



Registration of a Charge

LLP name in full: **COVENTRY BUILDING SOCIETY COVERED BONDS LLP**

LLP Number: **OC337802**



Received for filing in Electronic Format on the: **23/12/2021**

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Details of Charge

Date of creation: **22/12/2021**

Charge code: **OC33 7802 0004**

Persons entitled: **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**

Brief description: **N/A**

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: **ALLEN & OVERY LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

LLP number: OC337802

Charge code: OC33 7802 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd December 2021 and created by COVENTRY BUILDING SOCIETY COVERED BONDS LLP was delivered pursuant to Part 25 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Application of Companies Act 2006) (Amendment) Regulations 2013 on 23rd December 2021 .

Given at Companies House, Cardiff on 30th December 2021

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under the Limited Liability Partnership
(Application of the Companies Act 2006) Regulations 2009 SI 2009/1804



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

SECOND SUPPLEMENTAL DEED OF CHARGE

DATED 22 DECEMBER 2021

COVENTRY BUILDING SOCIETY COVERED BONDS LLP
as LLP

HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED
as Security Trustee and as Bond Trustee

COVENTRY BUILDING SOCIETY
as Issuer, Seller, Cash Manager, Servicer, Account Bank, GIC Provider
and Interest Rate Swap Provider

HSBC BANK PLC
as Stand-by Account Bank, Stand-by GIC Provider, Exchange Agent,
Transfer Agent and Principal Paying Agent

INTERTRUST MANAGEMENT LIMITED
as Corporate Services Provider

THIS SECOND SUPPLEMENTAL DEED OF CHARGE is made on 22 December 2021

BETWEEN:

- (1) COVENTRY BUILDING SOCIETY COVERED BONDS LLP** (partnership number OC337802), a limited liability partnership incorporated under the laws of England and Wales whose registered office is at Oakfield House, Binley Business Park, Coventry CV3 2TQ (referred to herein as the "LLP");
- (2) HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**, incorporated under the laws of England and Wales whose registered office is at 8 Canada Square, London E14 5HQ (in its capacity as "Security Trustee" and "Bond Trustee");
- (3) COVENTRY BUILDING SOCIETY**, a building society incorporated under the Building Society Act 1986 (as amended) of England and Wales with its principal office at Oakfield House, Binley Business Park, Coventry CV3 2TQ (referred to herein as the "Issuer", "Seller", "Cash Manager", "Servicer", "Account Bank", "GIC Provider" and "Interest Rate Swap Provider");
- (4) HSBC BANK PLC**, acting through its office at 8 Canada Square, London E14 5HQ (in its capacity as "Principal Paying Agent", "Exchange Agent", "Transfer Agent", "Stand-by GIC Provider" and "Stand-by Account Bank"); and
- (5) INTERTRUST MANAGEMENT LIMITED**, (formerly known as Structured Finance Management Limited), a company incorporated in England and Wales (registered number 3853947) having its

registered office at 1 Bartholomew Lane, London, EC2N 2AX (in its capacity as the "Corporate Services Provider" to Holdings and the Liquidation Member).

WHEREAS:

This Second Supplemental Deed of Charge is supplemental to and modifies the provisions of the Deed of Charge dated 17 July 2008 as amended and supplemented on 8 April 2011 (hereinafter called the "Principal Deed of Charge") which was made between the same parties as are parties hereto and relates to a Covered Bond Programme established by the Issuer (the "Programme").

NOW THIS SECOND SUPPLEMENTAL DEED OF CHARGE WITNESSES AND IT IS HEREBY AGREED AND DECLARED as follows:

1. Subject as hereinafter provided and unless there is something in the subject matter or context inconsistent therewith, all words and expressions defined in the Principal Deed of Charge shall have the same meanings in this Second Supplemental Deed of Charge.
2. With effect on and from the date of this Second Supplemental Deed of Charge:
 - (i) the Principal Deed of Charge is modified in such manner as would result in the Principal Deed of Charge as so modified being in the form set out in Schedule 1 hereto; and
 - (ii) the provisions of the Principal Deed of Charge insofar as the same still have effect shall cease to have effect and in lieu thereof the provisions of the Principal Deed of Charge as so modified (and being in the form set out in Schedule 1 hereto) shall have effect.
3. For the avoidance of doubt, each of the parties party (in the case of the Bond Trustee and the Security Trustee, acting with the consent by way of Extraordinary Resolution of the sole holder of the Covered Bonds outstanding as at the date hereof) to this Second Supplemental Deed of Charge consents to the amendment and restatement effected by this Second Supplemental Deed of Charge.
4. This Second Supplemental Deed of Charge is supplemental to the Principal Deed of Charge. Save as expressly amended by this Deed, the Principal Deed of Charge shall remain in full force and effect and the security created under the Principal Deed of Charge and all of the other rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. References in the Principal Deed of Charge to "this Deed" shall be read as references to the Principal Deed of Charge as supplemented and amended by this Second Supplemental Deed of Charge.
5. The Principal Deed of Charge and this Second Supplemental Deed of Charge shall henceforth be read and construed together as one deed.
6. This Second Supplemental Deed of Charge may be executed in counterparts, all of which, taken together, shall constitute one and the same Second Supplemental Deed of Charge and any party may enter into this Second Supplemental Deed of Charge by executing a counterpart.
7. The parties to this Deed do not intend that any term of this Deed should be enforced, by virtue of the Contracts (Rights of Third Parties) Act 1999 or the Contract (Third Party Rights) (Scotland) Act 2017, by any person who is not a party to this Deed.

8. This Second Supplemental Deed of Charge and any non-contractual obligations arising out of or in respect of it are governed by and shall be construed in accordance with English law provided that any terms hereof which are particular to the law of Scotland shall be construed in accordance with Scots law, and the parties hereto irrevocably submit to the jurisdiction of the courts of England.

IN WITNESS whereof this Second Supplemental Deed of Charge has been executed as a deed by the parties hereto as a deed and delivered on the date first appearing on page one.

LLP

EXECUTED as a DEED)
by COVENTRY BUILDING SOCIETY COVERED BONDS LLP)
acting by its attorney) X
in the presence of:)

REDACTED UNDER S859G OF THE COMPANIES ACT 2006

Witness:

Name:

Address:

Security Trustee and Bond Trustee

EXECUTED as a DEED by)
HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED)
in its capacities as Bond Trustee and Security Trustee)
acting by its attorney or a director)
in the presence of:)

Witness:

Name:

Address:

**Issuer, Seller, Cash Manager, Servicer,
Account Bank, GIC Provider and Interest
Rate Swap Provider**

SEALED with the Common Seal of)
COVENTRY BUILDING SOCIETY)
and subscribed for them and on their behalf)
by)
their duly authorised signatory) X
in the presence of the following witness:)

REDACTED UNDER S859G OF THE COMPANIES ACT 2006

Witness:

Name:

Address:

REDACTED UNDER S859G OF THE COMPANIES ACT 2006

8. This Second Supplemental Deed of Charge and any non-contractual obligations arising out of or in respect of it are governed by and shall be construed in accordance with English law provided that any terms hereof which are particular to the law of Scotland shall be construed in accordance with Scots law, and the parties hereto irrevocably submit to the jurisdiction of the courts of England.

IN WITNESS whereof this Second Supplemental Deed of Charge has been executed as a deed by the parties hereto as a deed and delivered on the date first appearing on page one.

LLP

EXECUTED as a DEED

by COVENTRY BUILDING SOCIETY COVERED BONDS LLP

acting by its attorney

in the presence of:

Witness:

Name:

Address:

Security Trustee and Bond Trustee

EXECUTED as a DEED by

HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED

in its capacities as Bond Trustee and Security Trustee

acting by its attorney or a director

in the presence of:

Witness:

Name:

Address:

Issuer, Seller, Cash Manager, Servicer,
Account Bank, GIC Provider and Interest
Rate Swap Provider

SEALED with the Common Seal of

COVENTRY BUILDING SOCIETY

and subscribed for them and on their behalf

by

their duly authorised signatory

in the presence of the following witness:

Witness:

Name:

Address:

**Stand by Account Bank, Stand by GIC Provider,
Exchange Agent, Transfer Agent and Principal
Paying Agent**

EXECUTED as a DEED by
HSBC BANK PLC
in its capacity as Stand-by Account Bank,
Stand-by GIC Provider, Exchange Agent,
Transfer Agent and Principal Paying Agent
acting by its authorised signatory
in the presence of

Witness:

Name:

Address:

Corporate Services Provider

EXECUTED as a DEED by
INTERTRUST MANAGEMENT LIMITED
in its capacity as Corporate Services Provider
acting by two directors/a director and the
Secretary

**Stand by Account Bank, Stand by GIC Provider,
Exchange Agent, Transfer Agent and Principal
Paying Agent**

EXECUTED as a **DEED** by)
HSBC BANK PLC)
in its capacity as Stand-by Account Bank,)
Stand-by GIC Provider, Exchange Agent,)
Transfer Agent and Principal Paying Agent)
acting by its authorised signatory)
in the presence of)

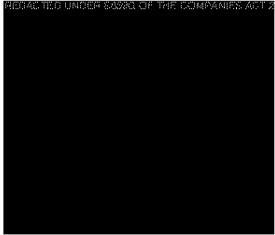
Witness:

Name:

Address:

Corporate Services Provider

EXECUTED as a **DEED** by)
INTERTRUST MANAGEMENT LIMITED)
in its capacity as Corporate Services Provider)
acting by two directors/a director and the)
Secretary)



SCHEDULE 1

FORM OF AMENDED AND RESTATED DEED OF CHARGE

DATED 22 DECEMBER 2021

COVENTRY BUILDING SOCIETY COVERED BONDS LLP
as LLP

HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED
as Security Trustee and as Bond Trustee

COVENTRY BUILDING SOCIETY
as Issuer, Seller, Cash Manager, Servicer, Account Bank, GIC Provider
and Interest Rate Swap Provider

HSBC BANK PLC
as Stand-by Account Bank, Stand-by GIC Provider, Exchange Agent,
Transfer Agent and Principal Paying Agent

INTERTRUST MANAGEMENT LIMITED
as Corporate Services Provider

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THIS DEED OF CHARGE is made on 22 December 2021

BETWEEN:

- (1) **COVENTRY BUILDING SOCIETY COVERED BONDS LLP** (partnership number OC337802), a limited liability partnership incorporated under the laws of England and Wales whose registered office is at Oakfield House, Binley Business Park, Coventry CV3 2TQ (referred to herein as the "LLP");
- (2) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**, incorporated under the laws of England and Wales whose registered office is at 8 Canada Square, London E14 5HQ (in its capacity as "Security Trustee" and "Bond Trustee");
- (3) **COVENTRY BUILDING SOCIETY**, a building society incorporated under the Building Society Act 1986 (as amended) of England and Wales with its principal office at Oakfield House, Binley Business Park, Coventry CV3 2TQ (referred to herein as the "Issuer", "Seller", "Cash Manager", "Servicer", "Account Bank", "GIC Provider" and "Interest Rate Swap Provider");
- (4) **HSBC BANK PLC**, acting through its office at 8 Canada Square, London E14 5HQ (in its capacity as "Principal Paying Agent", "Exchange Agent", "Transfer Agent", "Stand-by GIC Provider" and "Stand-by Account Bank"); and
- (5) **INTERTRUST MANAGEMENT LIMITED**, (formerly known as Structured Finance Management Limited), a company incorporated in England and Wales (registered number 3853947) having its registered office at 1 Bartholomew Lane, London, EC2N 2AX (in its capacity as the "Corporate Services Provider" to Holdings and the Liquidation Member).

WHEREAS:

- (A) Pursuant to the Trust Deed, the LLP has provided a guarantee covering all Guaranteed Amounts when the same become Due for Payment in respect of all Covered Bonds issued under the Programme from time to time
- (A) Pursuant to the terms of the Intercompany Loan Agreement, the Issuer has agreed to make available Term Advances to the LLP by way of term loans, upon and subject to the terms thereof.
- (B) The Seller has agreed to sell the Initial Portfolio to the LLP on the First Transfer Date pursuant to the Mortgage Sale Agreement. The Seller may also sell from time to time New Portfolios to the LLP after the First Transfer Date. The consideration for such sales includes payment of Deferred Consideration to the Seller by the LLP.
- (C) The Servicer has agreed to service the Loans and their Related Security sold by the Seller to the LLP on the terms set out in the Servicing Agreement.
- (D) The Cash Manager has agreed to provide certain cash management services to the LLP on the terms set out in the Cash Management Agreement.
- (E) Each of the Account Bank and the GIC Provider has agreed to provide certain banking services to the LLP on the terms set out in the Bank Account Agreement and the Guaranteed Investment Contract respectively.
- (F) Each of the Stand-by Account Bank and the Stand-by GIC Provider has agreed to provide certain banking services to the LLP under certain circumstances on the terms set out in the Stand-by Bank Account Agreement and the Stand-by Guaranteed Investment Contract respectively.

- (G) The Interest Rate Swap Provider has agreed to provide the Interest Rate Swap to the LLP on the terms set out in the Interest Rate Swap Agreement.
- (H) The Agents have agreed to provide certain agency services on behalf of the LLP following the service of a Notice to Pay on the LLP for the benefit of the Covered Bondholders pursuant to the Agency Agreement.
- (I) The Corporate Services Provider has agreed to provide certain corporate services to the Liquidation Member and Holdings on the terms set out in the Corporate Services Agreement.
- (J) The LLP has agreed to provide the Security Trustee with the benefit of the security described in this Deed to secure the LLP's obligations under the LLP Agreements, upon and subject to the terms hereof. The Security Trustee shall hold such security on trust for the benefit of the Secured Creditors.
- (K) New Secured Creditors (including, without limitation, New Sellers, New Servicers, the New Interest Rate Swap Providers and each Covered Bond Swap Provider) will accede to this Deed from time to time on the terms set out herein.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

The master definitions and construction agreement made between, *inter alios*, the parties to this Deed on 17 July 2008 as amended and restated on 8 May 2009, 16 December 2010, 8 April 2011, 11 January 2013, 5 July 2013, 12 January 2017, 11 September 2018, 22 November 2019, 24 September 2020 and 22 December 2021 (as the same may be amended, varied and/or supplemented from time to time, the "**Master Definitions and Construction Agreement**") is expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Agreement shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals hereto and this Deed shall be construed in accordance with the interpretation provisions set out in Clause 2 (*Interpretation and Construction*) of the Master Definitions and Construction Agreement.

1.2 Construction

In this Deed, except where the context otherwise requires:

- (a) the terms of the Trust Deed, the Master Definitions and Construction Agreement and of any other agreement in existence at the date hereof between the parties hereto in relation to any such documents are incorporated in this Deed to the extent required to ensure that any proposed disposition of the Charged Property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989;
- (b) if the Security Trustee considers that an amount paid by the LLP to a Secured Creditor and/or the Security Trustee and/or the Receiver under or pursuant to the LLP Agreements or under or pursuant to this Deed is capable of being avoided or otherwise set aside on the liquidation or administration of the LLP or otherwise and that there is a reasonable prospect of such liquidation or administration occurring and of such payment being so avoided or set aside, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed;
- (c) any reference to a document (including a Transaction Document) shall be construed as a reference to that document as the same may have been, or may from time to time be, amended,

varied, novated, replaced or supplemented in accordance with its terms and the terms of the Transaction Documents;

- (d) a reference in this Deed to any property, assets, undertakings or rights includes, unless the context otherwise requires, present and future property, assets, undertakings or rights; and
- (e) "**this Deed**" means this Deed of Charge and all the Schedules hereto (as from time to time modified and/or supplemented in accordance with the provisions set out herein) and all Accession Undertakings entered into under or pursuant to this Deed of Charge and each other document or deed (including each Scottish Supplemental Charge and each Scottish Sub Security) entered into pursuant hereto (as from time to time modified and/or supplemented as aforesaid) and/or expressed to be supplemental hereto.

2. COVENANT TO PAY SECURED OBLIGATIONS AND DISCHARGE SECURED OBLIGATIONS

The LLP covenants with and undertakes to the Security Trustee as trustee for the Secured Creditors that it will, subject to the provisions of the LLP Agreements:

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

3. SECURITY AND DECLARATION OF TRUST

3.1 Loans and Related Security

The LLP, by way of first fixed security for the payment and discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Property), hereby charges by way of first fixed charge to the Security Trustee all of its right, title, interest and benefit, present and future, in, to and under the Portfolio in respect of the Loans (other than the Scottish Loans) and their Related Security and all other related rights under the same including all amounts which may become payable thereunder and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same and the Title Deeds and documents relating to the Properties and the Mortgages (other than Scottish Mortgages) in the Portfolio including (without limiting the generality of the foregoing) any consents, postponements, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the Mortgages (other than the Scottish Mortgages) in the Portfolio (and all causes and rights of action of the LLP against any person in connection with the same) and any other contractual documents or any security documents in either case setting out the terms of the Loans (other than the Scottish Loans) to hold the same unto the Security Trustee absolutely.

3.2 Insurance Policies

The LLP, by way of first fixed security for the payment and discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Property), hereby assigns to the Security Trustee all of its right, title, interest and benefit, present and future, in, to and under the Insurance Policies to the extent that the Insurance Policies have been assigned to the LLP pursuant to the Mortgage Sale Agreement, and all amounts which may become payable thereunder and the benefit of all covenants and rights

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

3.3 Contractual Rights

The LLP, by way of first fixed security for the payment and discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Property), hereby charges to the Security Trustee all of its right, title, benefit and interest, present and future, in, to and under the LLP Agreements (other than this Deed (and, in respect of the Interest Rate Swap Agreement and Covered Bond Swap Agreement, after giving effect to all applicable netting provisions therein), each Scottish Declaration of Trust, any Scottish Transfer, any Scottish Sub Security and each Scottish Supplemental Charge), including all rights to receive payment of any amounts which may become payable to it thereunder and all payments received by it thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain relief in respect thereof, TO HOLD the same unto the Security Trustee absolutely.

3.4 Accounts

The LLP, by way of first fixed security for the payment and discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Property), hereby charges by way of first fixed charge in favour of the Security Trustee all of its rights, interest and benefit, present and future, in and to all monies now or at any time hereafter standing to the credit of:

- (a) the GIC Account;
- (b) the Transaction Account;
- (c) the Stand-by GIC Account;
- (d) the Stand-by Transaction Account; and
- (e) each other account (if any) in which the LLP may at any time have or acquire any right, title, benefit or interest,

and the debts represented by them together with all rights relating or attached thereto (including the right to interest), TO HOLD the same unto the Security Trustee absolutely.

3.5 Excess Proceeds

The LLP, by way of first fixed security for the payment and discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Property), hereby charges by way of first fixed charge in favour of the Security Trustee all of its right, title, interest and benefit, present and future in, to and under any Excess Proceeds received from the Bond Trustee pursuant to the Trust Deed and TO HOLD the same unto the Security Trustee absolutely.

