, or paragraph (u) (*Illegality*) below, the Security Trustee may in relation to this Deed and any other Transaction Document at any time engage and pay (at the cost of the Issuer) for the services of any lawyers to act as independent counsel to the Security Trustee (and so separate from any lawyers instructed by any Secured Party) if the Security Trustee deems this to be desirable.

- (b) *Transmission of Advice:* Any such advice, opinion, certificate, report confirmation or information may be sent or obtained by letter, facsimile transmission or electronic mail and the Security Trustee shall not be liable for relying, acting or refraining from acting on any advice, opinion, certificate, report, confirmation or information purporting to be conveyed by any such letter, facsimile transmission or electronic mail although the same shall contain some error or shall not be authentic.
- (c) *Reliance on Advice:* Any advice, opinion, certificate, report or information called for by or provided to the Security Trustee (whether or not addressed to the Security Trustee) in accordance with or for the purposes of this Deed or any Transaction Document may be relied upon by the Security Trustee notwithstanding that such advice, opinion, certificate, report or information and/or any engagement letter or other legal document entered into or accepted by the Security Trustee in connection therewith contains a monetary or other limit on the liability of the person providing the same in respect thereof and notwithstanding that the scope and/or basis of such advice, opinion, certificate, report or information may be limited by any such engagement letter or other document by the terms of advice, opinion, certificate, report or information itself.
- (d) *Certificates of Parties to the Transaction Documents:* The Security Trustee shall be entitled to call for and rely upon a certificate, believed by it to be genuine, of any party to a Transaction Document, in respect of every matter and circumstance which is *prima facie* within the knowledge of such party, 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 occasioned by its failing so to do.
- (e) *Deposit of Certain Documents:* The Security Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust created by this Deed as the Security Trustee may determine, including for the purpose of depositing with a custodian this Deed or any document relating to the trust created under this Deed and, provided it shall have exercised reasonable care in selecting such custodian or nominee, the Security Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Deed or be bound to supervise the proceedings or acts of any person.
- (f) *Events of Default:* the Security Trustee shall not be bound to give notice to any person of the execution of this Deed and any relevant Transaction Documents or any transaction contemplated hereby or thereby or to take any steps to ascertain whether any Event of Default has happened and, until it shall have written notice to the contrary, the Security Trustee shall be entitled to assume that no Event of Default has happened and that the Issuer and each other party to any Transaction Document is observing and performing all the obligations on its part and the Security Trustee shall have no responsibility or Liability for the acts or omissions of the Issuer or any other Transaction Party.
- (g) *Confidentiality:*

- (i) The Security Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction or unless specifically contemplated in the Transaction Documents to which it is a party) be required to disclose to any Secured Party or any other person any confidential, financial, price sensitive or other information made available to the Security Trustee by the Issuer or any other person in connection with the trusts created under this Deed and no Secured Party or other person shall be entitled to take any action to obtain from the Security Trustee any such information.
 - (ii) In acting as trustee for the Secured Parties, the Security Trustee shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments.
 - (iii) If information is received by another division or department of the Security Trustee, it may be treated as confidential to that division or department and the Security Trustee shall not be deemed to have notice of it.
 - (iv) Without prejudice to paragraphs (i) to (iii) above, unless this Deed expressly specifies otherwise, the Security Trustee may disclose to any other party to this Deed any information it reasonably believes it has received as Security Trustee under this Deed.
- (h) *Currency Conversion:* 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 and any rate, method and date so agreed shall be binding on the Issuer and the Secured Parties.
- (i) *Entitlement to Payment:* Any trustee being a lawyer, accountant, broker *or* other person engaged in any profession or business will be entitled to charge and be paid all usual and proper professional and other charges for business transacted and acts done by him or her or their firm in connection with this Deed or any other Transaction Document and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with this Deed or any other Transaction Document, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.
- (j) *Power to Delegate:* Each of the Security Trustee, any Receiver or any Appointee may whenever it thinks fit delegate by power of attorney or otherwise to any competent person or persons or fluctuating body of persons (whether being a joint trustee under this Deed or not) all or any of its trusts, rights, powers, authorities and discretions under this Deed or any other Transaction Document. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Security Trustee, any Receiver or any Appointee may think fit. **Provided that** the Security Trustee,

such Receiver or such Appointee has exercised reasonable care in the selection of any such delegate or sub-delegate, none of the Security Trustee, any Receiver or any Appointee shall be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such delegate or sub-delegate. The Security Trustee shall use reasonable endeavours to notify the Issuer of any such delegation or (as applicable) any renewal, extension or termination of such delegation.

- (k) *Employment of Agents:* The Security Trustee may, in relation to this Deed or any other Transaction Document instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) 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 in connection with this Deed or any other Transaction Document (including the receipt and payment of money), **provided that**, the Security Trustee has exercised reasonable care in the selection of any such agent, the Security Trustee shall not be under any obligation to supervise the proceedings or acts of any such agent or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such agent.
- (l) *Determination of Default in Performance capable of Remedy:* The Security Trustee may determine on the instruction of the Instructing Party (acting reasonably and in consultation with the Issuer) whether or not a default in the performance by the Issuer of any obligation under the provisions of this Deed or contained in any Transaction Document or any other party to any of the other Transaction Documents is capable of remedy and, if the Security Trustee shall certify (on the instructions of the Instructing Party) that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer.
- (m) *Assumption of Due Performance:* The Security Trustee shall not be bound to take any steps to ascertain whether any event, condition or act, the happening of which would cause a right or remedy to become exercisable by the Security Trustee under this Deed has happened or to monitor, supervise or investigate the observance and performance by the Issuer or any of the other parties to any of the Transaction Documents of their respective obligations thereunder and, until it shall have written notice to the contrary, the Security Trustee shall be entitled to assume that no such event, condition or act has happened and that the Issuer and each of the other parties thereto are observing and performing all their respective duties and obligations thereunder.
- (n) *Secured Parties' Investigation:* Each Secured Party 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 Party shall not rely on the Security Trustee in respect thereof.
- (o) *Determinations of the Security Trustee conclusive:* The Security Trustee as between itself and the Secured Parties shall have full power to determine all

questions and doubts arising in relation to any of the provisions of this Deed, any security constituted in connection therewith, 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 Issuer and the Secured Parties.

- (p) *Responsibility:* None of the Security Trustee, any Appointee or agent thereof or any Receiver shall be responsible or liable to any person because of any invalidity of any provision of the Transaction Documents or the unenforceability thereof, whether arising from statute, law or decision of any court and (without prejudice to the generality of the foregoing) none of the Security Trustee, any Appointee or agent thereof or any Receiver shall have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:
- (i) the nature, status, creditworthiness or solvency of the Issuer or any other party to any Transaction Document or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to the Issuer;
 - (ii) the execution, legality, validity, adequacy, admissibility in evidence, enforceability, genuineness, effectiveness or suitability of any Transaction Document, Security Assets, or any security constituted in connection therewith or other documents entered into in connection therewith, or any other document or any obligation 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 thereby or pursuant thereto;
 - (iii) the title, ownership, value, sufficiency or existence of any Mortgage Loan or Mortgage Conditions and any, Security Assets given with respect thereto, or be bound to require the Issuer to remedy any defect in its right or title;
 - (iv) the registration, filing, protection or perfection of the Security Assets, any assignment, assignation or security interest relating to the trusts constituted hereby or the priority of the security created by or pursuant to this Deed under any law or regulation or to give notice to any person of the execution of any Transaction Document or of the Security;
 - (v) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, confirmations, valuations, investigations or other documents delivered or obtained or required to be delivered or obtained at any time in connection herewith;
 - (vi) the adequacy, scope or accuracy of any recital, representation, warranty or statement (whether written or oral) made by or on behalf of any person in any Transaction Document or any other document entered into in connection therewith and shall assume the accuracy and correctness thereof and the Security Trustee may accept without enquiry, requisition