3.6 Authorised Investments and Substitution Assets

The LLP, by way of first fixed security for the payment and discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Property), hereby charges by way of first fixed charge in favour of to the Security Trustee all of its right, title, interest and benefit in, to and under or in respect of any Authorised Investments and Substitution Assets purchased using monies standing to the credit of any LLP Account or, in respect of Substitution Assets only, by way of a Capital Contribution in Kind for the time being owned by it, including all monies, income and proceeds payable thereunder

and all rights in respect of or ancillary to such Authorised Investments and Substitution Assets, to hold the same unto the Security Trustee absolutely.

3.7 Floating Charge

The LLP, by way of first floating security for the payment and discharge of the Secured Obligations, subject to Clause 4 (Release of Charged Property), hereby charges by way of first floating charge in favour of the Security Trustee the whole of its undertaking and all its property, assets, rights and revenues, whatsoever and wheresoever, both present and future other than any property or assets from time to time or for the time being the subject of fixed charges pursuant to Clauses 3.1, 3.4, 3.5, or 3.6 above but including all of its property, assets, rights and revenues situated in Scotland or governed by Scots law (all of which are charged by the floating charge hereby created whether or not the subject of fixed charges or otherwise effectively assigned or charged as aforesaid). The floating charge created hereby is a qualifying floating charge for the purpose of Paragraph 14 of Schedule B1 of the Insolvency Act 1986.

3.8 Scottish Supplemental Charge

- (a) The LLP, subject to Clause 4 (Release of Charged Property), hereby undertakes forthwith upon the execution and delivery of a Scottish Declaration of Trust in its favour, to execute and deliver to the Security Trustee a Scottish Supplemental Charge substantially in the form set out in Schedule 4 (Form of Scottish Supplemental Charge) to this Deed. The other parties to this Deed consent to the entering into of such Scottish Supplemental Charge and the Security Trustee authorises and instructs the LLP to intimate and give notice to the Seller (as trustee under the Scottish Declaration of Trust), or any subsequent trustee, of the assignation in security made thereunder as provided therein. The Seller as trustee aforesaid hereby undertakes to execute each such Scottish Supplemental Charge in acknowledgement of said intimation.
- (b) The LLP undertakes to the Security Trustee, simultaneous with the execution and delivery of a Scottish Supplemental Charge in accordance with Clause 3.8(a) above, to deliver to the Security Trustee the related Scottish Declaration of Trust granted in its favour.

3.9 Scottish Sub Securities

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

- (a) upon the delivery to it of any SLR Transfer from the Seller pursuant to Clause 7 (Perfection of the Sale) of the Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the payment and discharge of the Secured Obligations a Scottish Sub Security substantially in the form set out in Part 1 of Schedule 5 (Form of Scottish Sub Security – Land Register) to this Deed in respect of the LLP's whole right, title and interest in and to all of the Scottish Mortgages (and the Scottish Loans secured thereby) to which the LLP is entitled in terms of such SLR Transfer;
- (b) upon the delivery to it of any Sasine Transfer from the Seller pursuant to Clause 7 (Perfection of the Sale) of the Mortgage Sale Agreement forthwith to execute and deliver to the Security Trustee in security for the payment and discharge of the Secured Obligations a Scottish Sub Security substantially in the form set out in Part 2 of Schedule 5 (Form of Scottish Sub Security – Sasine Register) to this Deed in respect of the LLP's whole right, title and interest in and to all of the Scottish Mortgages (and the Scottish Loans secured thereby) to which the LLP is entitled in terms of such Sasine Transfer;
- (c) at the time of delivery of any Scottish Sub Security in accordance with the preceding provisions of this Clause 3.9 simultaneously to deliver to the Security Trustee the relevant

SLR Transfer or the relevant Sasine Transfer (as applicable) pertaining to the Scottish Mortgages specified in that Scottish Sub Security unless such SLR Transfer or Sasine Transfer as applicable is held by Registers of Scotland;

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

3.10 Title Guarantee

Each of the dispositions, assignments or charges over property effected in or pursuant to Clauses 3.1 (Loans and Related Security) to 3.9 (Scottish Sub Securities) (both inclusive) is made with full title guarantee or, in relation to Scottish Loans and their Related Security, with absolute warrandice.

3.11 Further Acquired Rights

For the avoidance of doubt it is hereby confirmed that reference herein to Loans, their Related Security and Insurance Policies and related rights under the same include those which are hereafter sold or transferred to or otherwise acquired by the LLP and that the security created by or pursuant to Clause 3.1 (Loans and Related Security) to Clause 3.6 (Authorised Investments and Substitution Assets) (both inclusive) are, and are intended to be, specific and fixed assignments by way of security of, or specific and fixed charges or securities over (as the case may be), the items to which they relate, both present and future acquired.

3.12 Notice and Acknowledgement

The execution of this Deed by each Secured Creditor shall constitute notice to each of them of the assignment of all of the LLP's right, title, interest and benefit present and future in, to and under the agreements referred to in Clause 3.3 (Contractual Rights) and the execution of this Deed by each of the Secured Creditors shall constitute an express acknowledgement by each of them of such conveyances, transfers, charges and assignments and other Security Interests made or granted by the foregoing provisions of this Clause 3 (Security and Declaration of Trust) and Clause 2 (Covenant to Pay Secured Obligations and Discharge Secured Obligations) and each of the Secured Creditors undertakes to the Security Trustee not to do anything inconsistent with the security given under or pursuant to this Deed or knowingly to prejudice the Security Interests in favour of the Security Trustee constituted hereunder or pursuant hereto or the Charged Property provided that, without prejudice to Clause 20 (Exercise of Certain Rights), nothing herein shall be construed as limiting the rights or obligations of any of the Secured Creditors exercisable or to be performed in accordance with and subject to the terms of any of the other Transaction Documents.

3.13 Security Trustee's Discretion

Subject to Clause 23.2 (Delegation), without prejudice to the rights of the Security Trustee after the security created under or pursuant to this Deed has become enforceable, the LLP hereby authorises the Security Trustee, prior to the security created by or pursuant to this Deed becoming enforceable, to exercise, or refrain from exercising, all rights, powers, authorities, discretions and remedies of the LLP under or in respect of the LLP Agreements referred to in Clause 3.3 (Contractual Rights) in such manner as the Security Trustee in its absolute discretion shall think fit. For the avoidance of doubt, the Security Trustee shall not be required to have regard to the interests of the LLP in the exercise or non-exercise of any such rights, powers, authorities, discretions and remedies or to comply with any direction given by the LLP in relation thereto.

3.14 Declaration of Trust

The Security Trustee hereby declares itself trustee of all the covenants, undertakings, charges, assignments and other security interests made or given to it or to be made or given to it under or pursuant to this Deed and the other LLP Agreements for itself and the other Secured Creditors in respect of the Secured Obligations owed to each of them respectively upon and subject to the terms and conditions of this Deed.

4. RELEASE OF CHARGED PROPERTY

4.1 On Payment and Discharge of Secured Obligations

Upon the irrevocable and unconditional payment and discharge of all the Secured Obligations, to the satisfaction of the Security Trustee, the Security Trustee shall, at the written request and cost of the LLP, release, reassign, retrocess or discharge the Charged Property to, or to the order of, the LLP.

4.2 Disposal of Authorised Investments and Substitution Assets

Upon the Cash Manager, on behalf of the LLP, making a disposal of any Authorised Investments or Substitution Assets charged pursuant to Clause 3.6 (Authorised Investments and Substitution Assets), such Authorised Investments or Substitution Assets shall be deemed to be released, reassigned or discharged from the Security Interests created under this Deed without any further action being required, provided that the proceeds of such disposal are paid into the LLP Account from which the monies to make such Authorised Investments or Substitution Assets were originally drawn or by way of a reduction of the Capital Contribution Balance of the Seller where such Substitution Assets were acquired by way of a Capital Contribution in Kind by the Seller, subject to and in accordance with the provisions of the Guaranteed Investment Contract, the Stand-by Guaranteed Investment Contract (if applicable), the Cash Management Agreement and this Deed.

4.3 Withdrawals from LLP Accounts

From time to time, for the avoidance of doubt, there shall be deemed to be released from the Security Interests constituted by this Deed all amounts which the Cash Manager, on behalf of the LLP and the Security Trustee, is permitted to withdraw amounts from the LLP Accounts to apply them pursuant to the relevant Priorities of Payment and otherwise in accordance with the Cash Management Agreement and this Deed, any such release to take effect immediately upon the relevant withdrawal being made provided that where the relevant amount is transferred to another LLP Account, it shall thereupon become subject to the Security Interests constituted by this Deed in respect of such other LLP Account.

4.4 Sale of the Portfolio

Save to the extent that Clause 4.8 applies, in the event of any sale of Loans (including Selected Loans) and their Related Security (and any other related rights under the same) by or on behalf of the LLP

pursuant to and in accordance with the Transaction Documents, such Loans and their Related Security (and any other related rights under the same) shall no longer form part of the Portfolio and the Security Trustee shall, if so requested in writing by the LLP (at the sole cost and expense of the LLP), release, reassign, retrocess and/or discharge those Loans and their Related Security (and any other related rights under the same) from the Security Interests created hereunder or pursuant to this Deed in respect thereof on or prior to the date of any such sale provided that such sale of Loans and their Related Security has been made in accordance with the terms of the Transaction Documents and, in the case of Selected Loans only, that the Selected Loans have been selected on a Random Basis.

The Security Trustee shall not be responsible for monitoring or ascertaining whether or not (i) in the event of any sale of Loans (including Selected Loans) and their Related Security by the LLP as described in the preceding paragraph of this Clause 4.4, such sale is made or has been made in accordance with the terms of the Transaction Documents, (ii) the Loans (and their Related Security) which are the subject of such sale have been so released, reassigned and/or discharged from the Security Interests created under and pursuant to this Deed and (iii) in the case of Selected Loans only, such Loans have been selected on a Random Basis. The Security Trustee shall not be liable to any person for any loss occasioned thereby.

- 4.5 In the event that, under Clause 19 of the LLP Deed or any other provision of the Transaction Documents, the Bond Trustee is required to instruct the Security Trustee, the Bond Trustee shall do so (save where expressly provided otherwise) in its absolute discretion subject to and in accordance with the Trust Deed or as directed by holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Covered Bonds (with the Covered Bonds of all Series taken together as a single Series as provided in clause 2.7 of the Trust Deed and, if applicable, converted into Sterling at the relevant Covered Bond Swap Rate) then outstanding or by an Extraordinary Resolution of the holders of the Covered Bonds (with the Covered Bonds of all Series taken together as a single Series as provided in clause 2.7 of the Trust Deed and, if applicable, converted into Sterling at the relevant Covered Bond Swap Rate) then outstanding), subject in each case to the Bond Trustee being indemnified and/or secured to its satisfaction.
- 4.6 Notwithstanding any provision of this Deed or any other Transaction Document, neither the Bond Trustee nor the Security Trustee shall have any responsibility for the adequacy or sufficiency of, or any deterioration in the value, of the Portfolio or the Loans and their Related Security comprised in the Portfolio, neither shall the Security Trustee be obliged to monitor the performance of the Loans and their Related Security or be responsible for monitoring whether or not the best price has been achieved for the sale of Loans (including Selected Loans) and their Related Security (and any other related rights under the same) by or on behalf of the LLP or otherwise pursuant to the Transaction Documents or whether or not any such sale has been effected on terms commercially available in the market or effected in a timely manner. Neither the Bond Trustee nor the Security Trustee shall be liable to any Transaction Party, including the Covered Bondholders, or any other person for any loss occasioned thereby.
- 4.7 Neither the Bond Trustee nor the Security Trustee shall be liable to any person for (i) any delay in the appointment of or any failure to appoint a portfolio manager under clause 19.7 of the LLP Deed or (ii) any loss arising from the sale of Selected Loans pursuant to clause 19 of the LLP Deed (whether caused by any delay in effecting any such sale or otherwise).
- 4.8 Prior to the earlier of:
- (a) the service of a Notice to Pay; and
 - (b) the perfection of the assignment or assignation to the LLP of the relevant Loan or Loans (or, as the case may be, Defaulted Loan or Defaulted Loans) and its (or their) Related Security in accordance with Clause 7 (Perfection of the Sale) of the Mortgage Sale Agreement,

on the date of completion of any repurchase of a Loan or Loans (or, as the case may be, Defaulted Loan or Defaulted Loans) and its (or their) Related Security in accordance with Clauses 9.3, 9.4, 9.5 or 9.7 of the Mortgage Sale Agreement, upon payment by the Seller to the LLP of an amount equal to the True Balance of the Loan or Loans and their Related Security (either by way of a cash payment or, subject to compliance with the Asset Coverage Test (as calculated on the date of repurchase by reference to the Asset Coverage Test calculated on the immediately preceding Calculation Date taking into account any sales and repurchases (including the contemplated repurchase) since such Calculation Date), a reduction in the Capital Contribution Balance of the Seller) in accordance with Clause 9.9 of the Mortgage Sale Agreement, all of such Loan or Loans (or as the case may be, Defaulted Loan or Defaulted Loans) and its (or their) Related Security shall be automatically released, discharged and/or re-assigned from the Security Interests created under this Deed without any further action being required.

The Security Trustee shall not be responsible for monitoring or ascertaining whether or not (i) in the event of the repurchase of a Loan and its Related Security by the Seller as described in the preceding paragraph of this Clause 4.8, any such repurchase has been made in accordance with the terms of the Transaction Documents and/or (ii) such Loan (and its Related Security) have been so released, reassigned and/or discharged from the Security Interests created under this Deed. The Security Trustee shall not be liable to any person for any loss occasioned thereby.

5. CONTINUANCE OF SECURITY

5.1 Continuing Security

Without prejudice to the generality of Clause 2 (Covenant to Pay Secured Obligations and Discharge Secured Obligations), the charges, assignments, assignations and other Security Interests contained in or granted pursuant to this Deed:

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

5.2 Acknowledgement

The LLP hereby acknowledges the assignments, assignations, charges and other Security Interests made or granted by the foregoing provisions of this Deed and undertakes to the Security Trustee not to do anything inconsistent with the security given under or pursuant to this Deed or knowingly to prejudice the security granted to the Security Trustee under or pursuant to this Deed or the Charged Property or the Security Trustee's interest therein.

5.3 Accession of New Secured Creditors

As a condition precedent to any new Series or Tranche, as applicable, of Covered Bonds issued under the Programme, any New Secured Creditor shall accede to the terms of this Deed by executing an Accession Undertaking in the form or substantially in the form set out in Schedule 2 (Form of Accession Undertaking) to this Deed.

6. PAYMENTS OUT OF THE LLP ACCOUNTS PRIOR TO ENFORCEMENT, REALISATION AND/OR WINDING-UP

6.1 Following service of an LLP Acceleration Notice, realisation of the Security and/or the commencement of winding-up proceedings

No payment, transfer or withdrawal from the LLP Accounts may be made under this Clause 6.1 at any time after an LLP Acceleration Notice has been served, and/or realisation of the Security and/or the commencement of winding-up proceedings against the LLP without the prior written consent of the Security Trustee.

6.2 Pre-Acceleration Priorities of Payment

Notwithstanding the security rights created by or pursuant to Clause 3 (Security and Declaration of Trust), prior to the service of a Notice to Pay, the service of an LLP Acceleration Notice by the Bond Trustee on the LLP and/or realisation of the Security and/or the commencement of winding-up proceedings against the LLP, the Cash Manager, on behalf of the LLP, shall (subject to the terms of the LLP Deed and the Cash Management Agreement) withdraw, or shall instruct the Account Bank (and/or, as applicable the Stand-by Account Bank) or cause the Account Bank (and/or, as applicable, the Stand-by Account Bank) to be instructed, to withdraw (unless the intended recipient of the relevant payment agrees otherwise) monies from the LLP Accounts to be applied in the order of priority on the specified dates (and in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full and to the extent that such withdrawal does not cause the LLP Accounts to become overdrawn) set out in the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments set out in the LLP Deed.

6.3 Guarantee Priority of Payments

Notwithstanding the security rights created by or pursuant to Clause 3 (Security and Declaration of Trust), following the service of a Notice to Pay but prior to the service of an LLP Acceleration Notice by the Bond Trustee on the LLP and/or realisation of the Security and/or the commencement of winding-up proceedings against the LLP, the Cash Manager, on behalf of the LLP, shall (subject to the terms of the LLP Deed and the Cash Management Agreement) withdraw, or shall instruct the Account Bank (and/or, as applicable the Stand-by Account Bank) or cause the Account Bank (and/or, as applicable, the Stand-by Account Bank) to be instructed, to withdraw (unless the intended recipient of the relevant payment agrees otherwise) monies from the LLP Accounts to be applied in the order of priority on the specified dates (and in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full and to the extent that such withdrawal does not cause the LLP Accounts to become overdrawn) as set out in the Guarantee Priority of Payment set out in the LLP Deed.

6.4 Payments under Cash Management Agreement

Notwithstanding the security rights created by or pursuant to Clause 3 (Security and Declaration of Trust), prior to the service of a Notice to Pay or the service of an LLP Acceleration Notice by the Bond Trustee on the LLP and/or realisation of the Security and/or the commencement of winding-up proceedings against the LLP, the Cash Manager, on behalf of the LLP, shall withdraw, or shall instruct the Account Bank (and/or, as applicable, the Stand-by Account Bank) or cause the Account Bank (and/or, as applicable, the Stand-by Account Bank) to be instructed, to withdraw (unless the intended recipient of the relevant payment agrees otherwise) monies from the LLP Accounts for application on any Business Day in making any payments due to be made subject to and in accordance with the Cash Management Agreement, the LLP Deed and this Deed (but only to the extent that such withdrawal does not cause the LLP Accounts to become overdrawn).

6.5 Investments in Authorised Investments and Substitution Assets

Notwithstanding the security rights created by or pursuant to Clause 3 (Security and Declaration of Trust) (and without prejudice to Clause 9.9 (Authorised Investments), the Cash Manager may, on behalf of the LLP, invest in the name of the LLP, monies standing from time to time to the credit of the LLP Accounts in Authorised Investments and Substitution Assets in accordance with the Cash Management Agreement and the LLP Deed provided that:

- (a) any costs properly incurred by the Cash Manager in making and changing investments will be reimbursed to the Cash Manager by the LLP; and
- (b) all income from and proceeds following the disposal or maturity of Authorised Investments and Substitution Assets shall be credited to the relevant LLP Account.

Notwithstanding the security rights created by or pursuant to Clause 3 (Security and Declaration of Trust), Authorised Investments and Substitution Assets may, on any Business Day, be sold, redeemed, realised or otherwise disposed of subject always to the other provisions hereof (including without limitation Clauses 3.6 (Authorised Investments and Substitution Assets) and 4.2 (Disposal of Authorised Investments and Substitution Assets)).