- or objection such title as the Issuer may have to the security constituted by this Deed or any part thereof;
- (vii) the failure by any person to obtain or comply with any licence, consent or other authority in connection with any Transaction Document;
 - (viii) the failure to call for delivery of documents of title to or require any transfers, assignments, legal mortgages, charges, securities or other further assurances in relation to any of the assets the subject matter of any of the Transaction Documents and/or the security contemplated in connection therewith and/or any other document;
 - (ix) any Issuer Accounts, books, records or files maintained by the Issuer or any other person in respect of each Facility, the Transaction Documents or otherwise;
 - (x) any deficiency in amounts payable to Secured Parties by virtue of the Security Trustee being liable to tax or obliged by law to deduct tax, both in respect of sums received, held or paid out by it under this Deed (save that this shall not be taken as giving any authority or right to the Security Trustee to so deduct as a result of taxes for which it is liable in respect of its remuneration pursuant to Clause 9 (*Remuneration of Security Trustee*) or in respect of its profits);
 - (xi) investigating whether any statement made by any party to any of the Transaction Documents is correct at the time when such statement is made, or for ascertaining whether the effect of any such statement being incorrect would have a Material Adverse Effect;
 - (xii) any shortfall which arises on the enforcement or realisation of the Security Assets;
 - (xiii) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise;
 - (xiv) requiring any further assurance in relation to any Security Assets or documents in respect thereof; or
 - (xv) investigating the right or title of any person in or to, or the value or sufficiency of any part of the Security Asset, the priority of any of the Transaction Security or the existence of any Security affecting the Security Asset.
- (q) No Party (other than the Security Trustee, that Receiver or that Appointee (as applicable)) may take any proceedings against any officer, employee or agent of the Security Trustee, a Receiver or an Appointee in respect of any claim it might have against the Security Trustee, a Receiver or an Appointee or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Security Asset (other than as a result

of the Security Trustee's, the relevant Receiver's or relevant Appointee's, as applicable, wilful default, gross negligence or fraud) and any officer, employee or agent of the Security Trustee, a Receiver or an Appointee may rely on this paragraph (q);

- (r) Nothing in this Deed shall oblige the Security Trustee to carry out
 - (i) any "know-your-customer" or other checks in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated

by this Deed might be unlawful for any Noteholder, on behalf of any Noteholder and each Noteholder confirms to the Security Trustee that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Trustee.

- (s) *Merger of Security Trustee:* Any corporation into which the Security Trustee may be merged or converted, or any corporation with which the Security Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Security Trustee shall be a party, or any corporation, including affiliated corporations, to which the Security Trustee 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 successor Security Trustee under this Deed without the execution or filing of any paper or any further act on the part of the parties to this Deed and after the said effective date all references in this Deed to the Security Trustee shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall be given as soon as reasonably practicable to each of the Parties by the Security Trustee;
- (t) *Exclusion of liability:* The Security Trustee shall not be liable or responsible for any Liability which may result from anything done or omitted to be done by it in accordance or in connection with the provisions of this Deed or any security constituted pursuant hereto or thereto or any other document other than as a result of the Security Trustee's wilful default, gross negligence or fraud.
- (u) *Illegality:* Notwithstanding anything else contained in this Deed or the other Transaction Documents, the Security Trustee may refrain from doing anything which would, or which in its opinion might, be contrary to any relevant law of any state or jurisdiction (including but not limited to the United States of America or any jurisdiction forming a part of it, the European Union and England and Wales) or any directive or regulation of any agency of any state or which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.
- (v) *Responsibility for Reports etc:* The Security Trustee shall have no responsibility to verify or monitor the contents of, or (if applicable) to check any calculations

contained in, any reports, information, documents, Officer's Certificates and/or legal opinions delivered to the Security Trustee and is under no obligation to inform Secured Parties of the contents of any such reports, information, documents, Officer's Certificates and/or legal opinions, other than allowing Secured Parties upon reasonable notice, to inspect such reports, information, documents, Officer's Certificates and/or legal opinions.

- (w) *No Examination:* The Security Trustee shall not be required to make any initial or periodic examination of any documents or records related to the Mortgage Loans for the purpose of establishing the presence or absence of defects, the compliance by the Issuer with its representations and warranties or for any other purpose.
- (x) *Written Communications:* The Security Trustee shall not be responsible for having acted on a written communication received by it from any person and believed by it to be genuine whether or not the same is later proved not to have been issued with due authority or to be authentic.
- (y) *Fees, Commissions, Profits etc:* The Security Trustee shall not be liable to account for any fees, commissions, profits or remuneration of any kind it may receive if it assumes any role in relation to the Issuer and any related companies or any securities or debts issued by or outstanding of them and the Security Trustee may acquire and dispose of securities issued by any of them without being liable to account as aforesaid.
- (z) *No liability for employees:* The Security Trustee shall not be liable for any error of judgement made in good faith by any officer or employee of the Security Trustee assigned by the Security Trustee to administer its corporate affairs.
- (aa) *No obligation to monitor or enquire:* It is a term of the trust created pursuant to this Deed that the Security Trustee will not, and is not expected to, routinely review or monitor information provided to it in accordance with the terms of the Transaction Documents for information purposes only and the Security Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein, including the Issuer's compliance with any of its covenants and obligations hereunder.
- (bb) *No obligation to ensure compliance:* The Security Trustee shall not be responsible for ensuring that the Issuer complies with its obligations or covenants.
- (cc) *Business with the Issuer:* The Security Trustee and entities associated with the Security Trustee may accept deposits from, lend money to and generally engage in any kind of banking or other business with Issuer or any subsidiary of the Issuer and profit therefrom without being obliged to account for such profits.
- (dd) *No fiduciary duties to the Issuer:* Nothing in this Deed constitutes the Security Trustee as an agent, trustee or fiduciary of the Issuer.
- (ee) *No obligation to monitor instructions:* The Security Trustee may assume that:

- (i) any instructions received by it from the Instructing Party are duly given in accordance with the terms of the Transaction Documents;
 - (ii) unless it has received notice of revocation, that those instructions have not been revoked; and
 - (iii) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Transaction Documents for so acting have been satisfied.
- (ff) *Insurance by Security Trustee:*
- (i) The Security Trustee shall not be obliged:
 - (A) to insure any of the Security Assets;
 - (B) to require any other person to maintain any insurance; or
 - (C) to verify any obligation to arrange or maintain insurance contained in any Transaction Document,

and the Security Trustee shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.
 - (ii) Where the Security Trustee is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Instructing Party requests it to do so in writing in accordance with the terms hereof and the Security Trustee fails to do so within fourteen Business Days after receipt of that request.

7.6 **Miscellaneous Powers and Duties Relating to Security**

Without prejudice to the provisions of Clause 7.4 (*Duties of the Security Trustee*) and Clause 7.5 (*Powers of the Security Trustee*), but subject to Clause 7.11 (*Standard of Care*) the Security Trustee shall also have the following powers and duties in relation to the Security:

- (a) *No responsibility for Security*

None of the Security Trustee, any agent or Appointee thereof nor any Receiver shall be responsible for any Liability 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 of the Transaction Documents or otherwise and irrespective of whether the Security is held by or to the order of any of such persons.

(b) *Depreciation in value*

Until such time as an Enforcement Notice is delivered to the Issuer, the monies standing to the credit of any account comprised in the Security shall be dealt with in accordance with the provisions of the Transaction Documents and none of the Security Trustee, any agent or Appointee thereof or any Receiver shall be responsible in such circumstances or at any other time for any Liability occasioned thereby whether by depreciation in value or by fluctuation in exchange rates or otherwise. In addition, none of the Security Trustee, any agent or Appointee thereof or any Receiver shall be responsible for any deficiency which may arise because it is liable to Tax in respect of the proceeds of enforcement of the Security.

(c) *No liability for loss*

None of the Security Trustee, any agent or Appointee thereof or any Receiver will be liable for any decline in the value nor any loss realised upon any sale or other disposition of any of the Security made pursuant to this Deed.

(d) *Drawstop Event, Early Amortisation Event, Cash Manager Termination Event and Servicer Termination Event, breaches etc*

Without prejudice to the generality of any of the foregoing provisions, none of the Security Trustee, any agent or Appointee thereof or any Receiver shall be under any obligation to investigate whether a Drawstop Event, an Early Amortisation Event, a Cash Manager Termination Event or a Servicer Termination Event or any breach or default has occurred under the terms of this Deed, nor obliged to make any investigation into any facts or matters stated in this Deed.

(e) *Replacement Cash Manager and Replacement Servicer*

For the avoidance of doubt, none of the Security Trustee, any agent or Appointee thereof or any Receiver shall be under any obligation to take steps to appoint any replacement Cash Manager and/or replacement Servicer in the event that any such person shall resign or have their appointments terminated in accordance with the terms of any Transaction Documents **provided, however, that** the Security Trustee shall, in connection with replacement of the Cash Manager or the Servicer, act in accordance with the directions of the Instructing Party, subject always to being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing.

7.7 **Right of Appropriation of Financial Collateral**

To the extent that:

- (a) all or any part of the Security Assets constitutes "financial collateral"; or
- (b) this Deed and all or any of the Issuer's obligations hereunder constitute a "security financial collateral arrangement",

in each case for the purposes of and as defined in the Financial Collateral Arrangements (No.2) Regulations 2003, as amended (the "**Financial Collateral Regulations**") the Security Trustee shall, at the cost of the Issuer, have the right, after the delivery of an Enforcement Notice to the Issuer, to appropriate any or all of that financial collateral in or towards the satisfaction of the Secured Liabilities. For the purposes of the foregoing, the Transaction Parties agree that the value of the financial collateral so appropriated shall be (i) in the case of any Issuer Account, the amount standing to the credit of that account together with any accrued interest not credited to the account at the time of the appropriation or (ii) in the case of any other Security Assets, the market value of that financial collateral at the time of the appropriation determined by the Security Trustee by reference to a public index or by such other independently verifiable process as the Security Trustee may select, including independent valuation. The parties to this Deed further agree that the method of valuation provided for herein shall constitute a commercially reasonable valuation method for the purposes of the Financial Collateral Regulations.

7.8 Pre-enforcement application of funds

Until such time as an Enforcement Notice is delivered to the Issuer the monies standing to the credit of any account comprised in the Security Assets shall be dealt with in accordance with the provisions of Schedule 2 (*Priorities of Payment*) of the Cash Management Agreement and the Security Trustee shall not be responsible in such circumstances or at any other time for any loss occasioned thereby by depreciation in value.

7.9 No obligation of enquiry

The Security Trustee shall not be responsible for investigating, monitoring or supervising the observance or performance by any person of their obligations in respect of the Security Assets.

7.10 Calculations and determinations

The Security Trustee shall not be responsible for checking or verifying any calculations or information that may come into its possession in relation to the Transaction Documents.

7.11 Standard of Care

- (a) Notwithstanding paragraph (u) (*Illegality*) of Clause 7.5 (*Powers of the Security Trustee*), none of the provisions of the Transaction Documents shall (i) exempt the Security Trustee from or indemnify it against any liability for any Liability which would otherwise attach to it in respect of any fraud, gross negligence or wilful default by it in relation to its duties under the Transaction Documents or (ii) relieve the Security Trustee from liability for its own gross negligence, fraud or wilful default, in each case having regard to the provisions of the Transaction Documents conferring on the Security Trustee any powers, authorities or discretions. For the avoidance of doubt, in case of any conflict between this Clause 7.11 and any other provision of this Deed or any other Transaction Document, this Clause 7.11 shall prevail.

- (b) Without prejudice to any provision of any Transaction Document excluding or limiting the liability of the Security Trustee, any Receiver or Appointee, any liability of the Security Trustee, any Receiver or Appointee arising under or in connection with any Transaction Document or the Security Assets shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Trustee, Receiver or Appointee (as the case may be) 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, Receiver or Appointee (as the case may be) at any time which increase the amount of that loss.
- (c) Notwithstanding any provision of this Deed to the contrary, the Security Trustee shall not in any event be liable for special damages, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of profits, goodwill, reputation, business opportunity or anticipated savings), whether or not foreseeable, even if the Security Trustee has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in gross negligence, for breach of contract or otherwise.

8. RESIGNATION OR REMOVAL OF THE SECURITY TRUSTEE

8.1 Resignation

The Security Trustee, subject to Clause 8.3 (*Appointment of Successor*), may resign and be discharged from its obligations and duties hereby created by giving 30 calendar days' notice in writing thereof to the Issuer without giving any reason and without being responsible for any Liabilities incurred by reason of such resignation. Upon receiving such notice of resignation, the Issuer shall be vested with the power to appoint a successor Security Trustee (a "**Successor Security Trustee**") and shall promptly appoint such Successor Security Trustee as detailed in Clause 8.4 (*Successor Security Trustee*) by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Security Trustee and one copy to the Successor Security Trustee. If no Successor Security Trustee shall have been appointed within 20 calendar days after the giving of such notice of resignation, the resigning Security Trustee shall be entitled (at the cost of the Issuer) to appoint a Successor Security Trustee.

8.2 Removal of Security Trustee

- (a) If at any time the Security Trustee shall be legally unable to act, or shall be adjudged insolvent, or a receiver of the Security Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Security Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer shall with prior written notice to the Parties remove the Security Trustee and promptly appoint a Successor Security Trustee as detailed in Clause 8.4 (*Successor Security Trustee*) by written instrument, in duplicate, one copy of which instrument shall be delivered to the Security Trustee so removed and one copy to the Successor Security Trustee.

- (b) The Instructing Party may at any time by direction in writing signed by all the Secured Parties (other than the Security Trustee) addressed to the Security Trustee and the Issuer remove the Security Trustee and shall do so by giving 30 calendar days' prior written notice thereof to the Security Trustee. Upon such notice of removal being given, the Issuer shall be vested with the power to appoint a Successor Security Trustee and shall promptly appoint such Successor Security Trustee as detailed in Clause 8.4 (*Successor Security Trustee*) by written instrument, in duplicate, one copy of which instrument shall be delivered to the Security Trustee being removed and one copy to the Successor Security Trustee.