6.6 Management and Application of Funds

The LLP shall take or cause to be taken such action as may from time to time be necessary on its part to ensure that the GIC Account (and/or, as applicable, the Standby-GIC Account) shall from time to time be credited with all amounts received by the LLP and falling within any of the following categories:

- (a) all Revenue Receipts and all Principal Receipts;
- (b) all Cash Capital Contributions;
- (c) amounts received by the LLP pursuant to the Interest Rate Swap Agreement;
- (d) Excess Proceeds received from the Bond Trustee pursuant to the Trust Deed;
- (e) any other amount whatsoever received by or on behalf of the LLP after the Programme Date (including, without limitation, the proceeds of any Term Advances made to the LLP where such proceeds have not been applied to acquire New Portfolios, refinance an existing Term Advance or invest in Substitution Assets or Authorised Investments);
- (f) the proceeds arising from the disposal of any Authorised Investments or Substitution Assets and any and all income or other distributions received by the LLP in respect thereof or arising from the proceeds of any Authorised Investments or Substitution Assets; and
- (g) such other payments received by the LLP as are, or ought in accordance with this Deed to be, comprised in the Charged Property.

6.7 Enforcement When Not All Amounts Due and Payable

If the Security Trustee enforces the Security at a time when either no amounts or not all amounts owing in respect of the Secured Obligations have become due and payable, the Security Trustee (or a Receiver) may, for so long as no such amounts or not all such amounts have become due and payable, pay any monies referred to in Clause 7 (Payments out of the LLP Accounts upon Enforcement, Realisation and/or Winding-Up) into, and retain such monies in, an interest-bearing account (a "Retention Account") to be held by it as security and applied by it in accordance with Clause 7

(Payments out of the LLP Accounts upon Enforcement, Realisation and/or Winding-Up) as and when any of the amounts referred to therein become due and payable.

6.8 VAT

If any sums which are payable by the LLP under Clause 6.2 (Pre-Acceleration Priorities of Payment), Clause 6.3 (Guarantee Priority of Payments), Clause 6.4 (Payments under Cash Management Agreement) or Clause 7 (Payments out of the LLP Accounts upon Enforcement, Realisation and/or Winding-Up) of this Deed are subject to VAT, the LLP shall make payment of the amount in respect of VAT, where the payment is not already inclusive of VAT or Irrecoverable VAT, as the case may be, to the relevant person in accordance with the order of priorities set out in those Clauses.

6.9 Swap Collateral Excluded Amounts

For the avoidance of doubt, any Swap Collateral Excluded Amounts shall not be paid in accordance with the relevant Priority of Payments but shall be used solely to collateralise the obligations of the relevant Swap Provider pursuant to the relevant Swap Agreement and shall be applied solely in accordance with the provisions of the relevant Swap Agreement.

7. PAYMENTS OUT OF THE LLP ACCOUNTS UPON ENFORCEMENT, REALISATION AND/OR WINDING-UP

7.1 From and including the time when the Bond Trustee serves an LLP Acceleration Notice on the LLP and/or realisation of the Security and/or the commencement of winding-up proceedings against the LLP, no amount may be withdrawn from the LLP Accounts without the prior written consent of the Security Trustee.

7.2 Subject to Regulations 28 and 29 of the RCB Regulations, all monies received or recovered by the Security Trustee (or a Receiver appointed on its behalf) (excluding all amounts due or to become due in respect of any Third Party Amounts and all Swap Collateral Excluded Amounts) after the service of an LLP Acceleration Notice, the commencement of winding-up proceedings against the LLP and/or realisation of the Security, for the benefit of the Secured Creditors in respect of the Secured Obligations, shall be held by it in the LLP Accounts on trust to be applied (save to the extent required otherwise by law) in the following order of priority (and, in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full) (the "Post-Enforcement Priority of Payments"):

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of:
 - (i) all amounts due and payable or to become due and payable to:
 - (A) the Bond Trustee under the provisions of the Trust Deed together with interest and applicable VAT (or other similar taxes) thereon as provided therein; and
 - (B) the Security Trustee and any Receiver appointed by the Security Trustee under the provisions of this Deed together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein;
 - (ii) any remuneration and other amounts then due and payable to the Agents under the provisions of the Agency Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
 - (iii) amounts in respect of:

- (A) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Agreement, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
 - (B) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager under the provisions of the Cash Management Agreement, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
 - (C) amounts due to the Account Bank or, as applicable, the Stand-by Account Bank (including costs) pursuant to the terms of the Bank Account Agreement or, as applicable, the Stand-by Bank Account Agreement, together with applicable VAT (or other similar taxes) thereon to the extent provided therein; and
 - (D) amounts (including costs and expenses) due to the Corporate Services Provider pursuant to the terms of the Corporate Services Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
- (iv) any amounts due and payable to the Interest Rate Swap Provider (including any termination payment but excluding any Excluded Swap Termination Amounts) pursuant to the terms of the Interest Rate Swap Agreement;
- (v) the amounts due and payable:
- (A) to the relevant Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds (including any termination payment due and payable by the LLP under the relevant Covered Bond Swap Agreement (but excluding any Excluded Swap Termination Amount)) pursuant to the terms of the relevant Covered Bond Swap Agreement; and
 - (B) under the Covered Bond Guarantee, to the Bond Trustee on behalf of the Covered Bondholders *pro rata* and *pari passu* in respect of interest and principal due and payable on each Series of Covered Bonds;

provided that if the amount available for distribution under this Clause 7.2(a)(v) (excluding any amounts received from any Covered Bond Swap Provider in respect of the amounts referred to in (A) above) would be insufficient to pay the Sterling Equivalent of the amounts due and payable under the Covered Bond Guarantee in respect of each Series of Covered Bonds under 7.2(a)(v)(B) above, the shortfall shall be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the LLP to the relevant Covered Bond Swap Provider in respect of each relevant Series of Covered Bonds under 7.2(a)(v)(A) above shall be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any Excluded Swap Termination Amounts due and payable by the LLP to the relevant Swap Provider under the relevant Swap Agreement;

- (c) *third*, after the Covered Bonds have been fully repaid, any remaining monies shall be applied in or towards repayment in full of all amounts outstanding under the Intercompany Loan Agreement;
- (d) *fourth*, towards payment of any indemnity amount due to the Members pursuant to Clause 5.6 and Clause 32 (*New Members*) of the LLP Deed; and
- (e) *fifth*, thereafter any remaining monies shall be applied in or towards payment to the Members pursuant to Clause 20 (*Application and Distribution of monies When Covered Bond Repaid*) of the LLP Deed (and, if the Society is not then a Member of the LLP, towards repayment of the Issuer Subordinated Loan),

provided that unless and until the Issuer has been admitted to the register of issuers pursuant to Regulation 14 of the RCB Regulations, items (i) to (v) of (a) above shall not be applied *pari passu* but shall be applied in accordance with the order of priority set out in paragraph (a), with amounts being applied in respect of (a)(i) (with items (A) and (B) thereof being paid on a *pro rata* and *pari passu* basis), then (a)(ii), then (a)(iii) (with items (A) to (D) thereof being paid on a *pro rata* and *pari passu* basis), then (a)(iv) and then (a)(v) (with items (A) and (B) thereof being paid on a *pro rata* and *pari passu* basis), in each case only if and to the extent that payment in respect of a higher order of priority has been made in full.

Each of the Secured Creditors hereto acknowledges and concurs (A) with the provisions of this Clause 7.2 and agrees that, subject to clause 12.1, it shall have no claim against the Security Trustee or any Receiver as a result of the application thereof and (B) that the application of monies pursuant to the Post-Enforcement Priority of Payments is without prejudice to the provisions set out in Clause 7.3 (*Discharge of LLP's obligations under this Agreement*) of the Intercompany Loan Agreement.

8. CONFLICT

8.1 Secured Creditors

- (a) The Security Trustee, as regards the exercise and performance of all powers, rights, trusts, authorities, duties and discretions of the Security Trustee in respect of the Charged Property, under or pursuant to this Deed or any other Transaction Document to which the Security Trustee is a party or the rights or benefits in respect of which are comprised in the Charged Property (except where specifically provided otherwise), shall:
 - (i) have regard only to the interests of the Covered Bondholders whilst any of the Covered Bonds remains outstanding and shall not be required to have regard to the interests of any other Secured Creditor or any other person or to act upon or comply with any direction or request of any other Secured Creditor or any other person whilst any amount remains owing to any Covered Bondholder; and
 - (ii) if no Covered Bonds remain outstanding, have regard to the next highest Secured Creditor (excluding the Security Trustee) in the relevant priority of payments.
- (b) In having regard to the interests of the Covered Bondholders, the Security Trustee shall be entitled to rely on a written confirmation from the Bond Trustee as to whether, in the opinion of the Bond Trustee, any matter, action or omission is or is not in the interests of or is or is not prejudicial or materially prejudicial to the interests of, the Bondholders. The Bond Trustee shall have sole responsibility for resolving conflicts of interests as between Bondholders or any Series or class of them, subject to and in accordance with the provisions of the Trust Deed and the Conditions.
- (c) If, in connection with the exercise of its powers, trusts, authorities or discretions, the Security Trustee is of the opinion that the interests of the holders of the Covered Bonds of any one or more Series would

be materially prejudiced thereby, the Security Trustee shall not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of not less than 25 per cent. of the Sterling Equivalent of the Principal Amount Outstanding of the Covered Bonds of the relevant Series then outstanding.

8.2 Acknowledgement

Each of the Secured Creditors hereby acknowledges and concurs with the provisions of Clause 8.1 (Secured Creditors) and each of them agrees that it shall have no claim against the Security Trustee as a result of the application thereof.

9. THE SECURITY TRUSTEE'S POWERS

9.1 Prior Notification

The Security Trustee shall, if reasonably practicable, give prior notification to the Seller of the Security Trustee's intention to enforce the Security, provided always that the failure of the Security Trustee to provide such notification shall not prejudice the ability of the Security Trustee to enforce the Security.

9.2 Enforceable

Without prejudice to the provisions of Clauses 9.5 (Law of Property Act 1925) and 10.1 (Appointment), (i) the Security shall become immediately enforceable; (ii) the power of sale and other powers conferred by Section 101 of the 1925 Act, as varied or amended by this Deed, shall, in accordance with this Clause 9, be exercisable by the Security Trustee; and (iii) the LLP shall be deemed to be in default within the meaning of Standard Condition 9(1)(B) of Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (the “1970 Act”), in each case at any time following service of an LLP Acceleration Notice or, if there are no Covered Bonds outstanding, following a default in the payment or discharge of any other Secured Obligations on its due date. Without prejudice to the effectiveness of any service of the LLP Acceleration Notice, as soon as is reasonable thereafter the Bond Trustee shall serve a copy of any LLP Acceleration Notice on each of the Secured Creditors and the LLP and the Issuer shall deliver a copy thereof to the Rating Agencies and the Asset Monitor.

9.3 Amounts Due

Notwithstanding any other provision of this Deed, all amounts owing under the Secured Obligations shall be deemed to have become due for the purposes of Section 101 of the 1925 Act and (to the extent applicable) the statutory power of sale and of appointing a Receiver which are conferred on the Security Trustee under the 1925 Act (as varied or extended by this Deed) only (and for no other purpose) and all other powers shall be deemed to arise immediately after execution of this Deed but shall only become enforceable in accordance with Clause 9.2 (Enforceable) above. For the avoidance of doubt, the Security Trustee shall not be required to have regard to the interests of the LLP in the exercise of its rights, powers, authorities, discretions and remedies under or pursuant to this Deed.

9.4 Power of Sale

Section 103 of the 1925 Act shall not apply in relation to any of the charges contained in or pursuant to this Deed and the statutory power of sale (as extended by this Deed) and all other powers shall be exercisable and the LLP shall be deemed to be in default within the meaning of Condition 9(1)(b) of Schedule 3 to the 1970 Act at any time after service of an LLP Acceleration Notice.

9.5 Law of Property Act 1925

The provisions of the 1925 Act relating to the power of sale and the other powers conferred by Section 101(1) and (2) of the 1925 Act are hereby extended in relation to the LLP (as if such extensions were contained therein) to authorise the Security Trustee at its absolute discretion at any time following the service of an LLP Acceleration Notice in accordance with Condition 9(b) (*Events of Default and Enforcement - LLP Events of Default*) or, if there are no Covered Bonds outstanding, following a default in payment or discharge of any other Secured Obligation on its due date and in each case subject to the Security Trustee being indemnified and/or secured to its satisfaction in relation to the exercise of such powers:

- (a) to make demand in the name of the Secured Creditors or in its own right for any monies and liabilities in respect of the Charged Property;
- (b) to sell, transfer, convey, vary or otherwise dispose of the LLP's title to or interest in the Charged Property, and to do so for any shares, debentures or other securities including, without limitation, any Authorised Investments or Substitution Assets whatsoever comprising part thereof, or in consideration of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by Security Interests or a guarantee, or for such other consideration whatsoever as the Security Trustee may in its absolute discretion think fit, and also to grant any option to purchase, and to effect exchanges of, the whole or any part of the Charged Property (and nothing shall preclude any such disposal being made to a Secured Creditor);
- (c) with a view to or in connection with the sale of the Charged Property, to carry out any transaction, scheme or arrangement which the Security Trustee may, in its absolute discretion, consider appropriate;
- (d) to insure the Charged Property against such risks and for such amounts as the Security Trustee may in its absolute discretion consider prudent; and
- (e) to do all or any of the things or exercise all or any of the powers which are mentioned or referred to in Clause 10.6 (Powers of Receiver) as if each of them was expressly conferred on the Security Trustee by this Deed and which may not be included in paragraphs (a) to (d) above.

9.6 Delegation to Receiver

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

9.7 Additional Powers

The Security Trustee shall have the power to insure against any liabilities or obligations arising:

- (a) as a result of the Security Trustee acting or failing to act in a certain way (other than which may arise from its, negligence or wilful default or that of its officers or employees);
- (b) as a result of any act or failure to act by any person or persons to whom the Security Trustee has delegated any of its trusts, rights, powers, duties, authorities or discretions, or appointed as its agent (other than which may arise from such person's negligence, fraud and/or wilful default);
- (c) in connection with the Charged Property; or

- (d) in connection with or arising from the enforcement of the Security created by or pursuant to this Deed.

The Security Trustee shall not be under any obligation to insure in respect of such liabilities and/or obligations or to require any other person to maintain insurance, but to the extent that it does so, the LLP shall quarterly and on written request pay all insurance premiums and expenses which the Security Trustee may properly incur in relation to such insurance. If the LLP fails to pay such premiums or expenses or to reimburse the Security Trustee therefor, the Security Trustee shall be entitled to be indemnified out of the Charged Property in respect thereof and, where an LLP Acceleration Notice has been served, the indemnification of the Security Trustee in respect of all such insurance premiums and expenses shall be payable in priority to payments to the Covered Bondholders and all other Secured Creditors and otherwise in accordance with this Deed.

9.8 Application to Court

The Security Trustee may at any time after the Security created under or pursuant to this Deed shall have become enforceable apply to the Court for an order that the powers and trusts of this Deed be exercised or carried into execution under the direction of the Court and for the appointment of a Receiver of the Charged Property or any part thereof and for any other order in relation to the execution and administration of the powers and trusts hereof as the Security Trustee shall deem expedient, and it may assent to or approve any application to the Court made at the instance of any of the other Secured Creditors.

9.9 Authorised Investments

Any monies which under the trusts of this Deed ought to or may be invested by the Security Trustee (or by the Cash Manager or any other agent on its behalf) after the Security created under or pursuant to this Deed shall have become enforceable may be invested in the name of the Security Trustee or in the name of any nominee on its behalf and under the control of the Security Trustee in any Authorised Investments and the Security Trustee may at any time vary or transfer (or direct the Cash Manager to vary or transfer) or exchange any of such Authorised Investments for or into other such Authorised Investments as the Security Trustee in its absolute discretion may determine, and shall not be responsible (save where any loss results from the Security Trustee's breach of trust, fraud, wilful default or negligence or that of its officers or employees) for any loss occasioned by reason of any such Authorised Investments whether by depreciation in value or otherwise, provided that such Authorised Investments were made in accordance with the foregoing provisions. If a bank or institution with which any monies placed on deposit in accordance with this clause is the Security Trustee or an affiliate of the Security Trustee, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer.

9.10 Application of Funds

After the Security created under or pursuant to this Deed shall have become enforceable, the Security Trustee may, at its absolute discretion and pending payment, invest monies at any time available for payment of principal and interest in respect of any Covered Bonds under Clause 7 (Payments out of the LLP Accounts upon Enforcement, Realisation and/or Winding-Up) to the extent that it is permitted to do so under the FSMA 2000 in any Authorised Investments and the Security Trustee may at any time vary, transfer or exchange any of such Authorised Investments for or into other such Authorised Investments as the Security Trustee at its absolute discretion may determine; and such investments with the resulting income thereof may be accumulated and such accumulations and investments shall then be applied in accordance with Clause 7 (Payments out of the LLP Accounts upon Enforcement, Realisation and/or Winding-Up).

9.11 Scottish Trust Property

The LLP hereby undertakes, as a beneficiary under each Scottish Declaration of Trust that if at any time after the Security constituted by and pursuant to this Deed shall have become enforceable and the Security Trustee or any Receiver shall so require, it will co-operate in selling or disposing of all or any part of the Scottish Trust Property on terms previously approved by the Security Trustee or any Receiver and/or (insofar as permitted by the terms of the relevant Scottish Declaration of Trust) in causing the trust constituted by the relevant Scottish Declaration of Trust to be wound up and/or performed and it will use all reasonable endeavours to take all actions and execute all such documents as may be necessary to effect such sale or disposal or winding up or performance and the distribution or transfer of the Scottish Trust Property or any part thereof in accordance with the terms of the relevant Scottish Declaration of Trust and this Deed. The Seller as a trustee under each Scottish Declaration of Trust acknowledges the terms of this Clause 9.11 (Scottish Trust Property) and the undertaking given by the LLP.

10. RECEIVER

10.1 Appointment

- (a) Subject to Clause 10.1(b) below, at any time after the Security created under or pursuant to this Deed shall have become enforceable, the Security Trustee may, at its absolute discretion (and shall if properly directed in accordance with Clause 20 (Exercise of Certain Rights) and indemnified in accordance with Clause 13 (Expenses and Indemnity), appoint, by writing or by deed, such person or persons (including an officer or officers of the Security Trustee) as the Security Trustee thinks fit, to be Receiver of the Charged Property or any part thereof and, in the case of an appointment of more than one person, to act together or independently of the other or others. In the event that there is the making of an application or the presentation of a petition to the court for an administration order in relation to the LLP and such application or presentation is notified to the Secured Creditors, the Secured Creditors shall forthwith notify the Security Trustee.
- (b) The Security Trustee may not appoint an administrative receiver, receiver, manager or receiver and manager pursuant to sub-clause 10.1(a) above solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 1986, as amended except with leave of the court.

10.2 Removal and Replacement

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

10.3 Extent of Appointment

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

10.4 Agent of the LLP

Any Receiver shall, so far as the law permits, be the agent of the LLP and the LLP alone shall be responsible for such Receiver's contracts, engagements, acts, omissions, misconduct, negligence or default and for liabilities incurred by him and in no circumstances whatsoever shall the Security Trustee be in any way responsible for or incur any liability in connection with such Receiver's contracts, engagements, acts, omissions, misconduct, negligence or default, and if a liquidator of the

LLP shall be appointed, such Receiver shall act as principal and not as agent for the Security Trustee. Notwithstanding the generality of the foregoing, such Receiver shall in the exercise of his powers, authorities and discretions conform to the regulations (if any) from time to time made and given in writing by the Security Trustee.

10.5 Remuneration

The remuneration of any Receiver shall be fixed by the Security Trustee and may be or include a commission calculated by reference to the gross amount of all monies received or otherwise and may include remuneration in connection with claims, actions or proceedings made or brought against such Receiver by the LLP or any other person or the performance or discharge of any obligation imposed upon him by statute or otherwise, but subject to Clause 7 (Payments out of the LLP Accounts upon Enforcement, Realisation and/or Winding-Up), such remuneration shall be payable hereunder by the LLP alone. The amount of such remuneration shall be paid in accordance with the terms and conditions and in the manner agreed from time to time between such Receiver and the Security Trustee and in accordance with the Post-Enforcement Priority of Payments.

10.6 Powers of Receiver

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

- (a) to take possession of, get in and collect the Charged Property (or such part thereof in respect of which it may be appointed) or any part thereof including income whether accrued before or after the date of his appointment;
- (b) to carry on, manage, concur in or authorise the management of, or appoint a manager of, the whole or any part of the business of the LLP;
- (c) to sell, exchange, license, surrender, release, disclaim, abandon, return or otherwise dispose of or in any way whatsoever deal with the whole or any part of the Charged Property or any interest in the Charged Property or any part thereof for such consideration (if any) and upon such terms (including by deferred payment or payment by instalments) as it may think fit and to concur in any such transaction;
- (d) to sell or concur in selling the whole or any part of the LLP's business whether as a going concern or otherwise;
- (e) to appoint, engage, dismiss or vary the terms of employment of any employees, officers, managers, agents and advisers of the LLP upon such terms as to remuneration and otherwise and for such periods as he may determine;
- (f) to insure, protect, maintain, repair, alter, improve, replace, exploit, add to and develop or concur in so doing, the Charged Property or any part thereof in any manner and for any purpose whatsoever;
- (g) in connection with the exercise or the proposed exercise of any of its powers or in order to obtain payment of its remuneration (whether or not it is already payable), to borrow or raise money from any person, including the Security Trustee, without security or on the security of any of the Charged Property and generally in such manner and on such terms as it may think fit;
- (h) to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims, disputes and proceedings concerning the Charged Property or any part thereof;

- (i) to transfer all or any of the Charged Property and/or any of the liabilities of the LLP to any other company or body corporate, whether or not formed or acquired for the purpose and to form a subsidiary or subsidiaries of the LLP;
- (j) to sell on condition and to grant rights and options over the whole or any part of the Charged Property and (with or without consideration) to rescind, surrender or disclaim or accept or agree to accept surrenders or disclaimers of agreements relating to or affecting any of the Charged Property in such circumstances, to such persons (including, without limitation, to the Security Trustee), for such purposes and upon such terms whatsoever as it may think fit and also to vary the terms of any contract affecting any of the Charged Property;
- (k) to redeem, discharge or compromise any Encumbrance from time to time having priority to or ranking *pari passu* with this Deed;
- (l) to effect or maintain indemnity insurance and other insurance (including without limitation the Insurance Policies) and obtain bonds and performance guarantees;
- (m) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the LLP or otherwise, as it may think fit, all documents, receipts, registrations, acts or things which it may consider appropriate;
- (n) to exercise any powers, discretions, voting, conversion or other rights or entitlements in relation to any of the Charged Property or incidental to the ownership of or rights in or to any of the Charged Property and to complete or effect any transaction entered into by the LLP and complete, disclaim, abandon or modify all or any of the outstanding contracts or arrangements of the LLP relating to or affecting the Charged Property;
- (o) to exercise all powers as are described in Schedule 1 and Schedule 2 to the Insolvency Act 2000, whether or not the Receiver is an "administrative receiver" as defined in that Act;
- (p) to delegate its powers by way of power of attorney or in any other manner to any person any right, power or discretion exercisable by it under or pursuant to this Deed on the terms (including the power to sub-delegate) and subject to any regulations which such Receiver may think fit and such Receiver shall not be liable or responsible in any way to the LLP or the Security Trustee for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate;
- (q) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Property which it may consider expedient as effectually as if he were solely and absolutely entitled to the Charged Property;
- (r) in addition:
 - (i) to do all other acts and things which it may consider desirable or necessary for realising any Charged Property or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and
 - (ii) to exercise in relation to any Charged Property all the powers, authorities and things which it would be capable of exercising if he were the absolute beneficial owner of the same,

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

- (s) to pay and discharge out of the profits and income of the relevant Charged Property and the monies to be made by it in carrying on the business of the LLP the expenses incurred in and about the carrying on and management of the business or in the exercise of any of the powers conferred by this Clause 10.6 or otherwise in respect of such Charged Property and all outgoings which it shall think fit to pay and to apply the residue of the said profits, income or monies in the manner provided by Clause 7 (Payments out of the LLP Accounts upon Enforcement, Realisation and/or Winding-Up) hereof.

The Security Trustee may pay over to a Receiver any monies constituting part of the Charged Property to the intent that the same may be applied for the purposes referred to in Clause 7 (Payments out of the LLP Accounts upon Enforcement, Realisation and/or Winding-Up) by such Receiver and the Security Trustee may from time to time determine what funds such Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver.

11. PROTECTION OF THIRD PARTIES

11.1 Enquiry

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

11.2 Receipts

Upon any dealing or transaction under or pursuant to this Deed, the receipt of the Security Trustee or a Receiver, as the case may be, shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee or such Receiver.

12. PROTECTION OF SECURITY TRUSTEE AND RECEIVER

12.1 Liability

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

12.2 Possession

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

12.3 Mortgagee in Possession

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

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

13. EXPENSES AND INDEMNITY

13.1 Expenses

The LLP covenants with and undertakes to the Security Trustee to reimburse or pay (but only (i) if the Issuer fails to pay any sum payable by it to the Security Trustee or (ii) following service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay on the LLP or, if earlier, following an LLP Event of Default) to the Security Trustee or any Receiver of the LLP the amount of all costs (including legal costs and travel expenses), charges and expenses (including insurance premiums) properly incurred or sustained by the Security Trustee or any Receiver (including, for the avoidance of doubt, any such costs, charges and expenses arising from any act or omission of, or proceedings involving, any third person) in connection with:

- (a) the exercise or the attempted exercise, or the consideration of the exercise by or on behalf of the Security Trustee or any Receiver of any of the powers of the Security Trustee or such Receiver, and the performance of its functions under this Deed and the other Transaction Documents and the enforcement, preservation or attempted preservation of this Deed (or any of the Security) or any of the Charged Property or any other action taken by or on behalf of the Security Trustee or such Receiver with a view to or in connection with the recovery by the Security Trustee or such Receiver of the Secured Obligations from the LLP or any other person; or
- (b) the carrying out of any other act or matter which the Security Trustee or any Receiver may consider to be necessary for the preservation, improvement or benefit of the Charged Property.

13.2 Indemnity

The LLP agrees to indemnify in full (but only, (i) if the Issuer fails to pay any sum payable by it to the Security Trustee or (ii) following service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay on the LLP or, if earlier, following an LLP Event of Default) the Security Trustee and any Receiver, on an after-Tax basis, from and against all losses, actions, claims, costs (including legal costs and travel expenses), charges and expenses (including insurance premiums), demands and liabilities whether in contract, tort, delict or otherwise now or hereafter properly sustained or incurred by the Security Trustee or such Receiver and their respective officers and employees or by any person for whose liability, act or omission the Security Trustee or such Receiver may be answerable, in connection with anything done or omitted to be done under or pursuant to this Deed or any other Transaction Document to which such entity is a party, or in the exercise or purported exercise of the powers herein contained, or occasioned by any breach by the LLP of any of its covenants or other obligations to the Security Trustee, or in consequence of any payment in respect of the Secured Obligations (whether made by the LLP or a third person) being declared void or impeached for any reason whatsoever save where the same arises as a result of the fraud, negligence, wilful default or breach of trust of the Security Trustee or Receiver or their officers and employees.

13.3 Taxes

All sums payable by the LLP or the Issuer under or pursuant to this Deed are deemed to be exclusive of any amount in respect of VAT. If, pursuant to any provision of this Deed, the Security Trustee or any Receiver of the LLP makes any taxable or deemed taxable supply to the LLP, then the LLP shall pay to the Security Trustee or such Receiver (as the case may be) (in addition to the consideration for the supply) an amount equal to the VAT charged in respect of such taxable or deemed taxable supply against production of a valid VAT invoice.

13.4 Interest

All sums payable by the LLP under Clauses 24.3 (Disputes), 24.4 (Expenses) and 24.5 (Indemnity) shall be payable on demand and:

- (a) in the case of payments actually made by the Security Trustee prior to the demand, shall (if so required by the Security Trustee) carry interest at the rate per annum which is 1 per cent. per annum higher than the base rate of the Principal Paying Agent for the time being from the first Business Day following the date of the same being demanded to the date of actual payment (provided that such demand shall be made on a Business Day, otherwise interest shall be payable from the second Business Day following the date of the demand to the date of actual payment); and
- (b) in all other cases, shall (if so required by the Security Trustee) carry interest at such rate from the date 14 days after the date of the same being demanded or (where the demand specifies that payment by the Security Trustee will be made on an earlier date provided such earlier date is a Business Day) from such earlier date (not being earlier than the Business Day following the date of such demand) to the date of actual payment.

Any amounts payable pursuant to Clauses 24.1 (Remuneration) and 24.2 (Additional Remuneration) shall (if so required by the Security Trustee) carry interest at the aforesaid rate from the due date thereof to the date of actual payment.

13.5 Stamp Duties

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

- (a) the creation of the security constituted by or pursuant to this Deed;
- (b) any action taken by the Bond Trustee (or any Covered Bondholder or Couponholder where permitted under the trust presents so to do) to enforce the provisions of the Covered Bonds, the Coupons or the trust presents; or
- (c) the execution and delivery of this Deed and documents executed pursuant hereto and the other Transaction Documents (except where such obligation to pay such stamp duties and other duties on Taxes of a similar nature is expressed to be the obligation of any other party to the Transaction Documents).

14. PROTECTION OF SECURITY

The LLP further covenants with and undertakes to the Security Trustee from time to time (and, for the purposes mentioned in Clause 14(a) below, notwithstanding that the Security Trustee may not have served an LLP Acceleration Notice) upon demand to execute, at the LLP's own cost, any document or

do any act or thing (other than any amendment hereto) which the Security Trustee may reasonably specify:

- (a) with a view to registering or perfecting legal title to the Loans and their Related Security transferred to the LLP pursuant to the terms of the Mortgage Sale Agreement and any charge, sub-charge or other security created or intended to be created by or pursuant to this Deed (including the perfecting of the conversion of any floating charge to a fixed charge pursuant to Clauses 15.1 (Notice) or 15.2 (Automatic Crystallisation)) subject to having first obtained all necessary consents (if any); or
- (b) with a view to facilitating the exercise or the proposed exercise of any of its powers or the realisation of any of the Charged Property; or
- (c) with a view to protecting the Security Interests created by or pursuant to this Deed,

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

15. CRYSTALLISATION

15.1 Notice

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

- (a) it believes that the Charged Property or any part thereof is in danger of being seized or sold under any form of distress, diligence or execution levied or threatened or is otherwise in jeopardy or imperilled; or
- (b) any circumstance shall occur which, in the reasonable opinion of the Security Trustee, materially prejudices, imperils, threatens or is likely to do any of the foregoing in respect of the security created by or pursuant to this Deed or the LLP takes or threatens to take any action that would be materially prejudicial to, or would be materially inconsistent with, the security created hereby,

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

15.2 Automatic Crystallisation

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

- (a) the Bond Trustee serves an LLP Acceleration Notice on the LLP;
- (b) the LLP ceases to carry on all or substantially all of its business or ceases to be a going concern; or
- (c) the LLP stops making payments to its creditors or gives notice to creditors that it intends to stop payment; or
- (d) the holder of any other Encumbrance in relation to the LLP, whether ranking in priority to or *pari passu* with or after the charges contained in this Deed, appoints a Receiver; or
- (e) any floating charge granted by the LLP to any other person (whether permitted by the Transaction Documents or not) crystallises for any reason whatsoever.

The floating charge created by Clause 3.7 (Floating Charge) of this Deed may not be converted into a fixed charge solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with leave of the court.

15.3 Failure of Petition for Administration or Winding-up

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

16. POWER OF ATTORNEY, ETC.

16.1 Execution of Power of Attorney

Immediately upon execution of this Deed, the LLP shall execute and deliver to the Security Trustee and each Receiver and/or administrator a power of attorney in or substantially in the form set out in Schedule 1. For the avoidance of doubt, the Security Trustee confirms that it may only exercise the powers conferred under such power of attorney in the circumstances set out in paragraph 1 of Schedule 1.

16.2 Charged Property on Trust

To the extent that it is permitted to do so under the Transaction Documents, for the purpose of giving effect to this Deed, the LLP hereby declares that, after the Security created under or pursuant to this Deed has become enforceable, it will hold all of the Charged Property (subject to the right of redemption) upon trust for the Security Trustee and agrees to convey, assign or otherwise deal with such Charged Property in such manner and to such person as the Security Trustee shall direct, and declares that it shall be lawful for the Security Trustee to appoint a new trustee or trustees of the Charged Property in place of the LLP.

17. OTHER SECURITY, ETC.

17.1 No Merger

The Security Interests contained in or created pursuant to this Deed are in addition to, and shall neither be merged in, nor in any way exclude or prejudice any other Security Interests, right of recourse, set-

off or other right whatsoever which the Security Trustee or any Secured Creditor may now or at any time hereafter hold or have (or would apart from this Deed or any charge contained or created pursuant to this Deed hold or have) as regards the LLP or any other person in respect of the Secured Obligations, and neither the Security Trustee (subject to the provisions of Clause 20.6 (Mandatory Enforcement)) nor any Secured Creditor shall be under any obligation to take any steps to call in or to enforce any security for the Secured Obligations, and shall not be liable to the LLP for any loss arising from any omission on the part of the Security Trustee or any Secured Creditor to take any such steps or for the manner in which the Security Trustee or any Secured Creditor shall enforce or refrain from enforcing any such security.

17.2 Consolidation

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

17.3 Ruling Off

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

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

17.4 Change of Name, etc.

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

18. AVOIDANCE OF PAYMENTS

18.1 No Release

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

18.2 Retention of Charges

If the Security Trustee shall have reasonable grounds for believing that the LLP may be insolvent or deemed to be insolvent pursuant to the provisions of the Insolvency Act 1986 at the date of any payment made by the LLP to the Security Trustee and that as a result, such payment may be capable of being avoided or clawed back, the Security Trustee shall be at liberty to retain the Security Interests

contained in or created pursuant to this Deed until the expiry of a period of one month plus such statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after the payment and discharge in full of all Secured Obligations notwithstanding any release, settlement, discharge or arrangement which may be given or made by the Security Trustee on, or as a consequence of, such payment or discharge of liability provided that, if at any time within such period, a petition shall be presented to a competent court for an order for the winding up or the making of an administration order in respect of the LLP or the LLP shall commence to be wound up or to go into administration or any analogous proceedings shall be commenced by or against the LLP, as the case may be, the Security Trustee shall be at liberty to continue to retain such security for such further period as the Security Trustee may determine and such security shall be deemed to continue to have been held as security for the payment and discharge to the Security Trustee of all Secured Obligations.

19. SET-OFF

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

20. EXERCISE OF CERTAIN RIGHTS

20.1 No Enforcement by Secured Creditors

Each of the Secured Creditors (other than the Covered Bondholders and the Security Trustee and, in relation to sub-clause 20.1(b) below, the Bond Trustee) hereby agrees with the LLP and the Security Trustee that:

- (a) only the Security Trustee may enforce the Security created in favour of the Security Trustee by this Deed in accordance with the provisions hereof; and
- (b) it shall not take any steps for the purpose of (i) recovering any of the Secured Obligations (including, without limitation, by exercising any rights of set-off); or (ii) enforcing any rights arising out of the Transaction Documents against the LLP or procuring the winding up, administration or liquidation of the LLP in respect of any of its liabilities whatsoever,

unless the Security Trustee, having become bound to take any steps or proceedings to enforce the said Security under or pursuant to this Deed, fails to do so within a reasonable period and such failure is continuing (in which case each of such Secured Creditors shall be entitled to take any such steps and proceedings as it shall deem necessary other than the presentation of a petition for the winding up of, or for an administration order in respect of, the LLP).

20.2 Limited Recourse

Each of the Secured Creditors (other than the Covered Bondholders) hereby agrees with the LLP and the Security Trustee that, notwithstanding any other provision of any Transaction Document, all obligations of the LLP to each Secured Creditor in respect of the Secured Obligations owing to each

Secured Creditor are limited in recourse to the Charged Property and, upon the Security Trustee giving written notice to the Secured Creditors that:

- (a) it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents; and
- (b) all amounts available to be applied to pay amounts owing under the Transaction Documents have been so applied in accordance with the provisions of this Deed,

the Secured Creditors shall have no further claim against the LLP in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full.

The provisions of this Clause 20.2 shall survive the termination of this Deed.