8.3 Appointment of Successor

Any resignation or removal of the Security Trustee and appointment of a Successor Security Trustee pursuant to any of the provisions of this Clause 8.3 shall not become effective until the acceptance of appointment by a successor Security Trustee which is approved by the Junior Noteholder, the Majority Mezzanine Noteholders and the Majority Senior Noteholders, as provided in Clause 8.4 (*Successor Security Trustee*) hereof (and, unless expressly provided otherwise, any liability of the Security Trustee arising hereunder shall survive such appointment of the Successor Security Trustee).

8.4 Successor Security Trustee

- (a) Any Successor Security Trustee appointed as provided in this Clause 8.4 shall execute, acknowledge and deliver to the Issuer and to its predecessor Security Trustee an instrument accepting such appointment hereunder and the transfer of the interests of the predecessor Security Trustee in the Security Assets to such Successor Security Trustee, and thereupon the resignation or removal of the predecessor Security Trustee shall become effective and such Successor Security Trustee, without any further act, deed or conveyance, shall become fully vested with such interests in the Security Assets and all the rights, powers, duties and obligations of its predecessor hereunder, with the like effect as if originally named as Security Trustee herein. The predecessor Security Trustee shall (i) deliver to the Successor Security Trustee all documents and statements held by it hereunder, and the parties to this Deed and the predecessor Security Trustee shall execute and deliver such instruments and (ii) do such other things as may reasonably be required by the Successor Security Trustee for fully and certainly vesting and confirming in the Successor Security Trustee all such interests in Security Assets and such rights, powers, duties and obligations, in each case at the cost of the Issuer.
- (b) Upon the appointment of a Successor Security Trustee, the retiring Security Trustee shall be discharged from any further obligation in respect of the Transaction Documents (other than its obligations under paragraph (a) above) but shall remain entitled to the benefit of this paragraph (b) and Clause 9.5 (*Indemnity of Security Trustee*) (and any Security Trustee fees for the account of the retiring Security Trustee shall cease to accrue from that date).
- (c) Upon acceptance of appointment by a Successor Security Trustee as provided in this Clause 8.4, such Successor Security Trustee shall give notice of such succession hereunder to the Parties.

8.5 Appointment of Co-Security Trustee or Separate Security Trustee

- (a) Notwithstanding any other provisions of this Deed, at any time, for the purpose of (i) meeting any legal requirements of any jurisdiction in which any part of the Security Assets may at the time be located, (ii) if the Security Trustee considers it in the interest of the Secured Parties, or (iii) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction either of a judgment already obtained or this Deed, the Security Trustee shall have the power and may execute and deliver all instruments to appoint one or more persons to act as a co-Security Trustee or co-Security Trustees, or separate Security Trustee or separate Security Trustees, with respect to all or any part of the Security Assets and to vest in such person or persons, in such capacity and for the benefit of the Secured Parties, such title to the Security Assets or any part thereof, and, subject to the other provisions of this Clause 8.5, such powers, duties, obligations, rights and trusts as the Security Trustee may consider necessary or desirable.
- (b) Upon acceptance of appointment by any co-Security Trustee or separate Security Trustee as provided in this Clause 8.5, such co-Security Trustee or separate Security Trustee shall give notice of such appointment hereunder to all Secured Parties.
- (c) Every separate Security Trustee and co-Security Trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:
 - (i) all rights, powers, duties and obligations conferred or imposed upon the Security Trustee shall be conferred or imposed upon and exercised or performed by the Security Trustee and such separate Security Trustee or co-Security Trustee jointly (it being understood that such separate Security Trustee or co-Security Trustee is not authorised to act separately without the Security Trustee joining in such act), except to the extent that under any laws of any jurisdiction in which any particular act or acts are to be performed (whether as Security Trustee hereunder or as successor to the Security Trustee hereunder), the Security Trustee shall be incompetent or unqualified to perform such act or acts, in which circumstances such rights, powers, duties and obligations (including the holding of title to the Security Assets or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate Security Trustee or co-Security Trustee, but solely at the direction of the Security Trustee;
 - (ii) no Security Trustee hereunder shall be personally liable by reason of any act or omission of any other Security Trustee hereunder; and
 - (iii) the Security Trustee may at any time accept the resignation of or remove any separate Security Trustee or co-Security Trustee **provided that**, upon such resignation or removal, all title to any Security Assets, powers, duties, obligations, rights and trusts previously vested in such separate Security Trustee shall immediately revert to the Security Trustee.

- (d) Every instrument appointing any separate Security Trustee or co-Security Trustee shall refer to this Deed and the conditions of this Clause 8.5. Each separate Security Trustee and co-Security Trustee, upon its acceptance of the trusts conferred, shall be vested with the rights, trusts, powers, duties and obligations specified in its instrument of appointment, either jointly with the Security Trustee or separately, as may be provided therein, subject to all the provisions of this Deed, specifically including every provision of this Deed relating to the conduct of, affecting the liability of, or affording protection to, the Security Trustee. Every such instrument shall be filed with the Security Trustee and a copy thereof given to the Issuer and the Servicer.
- (e) Any separate Security Trustee or co-Security Trustee may at any time constitute the Security Trustee as its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect to this Deed or any Transaction Document on its behalf and in its name. If any separate Security Trustee or co-Security Trustee shall die, become incapable of acting, resign or be removed, all of its rights, trusts, powers, duties and obligations shall vest in and be exercised by the Security Trustee, to the extent permitted by law, without the appointment of a new or successor Security Trustee.
- (f) Such remuneration as the Security Trustee may pay to any such person, together with any costs, charges and expenses properly incurred by it in performing its functions as separate trustee or co-trustee shall for the purposes of this Deed be treated as costs, charges and expenses incurred by the Security Trustee.

9. REMUNERATION OF SECURITY TRUSTEE

9.1 Annual Fee

The Issuer shall pay to the Security Trustee (for its own account) remuneration for its services as trustee in the amount and at the times agreed in a Security Trustee Fee Letter.

9.2 Additional Fee for Exceptional Duties

In the event of the occurrence of an Event of Default or a Default, the Issuer hereby agrees that the Security Trustee shall be entitled to be paid additional remuneration calculated at its normal hourly rates in force from time to time. In all other cases, if the Security Trustee considers it expedient or necessary or is requested by the Issuer to undertake 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 Transaction Documents, the Issuer shall pay to the Security Trustee such additional remuneration as shall be agreed between the Issuer, the Security Trustee and the Junior Noteholder.

9.3 Failure to Agree

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

- (a) (in a case to which Clause 9.1 (*Annual Fee*) or Clause 9.2 (*Additional Fee for Exceptional Duties*) applies) upon the amount of the remuneration; or
- (b) (in a case to which Clause 9.2 (*Additional Fee for Exceptional Duties*) applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed or the Transaction Documents, or upon such additional remuneration,

such matters shall be determined by an investment bank (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 involved in such nomination and the fees of such investment bank being payable by the Issuer) and the determination of any such investment bank shall be final and binding upon the Security Trustee, the Issuer, the Mezzanine Noteholders and the Junior Noteholder.

9.4 **Management Time**

Any amount payable to the Security Trustee under Clause 9 (*Remuneration of the Security Trustee*) shall include the cost of utilising the Security Trustee's management time or other resources and will be calculated on the basis of such daily or hourly rates as the Security Trustee may notify to the Issuer, and is in addition to any other fee paid or payable to the Security Trustee.