20.3 Subordination

- (a) Each of the Secured Creditors hereby acknowledges that it has received a copy of the LLP Deed and hereby agrees to be bound by the terms of the Priorities of Payment set out in the LLP Deed and this Deed. Without prejudice to Clause 20.1 (No Enforcement by Secured Creditors), each of the Secured Creditors (other than the Security Trustee and the Bond Trustee) further agrees with each other party to this Deed that, notwithstanding any other provision contained herein or in any other Transaction Document:
 - (i) it will not demand or receive payment of, or any distribution in respect of or on account of, any amounts secured by this Deed and payable by the LLP (or the Cash Manager on its behalf) or the Security Trustee, as applicable, to that Secured Creditor under the Transaction Documents, in cash or in kind, and will not apply any money or assets in discharge of any such amounts payable to it (whether by set off or by any other method), unless all amounts then due and payable by the LLP to all other Secured Creditors ranking higher in the relevant Priorities of Payments have been paid in full;
 - (ii) if any amount is received by it (including by way of set-off) in respect of any Secured Liability owed to it:
 - (A) prior to the occurrence of an LLP Event of Default and service of an LLP Acceleration Notice, the commencement of winding-up proceedings in respect of the LLP and/or realisation of the Security, other than in accordance with the provisions of this Deed and the Pre-Acceleration Priority of Payments or the Guarantee Priority of Payments, as applicable, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of this Deed and the Pre-Acceleration Priority of Payments or the Guarantee Priority of Payments, as applicable, shall be received and held by it as trustee for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of this Deed and the Pre-Acceleration Priority of Payments or the Guarantee Priority of Payments, as applicable;
 - (B) prior to (but excluding) the date on which the Issuer is admitted to the register of issuers by the FCA pursuant to Regulation 14 of the RCB Regulations but after the occurrence of an LLP Event of Default and service of an LLP Acceleration Notice, the commencement of winding-up proceedings in respect of the LLP and/or realisation of the Security, other than in accordance with the provisions of this Deed and the Post-Enforcement Priority of Payments, then an amount equal to the

difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of this Deed and the Post-Enforcement Priority of Payments shall be received and held by it as trustee for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of this Deed and the Post-Enforcement Priority of Payments;

- (C) from (and including) the date on which the Issuer is admitted to the register of issuers by the FCA pursuant to Regulation 14 of the RCB Regulations and after the occurrence of an LLP Event of Default and service of an LLP Acceleration Notice, the commencement of winding-up proceedings in respect of the LLP and/or realisation of the Security, other than in accordance with the provisions of the Post-Acceleration Priority of Payments and where if such amount (A) is paid to the Covered Bondholders (or another Secured Creditor on their behalf) or (B) is paid to any Covered Bond Swap Provider or (C) would have been paid subordinate to the Covered Bondholders in accordance with the Post-Acceleration Priority of Payments, then (notwithstanding the provisions of Regulations 28 and 29 of the RCB Regulations) an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of this Deed and the Post-Enforcement Priority of Payments shall be received and held by it as trustee for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of this Deed and the Post-Enforcement Priority of Payments; and

- (iii) without prejudice to Clause 20.1 (No Enforcement by Secured Creditors), it shall not claim, rank, prove or vote as creditor of the LLP or its estate in competition with any prior ranking Secured Creditors in the relevant Priorities of Payments, the Security Trustee or the Bond Trustee, as applicable, or claim a right of set-off until all amounts then due and payable to Secured Creditors who rank higher in the relevant Priorities of Payments have been paid in full.

- (b) Neither the LLP nor the Security Trustee shall pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor under the relevant Transaction Documents (in cash or in kind) unless and until all amounts then due and payable by the LLP or the Security Trustee to all other Secured Creditors ranking higher in the relevant Priorities of Payments have been paid in full.
- (c) The perpetuity period for the trusts in this Clause 20.3 shall be 80 years.
- (d) Each of the Secured Creditors acknowledges that this Clause is without prejudice to the provisions set out in Clause 7.3 (*Discharge of the LLP's obligations under this Agreement*) of the Intercompany Loan Agreement.

20.4 Knowledge of Security Trustee of an LLP Event of Default

The Security Trustee will not be deemed to have knowledge of the occurrence of an LLP Event of Default or Potential LLP Event of Default unless the Security Trustee has received written notice from the LLP (or on its behalf) or a Secured Creditor stating that an LLP Event of Default or Potential LLP Event of Default has occurred and describing that LLP Event of Default.

20.5 Discretionary Enforcement

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

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

20.6 Mandatory Enforcement

The Security Trustee shall not and shall not be bound to take any steps to enforce any provision of this Deed or to institute any proceedings or to enforce the Security unless the Security Trustee:

- (a) shall have been directed to do so by:
 - (i) the Bond Trustee (so long as Covered Bonds are outstanding); or
 - (ii) if there are no Covered Bonds outstanding, all of the other Secured Creditors; and
- (b) in either case shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable and all Liabilities which it may incur by so doing and the terms of such indemnity may include the provision of a fighting fund, non-recourse loan or other similar arrangement.

The Security Trustee shall not be liable to any Secured Creditors for any action it may take in accordance with instructions received pursuant to this Clause 20.6.

20.7 Administrative receiver

- (a) Notwithstanding any term of this Deed, the Security Trustee must enforce the Security by appointing an administrative receiver in respect of the LLP if it has actual notice of:
 - (i) an application for the appointment of an administrator in respect of the LLP;
 - (ii) the giving of a notice of intention to appoint an administrator in respect of the LLP; or
 - (iii) the filing of a notice of appointment of an administrator in respect of the LLP with the Court,and that appointment will take effect on the final day by which it must take effect in order to prevent an administration proceeding unless, in any such case, to do so would in the opinion of the Bond Trustee (such opinion to be sought by the Security Trustee) be materially prejudicial to the interests of the Covered Bondholders and the Rating Agencies have confirmed that not so appointing an administrative receiver to the LLP would not have an adverse effect on their then current ratings of any of the Covered Bonds.
- (b) The Security Trustee is not liable for any delay in appointing or failure to appoint an administrative receiver in respect of the LLP, save in the case of its own gross negligence, wilful default or fraud.
- (c) The LLP hereby waives any claims against the Security Trustee in respect of any appointment made pursuant to this Clause.

20.8 Mandatory other action

The Security Trustee shall not and shall not be bound to take any other steps (other than the steps referred to in Clause 20.6 (Mandatory Enforcement) above) or exercise its rights, powers, discretions, authorities, duties and/or functions including, without limitation, in giving its consent, approval or authorisation to any event, matter or thing requested or making any determination or to take any other action under or in connection with any of the Transaction Documents under or pursuant to this Deed or any of the other Transaction Documents unless the Security Trustee shall have been directed to do so by the Bond Trustee (so long as the Covered Bonds are outstanding) or all of the other Secured

Creditors if there are no Covered Bonds outstanding; and shall have been indemnified and/or secured to its satisfaction as aforesaid.

20.9 Disposal of Charged Property

Notwithstanding Clause 9 (The Security Trustee's Powers), if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Covered Bonds, the Security Trustee will not be entitled to dispose of any of the Charged Property unless either a sufficient amount would be realised to allow discharge in full of all amounts owing to the Covered Bondholders or the Security Trustee is of the sole opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers reasonably selected by the Security Trustee for the purpose of giving such advice), that the cash flow prospectively receivable by the LLP will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the LLP, to discharge in full in due course all amounts owing to the Covered Bondholders. The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the LLP.

21. COVENANTS AND WARRANTIES

21.1 Warranty

The LLP represents and warrants to the Security Trustee that it has taken all necessary steps to enable it to charge, secure or assign in security the Charged Property in accordance with Clause 3 (Security and Declaration of Trust), and that it has taken no action or steps to prejudice its right, title and interest in and to the Charged Property and the LLP further represents and warrants to the Security Trustee on the terms of the representations and warranties set out in Schedule 3 (LLP's Representations and Warranties)

21.2 Negative Covenants

So long as any of the Secured Obligations remain outstanding, the LLP shall not, save to the extent permitted by or provided for in the Transaction Documents or with the prior written consent of the Security Trustee (which may only be given if the Security Trustee is so instructed by the Bond Trustee pursuant to Clause 20):

- (a) create or permit to subsist any mortgage, standard security, assignation, assignment, pledge, lien, charge or other Security Interest whatsoever (unless arising by operation of law) upon the whole or any part of its assets (including any uncalled capital) or its undertaking, present or future;
- (b)
 - (i) carry on any business other than as described from time to time in the Offering Circular relating to the Programme and the related activities described therein and in the LLP Deed; or
 - (ii) have any subsidiaries or any subsidiary undertakings (as defined in the Companies Act 2006 as modified for limited liability partnerships) or any employees or premises;
- (c) sell, assign, transfer, convey, lend, part with, charge, declare a trust over, create any beneficial interest in or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of the Charged Property, or any of its interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do so;
- (d) pay any Capital Distributions or any other amounts to its Members except in accordance with the LLP Deed;

- (e) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;
- (f) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (g) permit any of the Transaction Documents to which it is a party to become invalid or ineffective, or the priority of the Security Interests created thereby to be reduced, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party, or permit any party to any of the Transaction Documents to which it is a party or any other person whose obligations form part of the Charged Property to be released from its respective obligations;
- (h) have an interest in any bank account other than the LLP Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to it;
- (i) do any act or thing the effect of which would be to make the LLP resident for tax purposes in any jurisdiction other than the United Kingdom; or
- (j) permit any person other than the LLP and the Security Trustee to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein.

21.3 Positive Covenants

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

- (a) at all times to carry on and conduct its affairs and business in its own name as a separate entity and in accordance with the LLP Deed and all laws and regulations applicable to it;
- (b) to give to the Security Trustee within a reasonable time after request such information and evidence as it shall reasonably require and in such form as it shall reasonably require, including, without prejudice to the generality of the foregoing, the procurement by the LLP of all such certificates called for by the Security Trustee under or pursuant to this Deed or any other Transaction Document for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under this Deed or any other Transaction Document to which the Security Trustee is a party or by operation of law;
- (c) to cause to be prepared and certified by its auditors in respect of each Financial Year accounts in such form as will comply with relevant legal and accounting requirements applicable to it for the time being;
- (d) at all times to keep or procure the keeping of proper books of account and records separate from any person or entity and allow the Security Trustee and any person or persons appointed by the Security Trustee to whom the LLP shall have no reasonable objection free access to such books of account and records at all times during normal business hours upon reasonable notice in writing provided that such inspection shall only be for the purposes of carrying out its duties under or pursuant to this Deed and any information so obtained shall only be used and passed on to any other person for the purpose of the Security Trustee carrying out its duties under or pursuant to this Deed;
- (e) to send to the Security Trustee a copy of every balance sheet, profit and loss account, source and application of funds statement (if any), report, or other notice, statement, circular or document issued or given to any holder of securities (including Covered Bondholders and

Members in their capacity as such) or creditors of the LLP as soon as reasonably practicable after issue of the same;

- (f) to give notice in writing to the Security Trustee of the occurrence of any LLP Event of Default, Potential LLP Event of Default and/or service of an LLP Acceleration Notice (such notice to be effected by the delivery of a copy of the LLP Acceleration Notice to the Security Trustee) immediately upon becoming aware thereof and without waiting for the Security Trustee to take any further action;
- (g) to give to the Security Trustee (i) within fourteen days after demand by the Security Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each Financial Year and in any event not later than the date by which it is required by statute to file or publish (whichever is earlier) such audited accounts after the end of each such Financial Year a certificate signed by two Authorised Signatories of the LLP to the effect that as at a date not more than seven days before delivering such certificate (the certification date) there did not exist and had not existed since the certification date of the previous certificate (or in the case of the first such certificate the date hereof) any LLP Event of Default or Potential LLP Event of Default (or if such then exists or existed, specifying the same) and that during the period from and including the certification date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the certification date of such certificate the LLP has complied, to the best of such Authorised Signatories' knowledge and belief, with all its obligations contained in this Deed and each of the other Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not so complied;
- (h) at all times to execute all such further documents and do all such further acts and things as may in the opinion of the Security Trustee be necessary at any time or times to give effect to the terms and conditions of this Deed and the other Transaction Documents;
- (i) at all times to comply with the obligations and provisions binding upon it under and pursuant to this Deed and the other Transaction Documents; and
- (j) duly and promptly to pay and discharge all Taxes imposed upon it or its assets unless such Taxes are being contested in good faith by the LLP.

21.4 Form LL MR01

The LLP shall make a filing or shall procure that a filing is made with the Registrar of Companies of a duly completed Form LL MR01 together with a certified copy of this Deed and each Scottish Supplemental Charge and (where applicable) each Scottish Sub Security entered into pursuant to this Deed within the applicable time limit. Neither the Security Trustee nor the Bond Trustee shall be liable for any failure, omission, or defect in such filing.

22. SUPPLEMENTS TO THE TRUSTEE ACTS

22.1 Powers of Security Trustee

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

By way of supplement it is expressly declared as follows:

- (a) the Security Trustee may in relation to this Deed or any of the other Transaction Documents act on the opinion or advice of, or a certificate or any information (whether addressed to the Security Trustee or not) obtained from, any lawyer, banker, valuer, surveyor, securities company, broker, auctioneer, accountant or other expert or adviser in the United Kingdom or elsewhere (including, without limitation, any certificate or confirmation from the Rating Agencies), whether obtained by the Security Trustee or any Receiver or any other person and notwithstanding that such advice, opinion, certificate, information or any engagement letter or any other document entered into by the Security Trustee and the relevant person in connection therewith contains any monetary or other limit on the liability of the relevant person and the Security Trustee shall not be responsible for any loss occasioned by so acting;
- (b) any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, email, facsimile reproduction or in any other form and the Security Trustee shall not be liable for acting in good faith on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic provided that such error or lack of authenticity is not manifest;
- (c) the Security Trustee shall (save as expressly otherwise provided in this Deed or any of the other Transaction Documents) as regards all rights, powers, authorities and discretions vested in it by this Deed or any of the other Transaction Documents, or by operation of law, have absolute and uncontrolled discretion as to, and save as otherwise provided in this Deed shall not be liable for any Liability arising as a result of, the exercise or non-exercise thereof;
- (d) the Security Trustee shall be at liberty to place this Deed and all deeds and other documents relating to this Deed with any bank or banking company, or lawyer or firm of lawyers believed by it to be of good repute, in any part of the world, and the Security Trustee shall not be responsible for or be required to insure against any loss incurred in connection with any such deposit and the LLP shall pay all sums required to be paid on account of or in respect of any such deposit;
- (e) the Security Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay, on such terms as it in its absolute discretion deems fit, an agent to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Security Trustee (including the receipt and payment of money), provided that the Security Trustee shall have used reasonable care in the selection of any such agent. The Security Trustee (except where such agent is an affiliate or associated company of, or otherwise connected with, the Security Trustee) shall not be responsible for any misconduct or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons;
- (f) where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or any other Transaction Document or required by law) be converted at such rate or rates in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Security Trustee in its absolute discretion but having regard to current rates of exchange if available and the Security Trustee shall not be liable for any loss occasioned by the said conversion under this Clause 22.1(f);
- (g) subject to Clause 23.5 (Consent of Security Trustee), any consent given by the Security Trustee for the purposes of this Deed or any of the other Transaction Documents may be given on such terms and subject to such conditions (if any) as the Security Trustee in its absolute discretion thinks fit and, notwithstanding anything to the contrary contained in this Deed or any of the other Transaction Documents, may be given retrospectively;

- (h) the Security Trustee shall be entitled to rely (without investigation or further inquiry) upon a certificate, reasonably believed by it to be genuine, of the Issuer or LLP or any other person in respect of every matter and circumstance for which a certificate is expressly provided for under or pursuant to this Deed or the other Transaction Documents and to call for and rely upon a certificate of the Issuer or LLP or any other person reasonably believed by it to be genuine as to any other fact or matter prima facie within the knowledge of the Issuer or LLP or such person as sufficient evidence thereof and the Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be caused by it failing to do so;
- (i) the Security Trustee shall be entitled to rely (without investigation or further inquiry) upon instructions or directions given to it by the Bond Trustee as being given on behalf of the holders of one or more Series of Covered Bonds and the Security Trustee shall not be bound in any such case to inquire as to the compliance with the Trust Deed or be responsible for any Liability that may be caused by it failing to do so;
- (j) the Security Trustee shall not be responsible for acting upon any resolution in writing or any other resolution purporting to have been passed at any meeting of Covered Bondholders of one or more Series in respect whereof minutes have been made and purporting to have been signed by the chairman thereof or any direction or request of the holders of the Covered Bonds of all or any Series, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution (in that case of a resolution in writing) that not all such holders had signed the resolution or (in the case of a direction or request) it was not signed by the requisite number of holders or that for any reason the resolution, direction or request was not valid or binding upon the Covered Bondholders of the relevant Series;
- (k) the Security Trustee may call for and shall be at liberty to accept and place full reliance on as sufficient evidence of the facts stated therein a certificate or letter of confirmation certified as true and accurate and signed on behalf of Euroclear, Clearstream, Luxembourg or any depositary or common depositary or, as the case may be, the common safekeeper for them or such person as the Security Trustee considers appropriate, or any form of record made by any of them to the effect that any particular time or through any particular period any particular person is, was or will be shown in its records as entitled to a particular number of Covered Bonds;
- (l) the Security Trustee shall have no responsibility for the maintenance of any rating of the Covered Bonds by the Rating Agencies or any other person nor the listing of the Covered Bonds on any stock exchange;
- (m) 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 trust matters unless it shall be proved that the Security Trustee was negligent in ascertaining the pertinent facts;
- (n) no provision of this Deed or any other Transaction Document shall require the Security Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers or otherwise in connection with this Deed or any other Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it;
- (o) the Security Trustee shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be required to disclose to any Secured Creditor any information (including,

without limitation, information of a confidential, financial or price sensitive nature) made available to the Security Trustee by the LLP or any other person in connection with the trusts of this Deed or the Transaction Documents and no Secured Creditor shall be entitled to take any action to obtain from the Security Trustee any such information; and

- (p) the Security Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Security Trustee may determine, including for the purpose of depositing with a custodian this Deed or any documents relating to the trusts created hereunder. The Security Trustee shall not be responsible for any misconduct or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons.
- (q) the Security Trustee shall not be responsible for any loss, liability costs, damages, expenses or inconvenience occasioned to the Security however caused, whether by an act or omission of the LLP, the Issuer or any other party to the Transaction Documents or any other person (including any bank, broker, depositary, or other intermediary or any clearing system or operator thereof) acting in accordance with or contrary to the provisions of any Transaction Documents or otherwise and irrespective of whether the Security is held by or to the order of any such persons;
- (r) without prejudice to the provisions of any Transaction Document relating to insurance, the Security Trustee shall not be under any obligation to insure any of the Security or any deeds or documents of title or other evidence in respect of the Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience which may be suffered by any person as a result of the lack of or inadequacy of any such insurance;
- (s) the Security Trustee will not be liable for any decline in value nor any loss realised upon any sale or other disposition pursuant to this Deed of, any of the Charged Property. In particular and without limitation, the Security Trustee shall not be liable for any such decline or loss directly or indirectly arising from its acting or failing to act as a consequence of an opinion reached by it in good faith based on advice received by it in accordance with this Deed and the Conditions;
- (t) the Security Trustee shall have no responsibility whatsoever to the Issuer or Secured Creditors as regards any deficiency which might arise because the Security Trustee is subject to any Tax in respect of all or any of the Charged Property, the income therefrom or the proceeds thereof;
- (u) in exercising or performing any of its discretions, rights, powers, trusts or duties under or in relation to these presents or any other Transaction Document (including, without limitation, any consent, approval, modification, waiver, authorisation or determination referred to in any Transaction Document), the Security Trustee may have regard to any Rating Agency Confirmation whether or not any such confirmation is addressed to, or provides that it may be relied on by, the Security Trustee and irrespective of the method by which such confirmation is conveyed; and
- (v) the Security Trustee may call for and place full reliance on a certificate of the Issuer and/or the LLP (in each case signed by two Authorised Signatories of the Issuer or the LLP, as the case may be) or any other Transaction Party as to any fact or matter which the Security Trustee believes is within the knowledge of the persons providing the certificate or in respect of which the Security Trustee believes those persons have made due and careful enquiry, as sufficient evidence of that fact or matter.

22.2 Representations and Warranties, etc.

- (a) The Security Trustee shall not be responsible for any recitals or statements or warranties or representations of any party (other than the Security Trustee) contained herein or in any other Transaction Document or any other document entered into in connection therewith and may assume the accuracy and correctness thereof and shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any such agreement or other document or any trust or security thereby constituted or evidenced. The Security Trustee may accept without enquiry, requisition or objection such title as the LLP may have to the Charged Property or any part thereof from time to time and shall not be required to investigate or make any enquiry into the title of the LLP to the Charged Property or any part thereof from time to time whether or not any default or failure is or was known to the Security Trustee or might be, or might have been, discovered upon examination, inquiry or investigation and whether or not capable of remedy. Notwithstanding the generality of the foregoing, each Secured Creditor shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the LLP, and the Security Trustee shall not at any time have any responsibility for the same and each Secured Creditor shall not rely on the Security Trustee in respect thereof.
- (b) The Security Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Security Trustee. The Security Trustee will not be responsible for (i) supervising the performance by the LLP or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Security Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the LLP or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Portfolio, including, without limitation, whether the Portfolio is in compliance with the Asset Coverage Test or the Amortisation Test; or (iv) monitoring whether Loans and Related Security satisfy the Eligibility Criteria. The Security Trustee will not be liable to any Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.

22.3 Perfection

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

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

22.4 Enforceability, etc.

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

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

- (k) the failure to prevent, whether by act or omission, a fixed charge granted under or pursuant to this Deed from becoming a floating charge; or
- (l) any other matter or thing relating to or in any way connected with this Deed or the Charged Property or any document entered into in connection therewith whether or not similar to the foregoing.

22.5 No Supervision

Subject to the provisions allowing the Security Trustee to appoint agents and delegates the Security Trustee shall be under no obligation to monitor or supervise the respective functions of the Account Bank under the Bank Account Agreement, the Stand-by Account Bank under the Stand-by Bank Account Agreement, the Cash Manager under the Cash Management Agreement or of any other person under or pursuant to any of the other Transaction Documents.

22.6 No 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 under or pursuant to this Deed or any of the other Transaction Documents save where the same arises as a result of the Security Trustee's fraud, wilful default or negligence or breach of trust.

22.7 Conclusive and Binding Determinations

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

22.8 Use of Proceeds

The Security Trustee shall not be responsible for the receipt or application by the LLP of the proceeds of the issue of any Term Advance.

22.9 Material Prejudice

Subject as provided in this Deed, the Security Trustee may determine whether or not any event, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds and if the Security Trustee shall certify that any such event, matter or thing is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Secured Creditors and the Security Trustee shall not be responsible to any person for any Liability by the LLP, the Issuer or any Secured Creditor as a result of such determination.

22.10 No Indemnity

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

22.11 Deficiency or Additional Payment

The Security Trustee shall have no responsibility whatsoever to any Secured Creditor as regards any deficiency or additional payment, as the case may be, which might arise because the Security Trustee is subject to any Tax in respect of the Charged Property or any part thereof or any income therefrom or any proceeds thereof or is required by law to make any withholding or deduction from any payment to any Secured Creditor.

23. SUPPLEMENTAL PROVISIONS REGARDING THE SECURITY TRUSTEE

23.1 Assumption of No Default

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

23.2 Delegation

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

23.3 Commercial Transactions

Neither the Security Trustee nor any director or officer or holding company, Subsidiary or associated company of a corporation acting as a trustee under the trust presents shall by reason of its or his fiduciary position be in any way precluded from:

- (a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or the LLP or any of their respective Subsidiaries and affiliates (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Covered Bonds or any

other covered bonds, bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer, the LLP or any of their respective Subsidiaries or affiliates); or

- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or guaranteed by, or relating to the Issuer or the LLP or any of their respective Subsidiaries or affiliates, or any other office of profit under the Issuer or the LLP or any of their respective Subsidiaries or affiliates,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in sub-clause 23.3(a) above or, as the case may be, any such trusteeship or office of profit as is referred to in sub-clause 23.3(b) above without regard to the interests of, or consequences for the Covered Bondholders, Receiptholders, Couponholders or any other Secured Creditors and notwithstanding that the same may be contrary or prejudicial to the interests of the Covered Bondholders or any other Secured Creditors and shall not be responsible for any Liability occasioned to the Covered Bondholders, Receiptholders, Couponholders or any other Secured Creditors thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, Subsidiary or associated company of the Security Trustee or any director or officer of the Security Trustee acting other than in his capacity as such a director or officer has any information, the Security Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by the Covered Bondholders or any other Secured Creditors resulting from the Security Trustee's failing to take such information into account in acting or refraining from acting under or in relation to the trust presents.

23.4 Additional Powers

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

23.5 Consent of Security Trustee

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

- (a) if the Transaction Document specifies that the Security Trustee is required to give its consent to that event, matter or thing if certain specified conditions are satisfied in relation to that event, matter or thing, then the Security Trustee shall give its consent to that event, matter or thing upon being satisfied acting reasonably that those specified conditions have been satisfied; and
- (b) in any other case, the Security Trustee may give its consent if so directed by (a) the Bond Trustee so long as there are Covered Bonds outstanding or (b) all of the other Secured Creditors, if there are no Covered Bonds outstanding.

23.6 Interests of Secured Creditors

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

23.7 Modification to Transaction Documents

- (a) Subject to Clauses 23.7(b), 23.7(c), 23.7(d) and 23.10 (RCB Regulations) below, the Security Trustee shall from time to time and at any time concur with any person in making or sanctioning any modification (disregarding whether any such modification relates to a Series Reserved Matter) to the Covered Bonds of any one or more Series, the related Receipts and/or Coupons or any of the Transaction Documents only if the Security Trustee is so directed by (a) the Bond Trustee, so long as there are any Covered Bonds outstanding or (b) all of the other Secured Creditors, if there are no Covered Bonds outstanding;
- (b) Subject to Clause 23.10 (RCB Regulations) below, the prior consent of the Bond Trustee and the other Secured Creditors (other than the Security Trustee) will not be required or obtained in relation to the accession of any New Seller to the Programme provided that the relevant conditions precedent set out in the Programme Agreement and the Mortgage Sale Agreement are satisfied at the time of the intended accession.
- (c) Subject to Clause 23.10 (RCB Regulations) below, if so requested by the Issuer and the LLP, the Security Trustee shall (other than as specified in paragraph (i) below) without the consent or sanction of any of the Covered Bondholders, the Receiptholders or the Couponholders and without the consent or sanction of any other Secured Creditors, (a) in the case of an update in the published Rating Agency criteria applicable to a Swap Agreement, consent to the amendments to such Swap Agreement to reflect such updated, published Rating Agency criteria and concur with the Issuer and the LLP in making consequential modifications to the Transaction Documents that solely implement such update in the published, Rating Agency criteria or (b) in the case of a replacement of a Swap Provider, consent to such replacement of a Swap Provider and concur with the Issuer and the LLP in making such modifications to the Transaction Documents (including, but not limited to, the terms of the relevant Swap Agreement) as are consequent upon such replacement of a Swap Provider subject to receipt by the Bond Trustee and the Security Trustee of:
 - (i) a direction by way of an Extraordinary Resolution of the holders of the Series 1 Covered Bonds then outstanding and an Extraordinary Resolution of the holders of the Series 2 Covered Bonds then outstanding;
 - (ii) written notice from the Cash Manager (acting reasonably in its own opinion in its determinations) certifying to the Bond Trustee and Security Trustee that:
 - (A) the replacement Swap Provider has at least the same ratings as the outgoing Swap Provider (or such rating as would be sufficient to maintain a AAA rating from Fitch and a Aaa rating from Moody's) or, as applicable the updated Rating Agency criteria has been published and the relevant amendments to the relevant Swap Agreement and the consequential modifications to the Transaction Documents, as determined by the Cash Manager, are being made solely to implement such updated, published Rating Agency criteria; and
 - (B) the then current ratings of the Covered Bonds on issue will not be downgraded or withdrawn by the Rating Agencies as a result of such amendments, modifications or replacement of such Swap Provider; and
 - (iii) a certificate signed by an Authorised Signatory of the Issuer and a certificate signed by a Designated Member of the LLP, each certifying to the Bond Trustee and the Security Trustee that such amendments, replacement of Swap Provider and/or modifications (as the case may be) are not, in the opinion of the Issuer or the LLP, materially prejudicial to the interests of any Covered Bondholders or any Secured Creditor provided that for the purposes of this Clause 23.7(c), such amendments, replacement of Swap Provider and/or modifications (as the case may be) shall be conclusively deemed not to be materially prejudicial to the interest of

any Covered Bondholders or any Secured Creditor where such amendments, replacement of Swap Provider and/or modifications would not result in the downgrade or withdrawal by the Rating Agencies of the then current ratings of the Covered Bonds,

(such notice, determination and certificates shall be conclusive and binding on all Secured Creditors (including the Covered Bondholders)).

The Security Trustee shall not be obliged to consent to or concur in any such replacement of a Swap Provider, amendments and/or modifications (as the case may be) which, (i) in the sole opinion of the Security Trustee, would have the effect of (a) exposing the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Security Trustee under the Transaction Documents or (ii) would result in a Series Reserved Matter. Such replacement, amendments and/or modifications, once implemented, shall be conclusive and binding on all parties and all Secured Creditors (including the Covered Bondholders).

The Security Trustee shall not be responsible or liable in damages or otherwise to any party or person for any loss incurred by reason of the Security Trustee consenting to or concurring in such amendments, replacement and modifications.

- (d) Subject to Clause 23.10 (RCB Regulations) below, the Security Trustee and the Bond Trustee shall be obliged to concur in and to effect any modifications to the Transaction Documents that are requested by the LLP or the Cash Manager to accommodate the accession of a New Seller to the Programme subject to the provisions of sub-clause 23.7(a) being satisfied and, provided that (i) the Interest Rate Swap Provider and each of the Covered Bond Swap Providers provide written confirmation to the Security Trustee consenting to such modification of those documents to which they are a party (such consent not to be unreasonably withheld) (which consent shall be deemed to be given by the Interest Rate Swap Provider and each of the Covered Bond Swap Providers (as the case may be) if no written response is received by the Security Trustee from each party, respectively, by the tenth Business Day after the Security Trustee's request for such consent) and (ii) the LLP or the Cash Manager, as the case may be, has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to accommodate the addition of New Sellers to the Programme and (iii) all other conditions precedent to the accession of a New Seller to the Programme set out in the Programme Agreement and the Mortgage Sale Agreement have been satisfied at the time of the accession.
- (e) Subject to 23.10 (RCB Regulations) below, if so requested by the Issuer and the LLP, without the consent or sanction of any of the Covered Bondholders, the Receiptholders or the Couponholders and without the consent or sanction of any other Secured Creditors, the Security Trustee shall concur with the Issuer and the LLP in making any modification to the Transaction Documents which is required to be made to enable Covered Bonds issued under the Programme to qualify and/or to continue to qualify as regulated covered bonds under the RCB Regulations or any replacement or amended regulations, subject to receipt by the Security Trustee of: a certificate signed by two directors of the Issuer and a certificate of a Designated Member of the LLP, each certifying to the Bond Trustee and the Security Trustee (i) that the requested amendments are to be made solely for the purpose of enabling the Covered Bonds to qualify and/or to continue to qualify as regulated covered bonds under the RCB Regulations or any replacements or amended regulations and (ii) that the requested amendments are not, in the opinion of the Issuer or the LLP, materially prejudicial to the interests of any Covered Bondholders or any Secured Creditor.

The Security Trustee shall not be obliged to agree to any amendment which, in the sole opinion of the Security Trustee would have the effect of (a) exposing the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Security Trustee in the Transaction Documents and/or the Terms and Conditions of the Covered Bonds.

- (f) Each Secured Creditor agrees that any such modifications effected pursuant to this Clause 23.7 (Modifications to Transaction Documents) shall be binding on it and unless the Security Trustee otherwise agrees, notice thereof shall be given by the Servicer to the Secured Creditors as soon as practicable after the modifications have been made.
- (g) Each of the Secured Creditors agrees from time to time to do and perform such other and further acts and execute and deliver any and all such other documents and instruments as may be required by law or requested by the other party at the other party's expense to establish, maintain and protect the rights and remedies of the other party and carry out and effect the intent and purpose of this Clause 23.7 (Modifications to Transaction Documents).

23.8 Authorisation or Waiver of Breach

The Security Trustee may without prejudice to its right in respect of any further or other breach, from time to time and at any time, but only if so directed by (a) the Bond Trustee, so long as there are any Covered Bonds outstanding or (b) all of the other Secured Creditors, if there are no Covered Bonds outstanding authorise or waive any proposed or actual breach of any of the covenants or provisions contained in this Deed or any other Transaction Document. Any such authorisation or waiver shall be binding on the Secured Creditors and, unless the Security Trustee otherwise agrees, notice thereof shall be given by the Cash Manager to the Secured Creditors as soon as practicable thereafter.

23.9 Incorporation by Reference

The provisions of the Trust Deed shall be deemed to be incorporated in this Deed and each of the Bond Trustee, the Security Trustee and the other Secured Creditors hereby agrees to be bound by the terms of the trust presents as if they were set out herein.

23.10 RCB Regulations

In respect of any proposed modification, waiver or authorisation on or after the date on which the Issuer is admitted to the register of issuers by the FCA pursuant to Regulation 14 of the RCB Regulations, prior to the Security Trustee agreeing to any modification or making or granting any authorisation or waiver pursuant to this Clause 23, the Issuer must send written confirmation to the Security Trustee that such modification, authorisation or waiver (as applicable) would not result in a breach of the RCB Regulations and that either:

- (a) such modification, authorisation or waiver would not require the FCA to be notified in accordance with Regulation 20 of the RCB Regulations; or
- (b) if such modification, authorisation or waiver would require the FCA to be notified in accordance with Regulation 20 of the RCB Regulations, the Issuer has provided all information required to be provided to the FCA and the FCA has given its consent to such proposed modification, authorisation or waiver.

23.11 Requests for consent or approval

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

- (a) if any Transaction Document specifies that the Security Trustee is required to give its consent or approval to that event, matter or thing if certain specified conditions are satisfied in relation to that event, matter or thing, then the Security Trustee will give its consent or approval to that event, matter or thing upon being satisfied that those specified conditions have been satisfied; and

- (b) in any other case, the Security Trustee shall give its consent or approval to that event, matter or thing only if so directed by (a) the Bond Trustee, so long as there are any Covered Bonds outstanding or (b) all of the other Secured Creditors, if there are no Notes outstanding.

24. REMUNERATION AND INDEMNIFICATION OF THE SECURITY TRUSTEE

24.1 Remuneration

- (a) Subject as hereinafter provided, the Issuer (or (i) if the Issuer fails to pay any sum payable by it to the Security Trustee or (ii), following Issuer Event of Default and service of a Notice to Pay on the LLP or, if earlier, following an LLP event of default, the LLP) shall (subject as hereinafter provided) pay to the Security Trustee an annual fee of such amount and payable on such dates as shall from time to time be agreed in writing by the Issuer and the Security Trustee, provided that if and for so long as the Bond Trustee and the Security Trustee are the same person, no such fee shall be payable under this Deed. Notwithstanding any other provisions of this Deed, the parties hereto acknowledge and agree that all such remuneration and any other amount or sum payable to the Security Trustee hereunder (unless otherwise paid to the Security Trustee) shall be payable in accordance with the Guarantee Priority of Payments or the Post-Enforcement Priority of Payments, as applicable. Such remuneration shall accrue from day to day and shall be payable up to and including the date when all of the Secured Obligations have been paid and/or discharged and the Security Trustee has released, reassigned and/or discharged the Charged Property as provided in Clause 4 (Release of Charged Property).
- (b) The Issuer (or, (i) if the Issuer fails to pay any sum payable by it to the Security Trustee or (ii) following Issuer Event of Default and service of a Notice to Pay on the LLP or, if earlier, following an LLP Event of Default, the LLP) shall in addition pay to the Security Trustee an amount equal to the amount of any VAT chargeable in respect of its remuneration hereunder subject to the Security Trustee issuing to the Issuer or (as the case may be) the LLP a proper VAT invoice in respect thereof.

24.2 Additional Remuneration

In the event of an Issuer Event of Default, LLP Event of Default, Potential Issuer Event of Default or Potential LLP Event of Default occurring or in the event of the Security Trustee finding it expedient or necessary or being required by the Issuer or (as the case may be) the LLP to undertake any duties which the Security Trustee and the Issuer or the LLP agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under or pursuant to this Deed, the Issuer or the LLP shall pay to the Security Trustee such additional remuneration as shall be agreed between the Security Trustee and the LLP.

24.3 Disputes

In the event of the Security Trustee and the Issuer (or, following an Issuer Event of Default and service of a Notice to Pay on the LLP, the LLP) failing to agree upon the amount of any remuneration from time to time pursuant to Clause 24.1 (Remuneration) or to agree in a case to which Clause 24.2 (Additional Remuneration) above applies, upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee hereunder or upon the amount of such additional remuneration, such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by the Issuer or the LLP or, failing such approval, nominated by the President for the time being of the Law Society of England and Wales, the expenses being involved in such nomination and the fees of such investment bank being payable by the Issuer or the LLP, and the decision of any such merchant or investment bank shall be final and binding on the Issuer or the LLP and the Security Trustee.

24.4 Expenses

In addition to remuneration hereunder, the Issuer (or, following an Issuer Event of Default and service of a Notice to Pay an LLP, the LLP) shall on written request, pay all Liabilities which the Security Trustee may properly incur in relation to the negotiation, preparation and execution of, the exercise of its powers and the performance of its duties under or pursuant to this Deed and any of the other Transaction Documents to which the Security Trustee is a party including but not limited to travelling and legal expenses and any stamp, issue, registration, documentary and other similar taxes or duties paid or payable by the Security Trustee in connection with any action taken or contemplated by or on behalf of the Security Trustee for enforcing this Deed or any of the other Transaction Documents to which it is party.

24.5 Indemnity

Without prejudice to the right of indemnity by law given to trustees, the Issuer (or (i) if the Issuer fails to pay any sum payable by it to the Security Trustee or (ii) following an Issuer Event of Default and service of a Notice to Pay an LLP or, if earlier, following an LLP Event of Default, the LLP) shall indemnify the Security Trustee in full, on an after Tax basis, in respect of all Liabilities (including claims and liabilities in respect of taxes other than on its own overall net income, legal and travelling expenses), and Liabilities to which it (or any person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by or pursuant to this Deed and any of the other Transaction Documents to which the Security Trustee is a party) may be or become liable or which may be properly incurred by it (or any such person as aforesaid) in the execution or purported execution of any of its trusts, powers, authorities and discretions hereunder or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Deed and any of the other Transaction Documents to which the Security Trustee is a party, or any such appointment and the Security Trustee shall be entitled to be indemnified in full out of the Charged Property in respect thereof save as provided under Clause 22.10. The Security Trustee shall not be entitled to be indemnified twice in respect of the same matter pursuant to this Clause and the indemnity contained in Clause 13.2 (Indemnity) of this Deed.