9.5 **Indemnity of Security Trustee**

Without prejudice to the right of indemnity by law given to trustees, the Issuer hereby indemnifies and holds harmless the Security Trustee, any Receiver, attorney, manager, agent, Appointee or other person appointed by the Security Trustee hereunder to the extent of and from the Security Assets, in respect of all Liabilities under the Transaction Documents properly incurred by it or by anyone appointed by it pursuant to this Deed or to whom any of its functions may be delegated by it in connection with its appointment or the performance of or in relation to, its functions and against any Liability (including, but not limited to, all fees, costs, charges and expenses paid or properly incurred in disputing or defending any of the foregoing) that any of them may incur or that may be made against any of them arising out of or in relation to or in connection with, its appointment or the proper exercise of its functions, save, in each case, where the same arises as the result of the fraud, gross negligence or wilful default of the Security Trustee or the Receiver, attorney, manager, agent or Appointee respectively and provided that the Security Trustee shall not be entitled to recover in respect of any Liability to the extent that it has already so recovered pursuant to any other indemnity in favour of the Security Trustee under any Transaction Document. The indemnity in this Clause 9.5 shall not apply to any Liability arising with respect to any Tax imposed on a person's net income, profits or gains or to the extent that the Liability has been compensated for by any other provision of this Deed. For the avoidance of doubt the Security Trustee shall have a lien on the Security for all moneys payable to it under this Deed or the other Transaction Documents.

9.6 Interest

All amounts payable under this Deed and to the Security Trustee pursuant to clause 17 (*Costs and Expenses*) of the Loan Note Facility Agreement shall be payable by the Issuer in accordance with the applicable Priorities of Payment on the immediately succeeding Interest Payment Date and shall carry interest at the rate of 2 per cent. per annum above the base rate (on the date on which payment was made by the Security Trustee) of the Bank of England or 2 per cent per annum (whichever is higher):

- (a) in the case of payments actually made by the Security Trustee prior to the date of demand, from the first Business Day following the date such demand is made 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, from the date following 10 Business Days after the date of the same being demanded or (where the demand specifies that payment by the Security Trustee will be made on an earlier date provided such earlier date is a Business Day and such payment is actually made on such earlier date) from such earlier date (not being earlier than the Business Day following the date of such demand) to the date of actual payment.

All remuneration payable to the Security Trustee shall, if not paid on the due date therefor, carry interest at the said rate from the due date therefor to the date of actual payment.

9.7 Monies payable to the Security Trustee

Notwithstanding any other provision of the Transaction Documents, all monies payable to the Security Trustee under this Clause 9 shall only be payable by the Issuer subject to and in accordance with the applicable Priority of Payments and shall be made without set-off, counterclaim, deduction or withholding unless compelled by law, in which case the Issuer will gross up such payments to the Security Trustee, **provided that**, if the Security Trustee receives a credit or relief against tax in respect of such deduction or withholding, the Security Trustee shall pay to the Issuer an amount equal to any such credit or relief, **provided, further that** the Security Trustee shall have no obligation to investigate whether it is eligible to receive any such credit or relief, or make any application in respect thereof.

9.8 Noteholders' indemnity to the Security Trustee

- (a) Each Noteholder shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Security Trustee, within 3 Business Days of demand, against all Liabilities (including, without limitation, counsel's fees and expenses in third party suits and in a defence of claims and for negligence or any other category of liability whatsoever) properly incurred by the Security Trustee (otherwise than by reason of the Security Trustee's fraud, gross negligence or wilful default) in acting as Security Trustee under the Transaction Documents (unless the Security Trustee has been reimbursed by the Issuer pursuant to a Transaction Document).

- (b) Subject to paragraph (c) below, the Issuer shall by no later than the Interest Payment Date following demand reimburse any Noteholder for any payment that Noteholder makes to the Security Trustee pursuant to paragraph (a) above.
- (c) Paragraph (a) above shall not apply to the extent that the indemnity payment in respect of which the Noteholder claims reimbursement relates to a liability of the Security Trustee to the Issuer or to any Liability arising with respect to any Tax imposed on a person's net income, profits or gains.
- (d) This Clause 9.8 shall survive in full force and effect notwithstanding the termination of this Agreement or the retirement or termination of the Security Trustee.

9.9 **Survival**

This Clause 9 shall survive in full force and effect notwithstanding the expiration or termination of this Deed and the other Transaction Documents and/or the retirement or termination of the Security Trustee.

10. **PROVISIONS UPON ENFORCEMENT**

10.1 **Provisions relating to a Receiver**

If the Security Trustee appoints, upon the instructions of the Instructing Party, a Receiver pursuant to Clause 5 (*Enforcement of Security*), the following provisions shall have effect in relation thereto:

- (a) such appointment may be made either before or after the Security Trustee has taken possession of any Security Assets;
- (b) such Receiver may be vested by the Security Trustee with such powers and discretions as the Security Trustee has and as the Security Trustee may be directed and such Receiver may, subject as provided in Clause 5.3 (*Appointment of Receiver*), have the powers as set out in Clause 10.10 (*Powers of a Receiver*);
- (c) the exclusion of any part of the Security Assets from the appointment of the Receiver shall not preclude the Security Trustee from subsequently extending his appointment (or that of the Receiver replacing him) to that part;
- (d) the remuneration of the Receiver may be fixed by the Security Trustee (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise), but such remuneration shall be payable by the Issuer alone and shall only be payable from such sums as are realised in respect of the Security Assets and paid in accordance with the relevant Priority of Payments;
- (e) the Security Trustee may from time to time and at any time require any such Receiver to give security for the due performance of his duties as Receiver and may fix the nature and amount of the security to be so given but the Security Trustee shall not be bound in any case to require any such security;

- (f) save insofar as otherwise directed by the Security Trustee and/or as otherwise required by law, all monies from time to time received by such Receiver shall be paid over forthwith to, or to the order of, the Security Trustee to be applied by it in accordance with the Post-Enforcement Priority of Payments;
- (g) every such Receiver shall, so far as the law permits, be the agent of the Issuer for all purposes and (subject to applicable law) the Issuer alone shall be responsible for his acts and defaults, and the Security Trustee and the Secured Parties shall not incur any liability for Liabilities therefor or by reason of its or their making or consenting to the appointment of a person as a Receiver under this Deed. Notwithstanding the generality of the foregoing, such Receiver shall in the exercise of his powers, authorities and discretions comply with the regulations (if any) from time to time made and given in writing by the Security Trustee;
- (h) neither the Security Trustee nor any of the Secured Parties shall be in any way responsible for any act, omission, misconduct or negligence on the part of any such Receiver;
- (i) the Security Trustee may remove the Receiver whether or not appointing another in his place and the Security Trustee may also appoint another receiver if the Receiver resigns;
- (j) the Security Trustee may pay over to such Receiver any monies constituting part of the Transaction Security to the intent that the same may be applied for the purposes of this Deed 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; and
- (k) sections 109(6) and (8) of the LPA 1925 (relating to the application of monies received by a receiver) shall not apply in relation to any Receiver.

10.2 **Proceeds of enforcement held on trust**

All monies received by the Security Trustee in respect of the Security or the Security Assets shall be held by the Security Trustee upon trust to apply the same as provided in this Deed.

10.3 **Further assurance**

The Issuer shall execute and do all such assurances, acts and things as the Security Trustee or any Receiver may require (including, without limitation, the giving of notices of assignment or assignation) other than (subject to the terms of the Mortgage Sale Agreement) to the Obligors and the effecting of filings or registrations (in any jurisdiction) for perfecting or protecting the Security and from time to time and at any time after the delivery of an Enforcement Notice to the Issuer shall execute and do all such assurances, acts and things as the Security Trustee or any Receiver may require for facilitating the realisation of, or enforcement of rights in respect of, all or any of the Security Assets and the exercise of all powers, authorities and discretions vested in the Security Trustee or in any Receiver of all or any of the Security Assets.