24.6 Interest

All amounts payable pursuant to Clauses 24.4 and 24.5 above shall be payable by the Issuer failing whom the LLP and following any Issuer Event of Default and service of a Notice to Pay on the LLP, the LLP on the date specified in a demand by the Security Trustee and in the case of payments actually made by the Security Trustee prior to such demand shall carry interest at the rate of one per cent. per annum above the base rate from time to time of the Sterling Overnight Index Average from the date specified in such demand, and in all other cases shall carry interest at such rate from the date 30 days after the date of the same being demanded or (where the demand specifies that payment by the Security Trustee will be made on an earlier date) from such earlier date (not being earlier than the date of such demand) to the date of actual payment. All remuneration payable to the Security Trustee shall carry interest at such rate from the due date therefor.

24.7 Survival

Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause 24 (Remuneration and Indemnification of the Security Trustee) shall continue in full force and effect in relation to the period during which the Security Trustee was security trustee of this Deed notwithstanding such discharge and whether or not the Security Trustee is then the security trustee of this Deed.

24.8 Discretion

The Security Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Covered Bonds any Liabilities incurred under this Deed have been incurred or to allocate any such Liabilities between the Covered Bonds of any Series.

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

25.1 Power of LLP

The power of appointing a new Security Trustee and removing the Security Trustee or any new Security Trustee shall be vested in the LLP, provided that such appointment or removal must be approved by (i) an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series with the nominal amount of Covered Bonds not denominated in Sterling converted into Sterling at the relevant Covered Bond Swap Rate) and (ii) in writing by each Secured Creditor (such approval not to be reasonably withheld or delayed). Any appointment of a new Security Trustee and any retirement or removal of an existing Security Trustee hereof shall as soon as practicable thereafter be notified by the LLP to the Secured Creditors.

25.2 Power of Security Trustee

Notwithstanding the provisions of Clause 25.1 (Power of LLP), the Security Trustee may (as attorney for the LLP) upon giving prior written notice to the LLP but without the consent of the LLP or the Secured Creditors appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate security trustee or as a co-trustee jointly with the Security Trustee:

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

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

25.3 Multiple Security Trustees

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

26. RETIREMENT OF SECURITY TRUSTEE

Any security trustee for the time being of this Deed may retire at any time upon giving not less than three calendar months' prior notice in writing to the LLP without assigning any reason therefor and without being responsible for any Liabilities incurred by reason of such retirement. Provided, however, that the retirement or removal of any security trustee shall not become effective unless there remains at least one security trustee hereof in office upon such retirement or removal. The LLP covenants that, in the event of a security trustee (being a sole security trustee) giving notice under this Clause or being removed as referred to in Clause 25.1 (Power of LLP), it shall use all reasonable endeavours to procure a new security trustee of this Deed to be appointed as soon as reasonably practicable thereafter. If within 60 days of having given notice of its intention to retire, no appointment of such replacement Security Trustee has become effective, the outgoing Security Trustee will be entitled to appoint its successor (provided that such successor is acceptable to the Rating Agencies and will agree to the terms of this Deed) and that the Rating Agencies confirm in writing that the current ratings of the Covered Bonds shall not be either downgraded, reviewed or withdrawn as a result of such appointment).

27. NOTICES AND DEMANDS

27.1 Service of Notices

Any notices to be given under or pursuant to this Deed to any of the parties hereto shall be in writing and shall be sufficiently served if sent to the addresses given in Clause 27.2 (Addresses) by prepaid first class post, by hand, email or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission or email) when despatched, (where delivered by hand) on the day of delivery if delivered before 17.00 hours on a Business Day or on the next Business Day if delivered thereafter or on a day which is not a Business Day or (in the case of first class post) when it would be received in the ordinary course of the post.

27.2 Addresses

The addresses referred to in this Clause 27 (Notices and Demands) are as follows:

- (a) in the case of the LLP, to Coventry Building Society Covered Bonds LLP, Oakfield House, Binley Business Park, Coventry CV3 2TQ (email: treasury@thecoventry.co.uk; facsimile number +44 (0) 24 7665 3576) for the attention of the Secretary and Solicitor;
- (b) in the case of the Issuer, the Cash Manager, the Seller, the Servicer, the Account Bank, the GIC Provider and the Interest Rate Swap Provider to Coventry Building Society, Oakfield House, Binley Business Park, Coventry CV3 2TQ (email: treasury@thecoventry.co.uk; facsimile number +44 (0) 24 7665 3576) for the attention of the Secretary and Solicitor;
- (c) in the case of the Stand-by GIC Provider and Stand-by Account Bank, to HSBC Bank Plc, 8 Canada Square, London E14 5HQ (facsimile number +44 (0) 20 7260 8932) for the attention of The Manager, Corporate Trust Loan Agency – Securitisation Desk;
- (d) in the case of the Principal Paying Agent, Exchange Agent and Transfer Agent to HSBC Bank Plc, 8 Canada Square, London E14 5HQ (email ctla.securitisation@hsbc.com; facsimile

number +44 (0) 20 7260 8932) for the attention of The Manager, Corporate Trust Loan Agency – Securitisation Desk;

- (e) in the case of the Corporate Services Provider, to Intertrust Management Limited, 1 Bartholomew Lane, London, EC2N 2AX (facsimile number +44 (0) 20 7398 6325 and email: directors-uk@intertrustgroup.com) for the attention of the Directors);
- (f) in the case of the Security Trustee and the Bond Trustee, to HSBC Corporate Trustee Company (UK) Limited, 8 Canada Square, London E14 5HQ (facsimile number +44 (0) 20 7911 4350) for the attention of CTLA Trustee Administration;
- (g) in the case of Moody's, to Moody's Investor Services, 2 Minster Court, Mincing Lane, London EC3R 7XB (facsimile number +44 (0) 20 7772 5400) for the attention of Asset Backed Finance; and
- (h) in the case of Fitch, to Fitch Ratings Limited, Eldon House, 2 Eldon Street, London EC2M 7UA (facsimile number: +44 (0) 20 7417 6262) for the attention of European Structured Finance,

or to such other address, email address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice in accordance with the provisions of this Clause 27 (Notices and Demands).

28. FURTHER PROVISIONS

28.1 Evidence of Indebtedness

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

28.2 Rights Cumulative, Waivers

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

28.3 Invalidity of any Provision

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

28.4 Liability

All the liabilities and obligations of the LLP under or by virtue of this Deed shall not be impaired by:

- (a) any failure of this Deed to be legal, valid, binding and enforceable as regards the Issuer or the LLP whether as a result of a lack of corporate powers or of members' authority, defective execution or for any other reason whatsoever; or
- (b) any other matter or event whatsoever whether similar to the foregoing or not which might have the effect of impairing all or any of its liabilities or obligations except proper and valid payment or discharge of all Secured Obligations and amounts whatsoever which this Deed provides are to be paid by the Issuer or the LLP or an absolute discharge or release of the LLP signed by the Secured Creditors (other than the Covered Bondholders, Couponholders and Receiptholders) and the Security Trustee.

28.5 Severability

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

28.6 Variation

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

28.7 Secured Creditors

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

28.8 Assignment

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

28.9 Exclusion Of Third Party Rights

The parties to this Deed do not intend that any term of this Deed should be enforced, by virtue of the Contracts (Rights of Third Parties) Act 1999, or the Contract (Third Party Rights) (Scotland) Act 2017, by any person who is not a party to this Deed.

28.10 Counterparts

This Deed may be executed in any number of counterparts (manually or by facsimile), and by the parties on separate counterparts. Each counterpart shall constitute an original of this Deed but all the counterparts shall together constitute one and the same instrument. Notwithstanding the foregoing provisions of this Clause 28.10, this Deed shall be fully effective and binding on the LLP upon at least one copy of this Deed having been executed and delivered by the LLP, notwithstanding that this Deed

has not then been executed and delivered by any other party hereto or that such other party has executed or executes or has delivered or delivers a counterpart of this Deed.

29. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in respect of it are governed by and shall be construed in accordance with English law provided that any terms hereof which are particular to the law of Scotland shall be construed in accordance with Scots law and the parties hereto irrevocably submit to the jurisdiction of the courts of England.

30. SUBMISSION TO JURISDICTION

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

DULY EXECUTED AND DELIVERED as a deed by each of the parties hereto or on its behalf on the date appearing on page 1.

LLP

EXECUTED as a DEED)
by **COVENTRY BUILDING SOCIETY COVERED BONDS LLP**)
acting by its attorney)
in the presence of:)

Witness:

Name:

Address:

Security Trustee and Bond Trustee

EXECUTED as a DEED by)
HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED)
in its capacities as Bond Trustee and Security Trustee)
acting by its attorney or a director)
in the presence of:)

Witness:

Name:

Address:

**Issuer, Seller, Cash Manager, Servicer,
Account Bank, GIC Provider and Interest
Rate Swap Provider**

SEALED with the Common Seal of)
COVENTRY BUILDING SOCIETY)
and subscribed for them and on their behalf)
by)
their duly authorised signatory)
in the presence of the following witness:)

Witness:

Name:

Address:

**Stand-by Account Bank, Stand-by GIC Provider
Exchange Agent, Transfer Agent and Principal
Paying Agent**

EXECUTED as a **DEED** by)
HSBC BANK PLC)
in its capacity as Stand-by Account Bank,)
Stand-by GIC Provider, Exchange Agent,)
Transfer Agent and Principal Paying Agent)
acting by its authorised signatory)
in the presence of)

Witness:

Name:

Address:

Corporate Services Provider

EXECUTED as a **DEED** by)
INTERTRUST MANAGEMENT LIMITED)
in its capacity as Corporate Services Provider)
acting by two directors/a director and the)
Secretary)

SCHEDULE 1

FORM OF SECURITY POWER OF ATTORNEY

THIS POWER OF ATTORNEY is made on [●] by Coventry Building Society Covered Bonds LLP (partnership number OC337802), a limited liability partnership incorporated under the laws of England and Wales, whose registered office is at Oakfield House, Binley Business Park, Coventry CV3 2TQ (the "Principal").

WHEREAS

1. By virtue of a Deed (the "Deed of Charge") dated 17 July 2008 as supplemented on 8 April 2011 and 22 December 2021 *inter alios*, Coventry Building Society Covered Bonds LLP, the Issuer, the Bond Trustee and the Security Trustee, provision was made for the execution by the Principal of this Power of Attorney.
2. Words and phrases in this Power of Attorney shall (save where expressed to the contrary) have the same meanings respectively as the words and phrases in the Deed of Charge.

NOW THIS POWER OF ATTORNEY WITNESSETH

1. The Principal hereby irrevocably and by way of security for the performance of the covenants, conditions, obligations and undertakings on the part of the Principal contained in the Deed of Charge, each Scottish Supplemental Charge and each Scottish Sub Security (and the other Transaction Documents to which the Principal is a party from time to time) appoints [●] any other person or persons for the time being the Security Trustee or Security Trustees of and under the Deed of Charge (the "Attorney") and any receiver including any administrative receiver and any manager (the "Receiver") and/or administrator (the "Administrator") appointed from time to time by the Attorney or on its behalf its true and lawful attorney for and in the Principal's name or otherwise jointly and severally to do any act matter or thing which the Attorney, Receiver or Administrator considers in each case to be necessary for the protection or preservation of the Attorney's and the Secured Creditors' interests and rights (as described in the Deed of Charge) in and to the Charged Property or which ought to be done under the covenants, undertakings and provisions contained in the Deed of Charge and the other Transaction Documents to which the LLP is a party, in each case, on or at any time after the service of an LLP Acceleration Notice or in any other circumstances where the Attorney has become entitled to take any of the steps referred to in the Deed of Charge including (without limitation) any or all of the following:
 - (a) to do every act or thing which the Attorney, Receiver or Administrator may deem to be necessary, proper or expedient for fully and effectually vesting, transferring or assigning the Charged Property or any part thereof (including the execution, delivery, intimation and registration of each Scottish Supplemental Charge, any Scottish Transfer or any Scottish Sub Security) and/or the Principal's estate, right, title, benefit and/or interest therein or thereto in or to the Attorney and its successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually, vesting, transferring or charging, as the case may be, in all respects as the Principal could have done;
 - (b) the power by writing under its hand by an officer of the Attorney or by any Receiver or Administrator) from time to time to appoint a substitute attorney (each a **Substitute**) who shall have power to act on behalf of the Principal as if that Substitute shall have been originally appointed Attorney by this Power of Attorney and/or to revoke any such appointment at any time without giving any reason therefor.

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

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

EXECUTED as a DEED)
 by COVENTRY BUILDING SOCIETY COVERED BONDS LLP)
 acting by its attorney)
 in the presence of)
 Witness:
 Name:
 Address:

SCHEDULE 2

FORM OF ACCESSION UNDERTAKING

THIS DEED is made on []

BETWEEN

- (1) **COVENTRY BUILDING SOCIETY COVERED BONDS LLP** (partnership number OC337802), a limited liability partnership incorporated under the laws of England and Wales whose registered office is at Oakfield House, Binley Business Park, Coventry CV3 2TQ (in its capacity as "LLP");
- (2) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**, incorporated under the laws of England and Wales whose registered office is at 8 Canada Square, London E14 5HQ (in its capacity as "Security Trustee" and "Bond Trustee");
- (3) **COVENTRY BUILDING SOCIETY**, a building society incorporated under the Building Society Act 1986 (as amended) of England and Wales whose principal office is at Oakfield House, Binley Business Park, Coventry CV3 2TQ (referred to herein as the "Issuer", "Seller", "Cash Manager", "Servicer", "Account Bank", "GIC Provider" and "Interest Rate Swap Provider");
- (4) **HSBC BANK PLC**, acting through its office at 8 Canada Square, London E14 5HQ (in its capacity as "Principal Paying Agent", "Exchange Agent", "Transfer Agent", "Stand-by Account Bank" and "Stand-by GIC Provider");
- (5) **INTERTRUST MANAGEMENT LIMITED**, (formerly known as Structured Finance Management Limited), a company incorporated in England and Wales (registered number 3853947) having its registered office at 1 Bartholomew Lane, London, EC2N 2AX (in its capacity as a "Corporate Services Provider"); and
- (6) [] (in its capacity as [●], the New Secured Creditor [and New Seller]).

NOW THIS DEED WITNESSES as follows

WHEREAS:

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

- (P) [The New Seller has agreed to sell New Loans and their Related Security to the LLP on [the relevant Transfer Date] pursuant to the Mortgage Sale Agreement. The consideration for such sale includes payment of Deferred Consideration to the New Seller by the LLP.

1. INTERPRETATION

The Master Definitions and Construction Agreement made between, *inter alios*, the LLP, the Bond Trustee and the Security Trustee on 17 July 2008 as amended and restated on 8 May 2009, 16 December 2010, 8 April 2011, 11 January 2013, 5 July 2013, 12 January 2017, 11 September 2018, 22 November 2019, 24 September 2020 and 22 December 2021 (as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto) (the "**Master Definitions and Construction Agreement**") is expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Agreement shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals hereto and this Deed shall be construed in accordance with the interpretation provisions set out in Clause 2 of the Master Definitions and Construction Agreement.

2. REPRESENTATIONS AND WARRANTIES

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

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

The LLP hereby represents and warrants to the Security Trustee and each of the Secured Creditors that as at the date of this Deed, the conditions to issuing further Covered Bonds set out in the Programme Agreement are satisfied and/or the conditions to acceding to the Mortgage Sale Agreement are satisfied.

3. ACCESSION

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

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

4. SCOPE OF THE DEED OF CHARGE

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

- (a) the Agreement shall be treated as an LLP Agreement; and
- (b) the New Secured Creditor shall be treated as a Secured Creditor.

5. AMENDMENT TO THE PRIORITIES OF PAYMENTS

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

6. APPLICATION

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

7. NOTICES AND DEMANDS

Any notice or communication under or in connection with this Deed, the Deed of Charge or the Master Definitions and Construction Agreement shall be given in the manner and at the times set out in Clause 27 (*Notices and Demands*) of the Deed of Charge to the addresses given in this Clause or at such other address as the recipient may have notified to the other parties hereto and/or thereto in writing.

The address referred to in this Clause 8 for the New Secured Creditor is:

[]

For the attention of: []

Telephone: []

Facsimile: []

Email: []

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

8. CHOICE OF LAW

This Deed and any non-contractual obligations arising out of or in respect of it are governed by and shall be construed in accordance with English law.

DULY EXECUTED AND DELIVERED as a deed by each of the parties hereto or on its behalf on the date appearing on page 1.

New Secured Creditor [and New Seller]

EXECUTED as a **DEED** by)
[])
acting by two directors/a director)
and the secretary)
Director
Director/Secretary

LLP

EXECUTED as a **DEED**)
by **COVENTRY BUILDING SOCIETY COVERED BONDS LLP**)
acting by its attorney)
in the presence of)

Witness:
Name:
Address:

Security Trustee and Bond Trustee

EXECUTED as a **DEED** by)
HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED)
in its capacity as Bond Trustee)
and Security Trustee)
acting by its attorney)
in the presence of)

Witness:
Name:
Address:

**Issuer, Seller, Cash Manager, Servicer,
Account Bank, GIC Provider and Interest
Rate Swap Provider**

The **SEAL** of)
COVENTRY BUILDING SOCIETY)
in its capacity as Issuer, Seller, Cash Manager,)
Servicer, Account Bank, GIC Provider and)
Interest Rate Swap Provider)
is affixed to this DEED in the presence of:)

by authority of the Board of Directors

**Principal Paying Agent, Stand-by Account Bank
and Stand-by GIC Provider**

EXECUTED as a DEED by)
HSBC BANK PLC)
in its capacity as Principal Paying Agent,)
Stand-by Account Bank and Stand-by GIC)
Provider acting by authorised signatory in the)
presence of)

Witness:
Name:
Address:

Corporate Services Provider

EXECUTED as a DEED by)
INTERTRUST MANAGEMENT LIMITED)
in its capacity as Corporate Services Provider)
acting by two directors/a director and the)
Director
Director/Secretary

SCHEDULE 3

LLP'S REPRESENTATIONS AND WARRANTIES

PART 1

CORPORATE REPRESENTATIONS AND WARRANTIES OF THE LLP

1. INCORPORATION

The LLP is duly incorporated in England and Wales as a limited liability partnership under the LLP Act, with its registered office at Oakfield House, Binley Business Park, Coventry CV3 2TQ and with full power and authority to own its property and assets and conduct its business as described in the Offering Circular.

2. CENTRE OF MAIN INTERESTS

The LLP has its "centre of main interests", for the purposes of each of the Onshored EIR and the UNCITRAL Implementing Regulations, in England.