10.4 Security Trustee's power to borrow

Following service of an Enforcement Notice, the Security Trustee may raise and borrow money on the security of all or any of the Security Assets for the purpose of defraying any Liabilities paid or incurred by it in relation to this Deed or in the exercise of any of the powers contained in this Deed. The Security Trustee may raise and borrow such money at such rate of interest and generally on such terms and conditions as it shall think fit and may secure the repayment of the money so raised or borrowed with interest on the same by mortgaging or otherwise charging or securing all or any of the Security Assets in such manner and form as the Security Trustee may think fit and for such purposes may execute and do all such assurances and things as it may think fit and no person lending any such money shall be concerned to enquire as to the propriety or purpose of the exercise of any power of the Security Trustee or to see to the application of any money so raised or borrowed.

10.5 No liability as mortgagee in possession

Other than in relation to its gross negligence, wilful default or fraud, the Security Trustee shall not, nor shall any Receiver appointed as aforesaid nor any attorney, agent or Appointee of the Security Trustee by reason of taking possession of or having assigned to it all or any of the Security Assets or any other reason whatsoever and whether as mortgagee or security holder in possession or on any other basis whatsoever be liable to account for any Liability arising from (a) realisation of, or enforcement of rights in respect of, all or any of the Security Assets or any other property, assets, rights or undertakings of whatsoever nature (including but not limited to any other Security Assets) whether or not owned by the Issuer or any other person or in which the Issuer or such other person has an interest, (b) any act, default or omission in relation to all or any of the Security Assets or any other property, assets, rights or undertakings of whatsoever nature (including but not limited to any other Security Assets) whether or not owned by the Issuer or any other person or in which the Issuer or such other person has an interest, or (c) any exercise or non-exercise by it of any power, authority or discretion conferred upon it in relation to all or any of the Security Assets or any other property, assets, rights or undertakings of whatsoever nature whether or not owned by the Issuer or any other person or in which the Issuer or such other person has an interest, by or pursuant to this Deed. If and whenever the Security Trustee or the Receiver enters into possession of the Security Assets, it shall be entitled at any time at its discretion to go out of such possession.

10.6 Powers in addition to statute

The powers conferred by this Deed in relation to all or any of the Security Assets on the Security Trustee or on any Receiver of all or any of the Security Assets shall be in addition to and not in substitution for the powers conferred on mortgagees or receivers under the LPA 1925 and/or the Conveyancing Acts, as applicable, and where there is any ambiguity or conflict between the powers contained in such Act and those conferred by this Deed, the terms of this Deed shall prevail.

10.7 Duty of enquiry

No person dealing with the Security Trustee or with any Receiver of all or any of the Security Assets appointed by the Security Trustee shall be concerned to enquire

whether any event has happened upon which any of the powers, authorities and discretions conferred by or pursuant to this Deed in relation to such Security Assets or any other property, assets or undertaking are or may be exercisable by the Security Trustee or by any such Receiver or otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such powers, authorities or discretions or the Security or the enforcement of all or any part thereof.

10.8 Continuing security

The Security constituted by this Deed is continuing security for the performance of the Secured Liabilities notwithstanding any intermediate payment in respect of the Secured Liabilities and shall be in addition to any other security, rights or remedies which the Security Trustee may have.

10.9 Power of Attorney

For the purpose of securing the interests of the Security Trustee and the other Secured Parties whether under or pursuant to this Deed or in relation to the Security Assets and the performance of its obligations to the Security Trustee and the other Secured Parties, whether under or pursuant to this Deed or in relation to the Security Assets, the Issuer irrevocably for value and by way of security for the Secured Liabilities hereby severally and independently appoints the Security Trustee and every Receiver of the Security Assets or any part thereof to be its attorney (with full power to appoint substitutes or to subdelegate, including power to authorise the person so appointed to make further appointments) on behalf of the Issuer and in its name or otherwise, to execute any document or do any assurance, act or thing which the Issuer is required, but has failed to execute or do pursuant to this Deed and generally on its behalf and in its name or otherwise, to execute any document or do any assurance, act or thing which the Security Trustee or such Receiver (or such substitute or Appointee) may, in its or his absolute discretion, properly consider appropriate in connection with the exercise or enforcement, protection or preservation of any of the rights, powers, authorities or discretions conferred on the Security Trustee or the Receiver under or pursuant to this Deed or any Transaction Document. The Issuer hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney lawfully does or purports to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 10.9 to the extent that such act by the attorney is within the power of the Issuer.

10.10 Powers of a Receiver

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

- (a) all the powers conferred by the LPA 1925 and/or the Conveyancing Acts, as applicable, on mortgagees and on mortgagees in possession and on receivers;
- (b) all powers of an administrative receiver set out in Schedule 1 of the Insolvency Act (whether or not the Receiver is an administrative receiver);

- (c) all powers and rights of an absolute owner and power to do or omit to do anything which the Issuer itself could do or omit to do; and
- (d) power to do all lawful things (including bringing or defending proceedings in the name or on behalf of the Issuer) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of any or all of his rights under this Deed; or
 - (iii) the collection or getting in of the Security Assets.

10.11 Receiver and Transaction Documents

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

11. CERTIFICATES, OPINIONS

So long as any of the Notes remain outstanding the Issuer further covenants with the Security Trustee that it shall give or procure to be given to the Security Trustee such opinions, certificates, information and evidence as it shall require and in such form as it shall require (including without limitation the procurement by the Issuer of all such certificates called for by the Security Trustee pursuant to Clause 7.5 (*Powers of the Security Trustee*) 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 or by operation of law.

12. SECURITY TRUSTEE CONTRACTING WITH ISSUER

Neither the Security Trustee nor any body corporate which is a parent undertaking or a subsidiary undertaking, or a subsidiary undertaking of a parent undertaking nor any director or officer of a corporation acting as a trustee under this Deed, shall by reason of its or his fiduciary position, be in any way precluded from entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any other party to any of the Transaction Documents or any person or body corporate associated with the Issuer including without prejudice to the generality of this provision any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of the Facility.

This Clause 12 is without prejudice to any provisions of this Deed and the other Transaction Documents which apply to the Issuer in respect of its activities.

13. WAIVER, AUTHORISATION, CONSENT AND DETERMINATION ON INSTRUCTION

Subject to any express consent rights set out in the Transaction Documents and subject to Clause 9.5 (*Indemnity of Security Trustee*), the Security Trustee may, on the direction of the Majority Senior Noteholders and the Majority Mezzanine Noteholders, without

prejudice to its rights in respect of any subsequent breach, condition, event or act, waive, authorise or consent to any breach or proposed breach by the Issuer or any other party of any of the covenants or provisions contained in this Deed or any of the other Transaction Documents or determine that any Event of Default shall not be treated as an Event of Default for the purposes of this Deed or to any such other ancillary act, but so that no such request shall affect any waiver, authorisation, consent or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Secured Parties, unless the Security Trustee agrees otherwise, and shall be notified by the Issuer to the Secured Parties.

14. MODIFICATION ON INSTRUCTION

14.1 Subject to any express consent rights set out in the Transaction Documents, the Security Trustee may, on the direction of the Majority Senior Noteholders and the Majority Mezzanine Noteholders, concur with the Issuer in making any modification to this Deed and any other Transaction Documents, where the Issuer so requests.

14.2 Subject to this Clause 14.2, any such modification may be made on such terms and subject to such conditions as may seem fit and proper to the Security Trustee, shall be binding upon the Senior Noteholders, the Mezzanine Noteholders and any other Secured Party and, unless the Security Trustee agrees otherwise, shall be notified by the Issuer to the Secured Parties as soon as practicable thereafter.

14.3 In no event shall the Security Trustee be obliged to agree to any modification or amendment if so directed if in its sole opinion it would have the effect of (a) exposing the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the rights or protection, of the Security Trustee in the Transaction Documents.

15. SUBSTITUTION

15.1 Substitution

The Security Trustee shall, if instructed by the Instructing Party, agree with the Issuer to the substitution in place of the Issuer or any previous Substituted Issuer (as defined below) as the principal debtor in respect of the Facilities of any other body corporate (the "**Substituted Issuer**") **provided that:**

- (a) a trust deed or an indenture is executed or some other form of undertaking is given by the Substituted Issuer to the Security Trustee in form and manner satisfactory to the Security Trustee to be bound by the terms of this Deed and by the Loan Note Facility Agreement (with any consequential amendments which the Security Trustee may consider or deem to be appropriate) as fully as if the Substituted Issuer had been a party to this Deed and named herein and in the Loan Note Facility Agreement as the principal debtor in respect of the Facilities in place of the Issuer;
- (b) the Substituted Issuer becomes a party to the relevant Transaction Documents;

- (c) if a director of the Substituted Issuer certifies to the Security Trustee that the Substituted Issuer will be solvent immediately after the time at which the said substitution is to be effected, the Security Trustee shall not have regard to the financial condition, profits or prospects of the Substituted Issuer or compare the same with those of the Issuer (or any other Substituted Issuer substituted under this Clause 15.1);
- (d) the Security Trustee shall be satisfied (by means of legal opinions in form and substance satisfactory to it) that (i) all necessary governmental and regulatory approvals and consents necessary for, or in connection with, the assumption by the Substituted Issuer of liability as principal borrower in respect of, and of its obligations under, this Deed and (ii) such approvals and consents are at the time of substitution in full force and effect;
- (e) the Issuer or, as the case may be, the previous Substituted Issuer and the Substituted Issuer shall execute such other deeds, documents and instruments (if any) and make such representations and warranties and provide such other documentation (particularly, but not limited to, with regard to any applicable bankruptcy law) as the Security Trustee may require in order to be satisfied that such substitution is fully effective and comply with such other requirements in the interests of the Senior Noteholders, the Mezzanine Noteholders and the Junior Noteholder as the Security Trustee may direct; and
- (f) the Substituted Issuer is a single purpose company similar to, and with like constitution as, and having substantially the same restrictions and prohibitions on its activities and operations as the Issuer, and undertakes to be bound by provisions corresponding to those set out in the Transaction Documents.

The Security Trustee shall not be required to give any consideration to the above matters unless and until it has been indemnified and/or secured and/or prefunded to its satisfaction. For the avoidance of doubt, nothing in this Clause 15.1 shall entitle the Security Trustee or the Instructing Party to compel the Issuer to agree to such a substitution.

15.2 **Change of Law**

In connection with any proposed substitution of the Issuer or, as the case may be, any previous Substituted Issuer, the Security Trustee, may, if instructed by the Instructing Party, agree to a change of law governing the Facilities and/or this Deed.

16. **PAYMENTS – CURRENCY OF ACCOUNT AND PAYMENT METHOD**

- (a) Sterling is the currency of account and payment for each and every sum at any time due from any Person hereunder, provided, however that:
 - (i) each payment in respect of costs shall be made in the currency in which the same were incurred; and
 - (ii) each payment which is expressed herein to be payable in another currency shall be made in that other currency.

- (b) On each date upon which this Deed requires an amount to be paid by or on behalf of any party to the Issuer, such party shall, unless a contrary intention appears in the Transaction Documents, make the same available to the Issuer by payment in immediately available funds to the Transaction Account.

17. NOTICES AND ACKNOWLEDGEMENTS OF SECURITY

The execution of this Deed by the Parties (other than the Security Trustee) shall constitute:

- (a) notice to each of them of the Security Interests created pursuant to this Deed;
- (b) an express acknowledgement by each of them of such Security Interests; and
- (c) a confirmation from each such Party that it has not received any other notice of Security Interests over the Security Assets.

18. RELEASE OF SECURITY

The Security Trustee, shall (at the request and cost of the Issuer provided such costs are properly incurred) release, retrocess or discharge (without recourse, representation or warranty) property from the Transaction Security constituted by or pursuant to this Deed in respect of all Security Assets only upon proof being given to the satisfaction of the Security Trustee as to the irrevocable and unconditional payment or discharge in full of the Secured Liabilities provided that, prior to the delivery of the Enforcement Notice to the Issuer any Mortgage Loan and its Mortgage Security which is repurchased in accordance with clause 12.2 (*Variations to Mortgage Loans*) and clause 16.11 (*Retransfer of Mortgage*) of the Mortgage Sale Agreement shall, to the fullest extent possible under applicable law, automatically be released from the Security constituted by or pursuant to this Deed (for which the Security Trustee, by execution of this Deed, acknowledges and consents to such release) and any right or interest that the Issuer or the Security Trustee may have had in such Mortgage Loan and Mortgage Security prior to such repurchase.

19. ACCESSION

- (a) Each Secured Party shall accede as a Secured Party to this Deed pursuant to this Clause 19 if the Issuer and the Secured Party deliver to the Security Trustee an Accession Deed executed by the Issuer and the Secured Party.
- (b) The Security Trustee shall subject to the satisfaction of any know-your-customer or similar requirements, as soon as reasonably practicable after receipt by it of a duly completed Accession Deed appearing on its face to comply with the terms of this Deed and delivered in accordance with the terms of this Deed, execute that Accession Deed.
- (c) The Security Trustee shall notify the Issuer and the Senior Noteholders promptly upon being satisfied that it has received (in form and substance satisfactory to it, acting reasonably), an Accession Deed duly completed and executed by the Issuer and the relevant acceding party.

- (d) Other than to the extent that the Instructing Party notifies the Security Trustee in writing to the contrary before the Security Trustee gives the notification described in paragraph (c) above, the Instructing Party authorises (but does not require) the Security Trustee to give that notification. The Security Trustee shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.
- (e) If a party to this Deed as a Hedge Counterparty (whether under an Accession Deed or otherwise):
 - (i) ceases to be a Hedge Counterparty, it shall; or
 - (ii) is a Hedge Counterparty only in respect of Hedging Agreements under which there are no current (or future) amounts outstanding or which may become outstanding, it shall, upon giving notice to that effect to the other Secured Parties,

be deemed to automatically resign from this Deed and to no longer be a party hereto as a Secured Party or in any other capacity.

20. **ROLE OF SECURITY TRUSTEE**

- (a) Any reference in this Deed or any other Transaction Document to any action of the Security Trustee or to the Security Trustee having an opinion, a view or taking similar action under this Deed or the other Transaction Documents, shall be construed as reference to the Security Trustee acting on the written instructions of the Instructing Party in accordance with the provisions of, and with the benefit of the protections set out in, this Deed, and without limitation, any reference to an authorisation, discretion, approval, direction, instruction, requirement or consent of, or a determination or selection by the Security Trustee (or any similar or analogous expression) shall be construed as a reference to the authorisation, discretion, approval, direction, instruction, requirement or consent of, or a determination or selection by the Security Trustee acting on the written instructions of the Instructing Party in accordance with the provisions of this Deed. For the avoidance of doubt, where the Security Trustee is required in this Deed or any other Transaction Document to act or exercise any discretion (or refrain from the same) "reasonably" or in a "reasonable" manner or to come to an opinion or determination that is "reasonable", or any item or thing is required to be "satisfactory" to the Security Trustee (or any similar or analogous wording is used), unless the Security Trustee is not required to seek the instructions of the Instructing Party, the Security Trustee has not in fact sought such instructions or for any matter relating to the Security Trustee's commercial or personal interest, this shall mean that the Security Trustee shall, where it has in fact sought such instructions, be acting or coming to an opinion or determination on the written instructions of the Instructing Party acting reasonably or being so satisfied (respectively) and, (where the Security Trustee is required to seek such instructions and has in fact obtained such instructions) the Security Trustee shall be under no obligation to determine the reasonableness of such instructions from the Instructing Party or whether in giving such instructions the Instructing Party is acting in a reasonable manner.

- (b) For the avoidance of doubt, paragraph (a) is not exhaustive in describing circumstances in which the Security Trustee shall be considered to be acting reasonably or properly or doing an act or coming to a determination that is reasonable or proper.
- (c) Any provisions herein or in any other Finance Document that envisage a certain action, opinion, determination or discretion being taken or provided by the Security Trustee within a certain timeframe are to be read and understood in conjunction with this paragraph (c) and each party hereto (other the Security Trustee) acknowledges and agrees that the Security Trustee may refrain from taking or providing any action, opinion, determination or discretion until, inter alia, it has (i) been instructed to do so by the Instructing Party, and (ii) been indemnified, pre-funded and/or secured to its satisfaction. Each party hereto agrees that the Security Trustee shall not suffer any liability whatsoever where it fails to comply with such timeframe or it refrains from taking action as a result of a failure to receive instructions or to be indemnified, pre-funded and/or secured to its satisfaction.

21. MISCELLANEOUS

The Transaction Parties, other than the Issuer, shall not have any liability for the obligations of the Issuer and nothing in the Transaction Documents shall constitute the giving of a guarantee, an indemnity or the assumption of a similar obligation by any of such other Transaction Parties in respect of the performance by the Issuer of the obligations.

IN WITNESS WHEREOF this Deed has been executed and delivered as a deed by the parties hereto on the day and year first above written.

EXECUTION PAGES

Issuer

EXECUTED as a DEED by)
ABONA FUNDING)
LIMITED acting by two)
directors)



Signature of director

MARK FILER
Name of director



Signature of director

ANNE HILLS Representing L.D.C. Securitisation Director No 1 Limited
Name of director

Cash Manager, Original Mezzanine Noteholder and Original Junior Noteholder

EXECUTED as a **DEED** by)
UK MORTGAGE)
LENDING LTD acting by a)
director)
_____)
Signature of director

Name of director

in the presence of:

Signature of witness

Name of witness

Address of witness

Servicer

EXECUTED as a **DEED** by)
PEPPER (UK) LIMITED)
acting by two directors)
)
_____)
Signature of director

Name of director

Signature of director

Name of director

Original Uncommitted Senior Noteholder

EXECUTED as a **DEED** by)
ALBION CAPITAL CORPORATION)
S.A. acting by two duly authorised)
signatories)

Signature of authorised signatory

Name of authorised signatory

Signature of authorised signatory

Name of authorised signatory

Funding Agent and Original Committed Senior Noteholder

EXECUTED as a **DEED** by)
MUFG BANK, LTD., LONDON)
BRANCH acting by a duly authorised)
signatory)

Signature of authorised signatory

Name of authorised signatory

Original Hedge Counterparty

SIGNED as a **DEED** by a)
duly authorised attorney for)
MUFG SECURITIES)
EMEA PLC)

Signature of attorney

Name of attorney

in the presence of:

Signature of witness

Name of witness

Address of witness

Security Trustee

EXECUTED as a **DEED**)
by **CITIBANK N.A., LONDON**)
BRANCH)
acting by a duly authorised signatory)

Signature of authorised signatory

Name of authorised signatory

in the presence of:

Signature of witness

Name of witness

Address of witness

Account Bank

SIGNED as a DEED)
by attorney for)
BARCLAYS BANK PLC)
)

Signature of attorney

Name of attorney

in the presence of:

Signature of witness

Name of witness

Address of witness

Corporate Services Provider, Registrar and Back-Up Servicer Facilitator

EXECUTED as a **DEED**)
by **LAW DEBENTURE**)
CORPORATE SERVICES)
LIMITED acting by a director)

Signature of director

Name of director

in the presence of:

Signature of witness

Name of witness

Address of witness

**SCHEDULE 1
FORM OF ACCESSION DEED**

From: [•] as "**Acceding Party**"

Abona Funding Limited as "**Issuer**"

To: **Citibank N.A., London Branch** as "**Security Trustee**" for itself and each of the other Secured Parties

[Date]

Deed of Charge dated [•] 2022 and made between, among others, the Issuer and the Security Trustee (the Deed of Charge).

1. We refer to the Deed of Charge. This deed (the "**Accession Deed**") shall take effect as an Accession Deed for the purposes of the Deed of Charge. Unless otherwise defined in this Deed or the context requires otherwise, words and expressions used in this Deed have the meanings and constructions ascribed to them in the Master Definitions Schedule set out in schedule 1 (*Master Definitions Schedule*) to the Incorporated Terms Memorandum dated [•] and signed for the purpose of identification by each of the Transaction Parties.
2. The Acceding Party agrees to become a [Secured Party]/[Hedge Counterparty] and to be bound by the terms of the Deed of Charge as an additional party pursuant to Clause 19 (*Accession*) of the Deed of Charge. The Acceding Party is a company incorporated in [•] (registered number [•]), whose registered office is at [•].
3. The Acceding Party's notice details for the purposes of the Deed of Charge and clause 11 (*Notices*) of the Master Definitions Schedule are as follows:

Address: [•]
Tel: [•]
Email: [•]
Attention: [•]
4. The Acceding Party:
 - (a) acknowledges the Security created by the Deed of Charge;
 - (b) undertakes to the Security Trustee not to do anything inconsistent with the Security or the terms of the Transaction Documents; and
 - (c) acknowledges that the Security is held by the Security Trustee for the benefit of all the Secured Parties and that any Receiver shall be appointed by the Security Trustee for the benefit of all the Secured Parties subject to the Deed of Charge.

5. The Acceding Party confirms that it intends to be party to the Deed of Charge as a [Hedge Counterparty]/[Secured Party], undertakes to perform all the obligations expressed to be assumed by a [Hedge Counterparty]/[Secured Party] under the Deed of Charge and agrees that it shall be bound by all the provisions of the Deed of Charge as if it had been an original party to the Deed of Charge.
6. The Acceding Party shall have the same rights and obligations as it would have had if it had been an original party to the Deed of Charge.
7. This Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

[*Acceding Party signature block to be inserted*]

Issuer

EXECUTED as a **DEED** by)
ABONA FUNDING)
LIMITED acting by two)
directors)

Signature of director

Name of director

Signature of director

Name of director

Acknowledged and agreed.

Security Trustee

EXECUTED as a **DEED**)
by **CITIBANK N.A., LONDON**)
BRANCH)
acting by a duly authorised signatory)

Signature of authorised signatory

Name of authorised signatory

in the presence of:

Signature of witness

Name of witness

Address of witness