3. LITIGATION

No litigation, arbitration or administrative proceedings of or before any court, tribunal or governmental body have been commenced or, so far as the LLP is aware are pending or threatened against the LLP or any of its assets or revenues which may have a Material Adverse Effect on the LLP, any Relevant Transaction Document and/or the issue and offering of Covered Bonds under the Programme.

4. SOLVENCY

No Insolvency Event has occurred in respect of the LLP.

5. MEMBERS OF LLP

Each of the Seller and the Liquidation Member are members of the LLP within the meaning of section 4 of the LLP Act and any new Member shall be appointed only in accordance with the LLP Deed and the Programme Agreement.

6. MANAGEMENT OF LLP

The Members of the LLP are all resident in and the management of the LLP and the place at which meetings of the Members of the LLP are held are all situated in the United Kingdom.

7. ACCOUNTING REFERENCE DATE

The Accounting Reference Date of the LLP is 31 December.

8. NO ESTABLISHMENT, SUBSIDIARIES, EMPLOYEES OR PREMISES

The LLP has no "establishment" (as defined in the Onshored EIR and the UNCITRAL Implementing Regulations) other than in England.

9. NO ENCUMBRANCES

No Encumbrance exists over or in respect of any asset of the LLP, other than as created in and pursuant to the Deed of Charge.

10. LLP'S ACTIVITIES

The LLP has not engaged in any activities since its incorporation other than:

- (a) those incidental to its registration under the LLP Act;
- (b) other appropriate corporate steps;
- (c) those activities incidental to acquiring and holding the Portfolio;
- (d) the authorisation of the Covered Bond Programme and the authorisation and execution of the Relevant Transaction Documents; and
- (e) the activities of the LLP referred to in or contemplated by the Relevant Transaction Documents and the Offering Circular.

11. FINANCIAL STATEMENTS

The LLP has prepared Financial Statements as set out in the Offering Circular and has not since incorporation prepared any other Financial Statements and has not paid any dividends or made any distributions since incorporation.

12. TRUE AND FAIR VIEW

The Financial Statements of the LLP contained in the Offering Circular:

- (a) were prepared in accordance with accounting principles generally accepted in England and Wales consistently applied;
- (b) disclose all liabilities (contingent or otherwise) and all unrealised or anticipated losses of the LLP; and
- (c) give a true and fair view of the financial position of the LLP as at the date of such Financial Statements.

13. NO ADVERSE CHANGE

Save as disclosed in the Offering Circular since the date of its incorporation there has been no material adverse change in the financial position or prospects of the LLP.

14. CONSENTS

The LLP has obtained and maintained in effect all authorisations, approvals, licences and consents required in connection with its business and the consummation of the transactions contemplated by the Relevant Transaction Documents pursuant to any Requirement of Law or any Regulatory Direction applicable to the LLP in England and Wales and Scotland and in each other jurisdiction in which the LLP carries on business (the **Obtained Consents**).

15. NO GOVERNMENTAL INVESTIGATION

No governmental or official investigation or inquiry concerning the LLP is, so far as the LLP is aware, progressing or pending or has been threatened which may have a Material Adverse Effect on the LLP, any Relevant Transaction Document, and/or the issue and offering of Covered Bonds under the Programme.

16. VAT GROUP

The LLP is not and will not be registered for VAT, and it is not and will not become a member of a group for the purposes of the VAT Grouping Legislation.

PART 2

TRANSACTION DOCUMENT REPRESENTATIONS AND WARRANTIES OF THE LLP

1. CORPORATE POWER

The LLP has the requisite power and authority to:

- (a) enter into each Relevant Transaction Document; and
- (b) create the Covered Bond Guarantee and the Security, and to undertake and perform the obligations expressed to be assumed by it therein.

2. AUTHORISATION

All acts, conditions and things required to be done, fulfilled and performed in order:

- (a) to enable the LLP lawfully to enter into each Relevant Transaction Document;
- (b) to create the Covered Bond Guarantee and the Security (other than registration of the Deed of Charge), each Scottish Supplemental Charge and each Scottish Sub Security;
- (c) to enable the LLP lawfully to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Relevant Transaction Documents;
- (d) to ensure that the obligations expressed to be assumed by it in the Covered Bonds and the Relevant Transaction Documents are legal, valid, binding and enforceable against it; and
- (e) to make the Covered Bonds and the Relevant Transaction Documents admissible in evidence in England and Wales or Scotland as applicable,

have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected, and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected.

3. EXECUTION

The Relevant Transaction Documents have been duly executed by the LLP.

4. NO BREACH OF LAW OR CONTRACT

The entry by the LLP into and the execution (and, where appropriate, delivery) of the Relevant Transaction Documents and the performance by the LLP of its obligations under the Relevant Transaction Documents do not and will not conflict with or constitute a breach or infringement by the LLP of:

- (a) the LLP Deed;
- (b) any Requirement of Law or any Regulatory Direction; or
- (c) any agreement, indenture, contract, mortgage, deed or other instrument to which the LLP is a party or which is binding on it or any of its assets,

where such conflict, breach, infringement or default may have a Material Adverse Effect on the LLP, any Relevant Transaction Document, the Covered Bond Guarantee, the Security and/or the issue and offering of Covered Bonds under the Programme.

5. VALID AND BINDING OBLIGATIONS

The obligations expressed to be assumed by the LLP under the Relevant Transaction Documents are legal and valid obligations, binding on it and enforceable against it in accordance with their terms, except:

- (a) as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally;
- (b) as such enforceability may be limited by the effect of general principles of equity; and
- (c) obligations relating to stamp duties may be void by virtue of Section 117 of the Stamp Act 1891.

6. STATUS OF COVERED BOND GUARANTEE

The Covered Bond Guarantee will constitute the secured obligations of the LLP in accordance with the terms of the Deed of Charge and the Trust Deed.

7. ARMS' LENGTH TRANSACTIONS

The Relevant Transaction Documents to which the LLP is a party have been entered into by the LLP in good faith for the benefit of the LLP and on arms' length commercial terms.

8. CROSS DEFAULT

The LLP is not in breach of or default under any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets to an extent or in a manner which would be reasonably likely to have a Material Adverse Effect on the LLP, any Relevant Transaction Document, the Covered Bond Guarantee, the Security and/or the issue and offering of Covered Bonds under the Programme.

9. COMPLIANCE WITH RELEVANT TRANSACTION DOCUMENTS

The LLP has complied in all material respects with the terms of the Relevant Transaction Documents.

10. TITLE TO PORTFOLIO

Following the completion of the sale of the Loans and their Related Security (or, as applicable, the New Loans and the Related Security) to the LLP pursuant to and in accordance with the Mortgage Sale Agreement (which, in relation to Scottish Loans and their Related Security will be given effect by a Scottish Declaration of Trust), the LLP will to the extent contemplated by the Relevant Transaction Documents hold the equitable and beneficial title to the Loans and their Related Security comprised in the Portfolio.

11. SECURITY

The Deed of Charge and the documents entered into pursuant thereto which purport to create an Encumbrance validly creates the Encumbrances in respect of the assets of the LLP which they purport to create and with the ranking specified in the Deed of Charge.

12. ENCUMBRANCES VALID AND BINDING

The Encumbrances created by and pursuant to the Deed of Charge are legal and valid obligations, binding on it and enforceable against it in accordance with their respective terms and not liable to be avoided or otherwise set aside in the event of any Insolvency Event in relation to the LLP.

13. RANKING OF CLAIMS

The claims of the Secured Creditors against the LLP will rank in priority to the claims of unsecured creditors of the LLP as provided in the Deed of Charge.

14. CHOICE OF LAW

14.1 The choice of English law (or, where applicable, Scots law) as the governing law of the Relevant Transaction Documents will be recognised and enforced; and

14.2 Any judgment obtained in England or Scotland in relation to any Relevant Transaction Document will be recognised and enforced.

15. FILINGS

Save for the delivery of the LLP Deed and the Deed of Charge, each Scottish Supplemental Charge and each Scottish Sub Security (where applicable) to the Registrar of Companies and delivery of each Scottish Sub Security and Scottish Transfers (where applicable) to Registers of Scotland, in respect of the LLP, under the laws of England and Wales or Scotland it is not necessary that any Relevant Transaction Document be filed, recorded or enrolled with any court or other authority in England and Wales or Scotland.

16. CONSENTS

The LLP does not require the consent of any other party or the consent, licence, approval or authorisation of any Governmental Authority in connection with the creation of the Covered Bond Guarantee, the Security or the entering into or performance of the Relevant Transaction Documents other than the Obtained Consents (as defined in Part 1 of this Schedule 3) in relation to the LLP which have not been revoked or suspended and which are in full force and effect and are not subject to any conditions which the LLP in its opinion, acting as a reasonably prudent consumer loans investor, considers unusually onerous and the LLP has complied with any conditions which apply to the Obtained Consents in relation to the LLP in all material respects.

17. NO REVOCATION OF CONSENTS

The LLP is not aware of any circumstance which indicates that any Obtained Consent of the LLP is likely to be terminated or revoked or not renewed.

18. STAMP, REGISTRATION AND SIMILAR TAXES

None of the Relevant Transaction Documents are subject to UK ad valorem stamp duty or stamp duty reserve tax.

19. WITHHOLDING TAX

Under the laws of the United Kingdom the LLP will not be required to make any Tax Deduction from any payment it may make under the Covered Bond Guarantee which relates to principal under the Covered Bonds or under any other Relevant Transaction Documents.

20. ACCURACY OF INFORMATION

All Relevant Information supplied by the LLP to the Trustee, the Rating Agencies and the Arranger in connection with the execution of the Relevant Transaction Documents and the creation of the Covered Bond Guarantee and the performance of the obligations of the LLP under the Relevant Transaction Documents and in respect of the Covered Bond Guarantee is true and accurate in all respects and is not misleading because of any omission or ambiguity or for any other reason.

21. OFFERING CIRCULAR

- 21.1 The Offering Circular contains all information regarding the LLP and the Covered Bond Guarantee, the Security and the Covered Bonds which is to the best of the information, knowledge and belief of the LLP (in the context of the issue of the Covered Bonds) material;
- 21.2 such information is true and accurate in all material respects and not misleading in any material respect;
- 21.3 any opinions, predictions and intentions expressed in the Offering Circular on the part of the LLP are honestly held or made after due and careful consideration of all relevant circumstances and based on reasonable assumptions and are not misleading in any material respect;
- 21.4 the Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and
- 21.5 all proper enquiries have been made by or on behalf of the LLP to ascertain and to verify the foregoing.

22. GENERAL DUTY OF DISCLOSURE

The Offering Circular contains all such information:

- (a) as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of the assets and liabilities, financial position and prospects of the LLP and of the rights attaching to the Covered Bond Guarantee, the Security and the Covered Bonds; and
- (b) all such information as is required by Section 80 of the FSMA.

23. EVENTS OF DEFAULT, POTENTIAL EVENT OF DEFAULT

No Potential LLP Event of Default or LLP Event of Default has occurred.

24. NO DIRECTED SELLING EFFORTS

The LLP has not engaged nor will it engage in any directed selling efforts (as defined in Regulation S under the Securities Act) in respect of the Covered Bonds.

25. COMPLIANCE WITH REGULATION S

The LLP has complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

SCHEDULE 4

FORM OF SCOTTISH SUPPLEMENTAL CHARGE

ASSIGNATION IN SECURITY

by

- (1) **COVENTRY BUILDING SOCIETY COVERED BONDS LLP** (partnership number OC337802), a limited liability partnership incorporated under the laws of England and Wales whose registered office is at Oakfield House, Binley Business Park, Coventry CV3 2TQ (referred to herein as the **LLP**);

in favour of

- (2) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**, incorporated under the laws of England and Wales whose registered office is at 8 Canada Square, London E14 5HQ (the **Security Trustee**, which expression shall include its successor or successors as trustee under and in terms of the Deed of Charge);

with the consent, acknowledgement and confirmation of

- (3) **COVENTRY BUILDING SOCIETY**, a building society incorporated under the Building Society Act 1986 (as amended) of England and Wales with its principal office at Oakfield House, Binley Business Park, Coventry CV3 2TQ (referred to herein as the **Seller**);

WHEREAS:

- (A) This Scottish Supplemental Charge is supplemental to a deed of charge dated 17 July 2008 as amended and supplemented on 8 April 2011 and 22 December 2021 (as the same may be further amended, supplemented or restated from time to time, the **Deed of Charge**) made between, *inter alios*, the LLP and the Security Trustee;
- (B) In terms of the Deed of Charge the Security Trustee *inter alia* holds the security constituted or to be constituted by or pursuant to the Deed of Charge on trust for the Secured Creditors;
- (C) A Scottish declaration of trust with an effective date on or before the effective date hereof (the **Scottish Declaration of Trust**) has been entered into between the Seller and the LLP and delivered, in terms of which certain Scottish Loans together with their Related Security as more fully specified and defined therein (the **Scottish Trust Property**) are held in trust by the Seller for the LLP; and
- (D) This Scottish Supplemental Charge is made in accordance with and pursuant to clause [3.8] (*Scottish Supplemental Charge*) of the Deed of Charge.

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

1. The master definitions and construction agreement made between, *inter alios*, the parties to this Scottish Supplemental Charge on 17 July 2008 as amended and restated on 8 May 2009, 16 December 2010, 8 April 2011, 11 January 2013, 5 July 2013, 12 January 2017, 11 September 2018, 22 November 2019, 24 September 2020 and 22 December 2021 (as the same may be amended, varied and/or supplemented from time to time, the "Master Definitions and Construction Agreement") is expressly and specifically incorporated into this Scottish Supplemental Charge and, accordingly, the expressions defined in the Master Definitions and Construction Agreement shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Scottish Supplemental Charge, including the recitals hereto and this Scottish Supplemental Charge shall be construed in accordance with the interpretation provisions set out in Clause 2 (*Interpretation and Construction*) of the Master Definitions and Construction Agreement.
2. The LLP as holder of the beneficial interest therein and with absolute warrandice and subject to the proviso for release contained in Clause 4 (*Release of Charged Property*) of the Deed of Charge HEREBY ASSIGNS to and in favour of the Security Trustee, in security for the discharge and payment of the Secured Obligations, the LLP's whole right, title, interest and benefit, present and future, in and to the Scottish Trust Property and in and to the Scottish Declaration of Trust, surrogating and substituting the Security Trustee in its full right and place therein and thereto.
3. The LLP (for itself and on behalf of the Security Trustee) hereby gives notice of and intimates the assignation in security made in terms of Clause 2 hereof to the Seller as trustee under the Scottish Declaration of Trust and the Seller by its execution hereof consents thereto, acknowledges such notice and intimation and confirms that save under or pursuant to the Transaction Documents as at the date hereof it has not received notification of any other dealing with the Scottish Trust Property or the Scottish Declaration of Trust or any part thereof.
4. The parties hereby agree that all the obligations, undertakings, covenants, rights and powers specified and contained in the Deed of Charge which relate to the property referred to in and the security and other rights and powers created under and pursuant to Clause 3 (*Security and Declaration of Trust*) of the Deed of Charge shall be deemed to be repeated herein and shall apply *mutatis mutandis* to the property referred to in Clause 2 hereof and the security and other rights and powers created hereunder and pursuant hereto and that the whole remaining terms of the Deed of Charge shall, except in so far as inconsistent herewith, apply *mutatis mutandis* hereto provided always that this Scottish Supplemental Charge shall be without prejudice to the Deed of Charge and all of the rights, powers obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this Scottish Supplemental Charge.
5. This Scottish Supplemental Charge may be executed in any number of counterparts and by each of the parties on separate counterparts.

Where executed in counterpart:

- (a) this Scottish Supplemental Charge will not take effect until each of the counterparts hereof have been delivered;
- (b) each counterpart will be held as undelivered until the parties agree a date on which the counterparts are to be treated as, and the Scottish Declaration of Trust has been, delivered; and
- (c) the date of delivery may be inserted in the testing clause in the space provided for the effective date of this Scottish Supplemental Charge.

6. This Scottish Supplemental Charge shall be governed by and construed in accordance with the law of Scotland.

IN WITNESS WHEREOF these presents typewritten on this and the preceding [] page[s] are executed for and on behalf of the LLP and the Seller as follows:

**SUBSCRIBED for and on behalf of
COVENTRY BUILDING SOCIETY COVERED
BONDS LLP**

at.....

onAttorney

by

acting as their attorney before this witness:

.....Witness

.....
(Print Full Name)

.....

.....

.....
(Address)

**SUBSCRIBED for and on behalf of
COVENTRY BUILDING SOCIETY**

at

on

by

Acting as their [Authorised Signatory/Attorney] before Authorised Signatory/Attorney
this witness:

.....Witness

.....Print Full
Name

.....

(Address)

SCHEDULE 5

FORMS OF SCOTTISH SUB SECURITY

PART 1

FORM OF SCOTTISH SUB SECURITY – LAND REGISTER

WE, **COVENTRY BUILDING SOCIETY COVERED BONDS LLP** (partnership number OC337802), a limited liability partnership incorporated under the laws of England and Wales whose registered office is at Oakfield House, Binley Business Park, Coventry CV3 2TQ (hereinafter referred to as the “LLP”) CONSIDERING that:

- (a) we have entered into a trust deed (as the same may be amended, restated, novated, varied or supplemented from time to time, the “**Trust Deed**”) dated 17 July 2008 as amended and restated by supplemental deeds dated 8 May 2009, 16 December 2010, 8 April 2011, 29 June 2012, 7 March 2013, 5 July 2013, 1 July 2015, 20 May 2016, 29 June 2016, 11 September 2018, 22 November 2019, 22 December 2020 and 22 December 2021 between us and **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**, incorporated under the laws of England and Wales whose registered office is at 8 Canada Square, London E14 5HQ (in its capacity as “**Security Trustee**” and “**Bond Trustee**” which expressions shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) pursuant to which we have provided a guarantee covering all Guaranteed Amounts when the same become Due for Payment in respect of all Covered Bonds issued under the Programme from time to time;
- (b) in security of the performance of the obligations specified therein to the Security Trustee and others we have entered into a deed of charge dated 17 July 2008 as amended and supplemented on 8 April 2011 and 22 December 2021 (as the same may be amended, restated, novated, varied or supplemented from time to time, the “**Deed of Charge**”) between us, the Security Trustee and others; and
- (c) in terms of the Deed of Charge we have agreed to grant this deed.

NOW THEREFORE we hereby in security of the payment and discharge of all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) constituting or comprised within the Secured Obligations and any variation or alteration thereof and in implementation *pro tanto* of Clause 3.9 (*Scottish Sub-Securities*) of the Deed of Charge, GRANT a Standard Security in favour of the Security Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 2 of the Schedule annexed and executed as relative hereto in favour of the party whose name is specified in the relative entry in Column 3 of the said Schedule for all sums due and to become due over the subjects therein described, said respective Standard Securities being registered in the Land Register of Scotland under the title number(s) specified in the relative entry in Column 5 of the said Schedule on the date specified in the relative entry in Column 6 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the “**Principal Securities**”): Together with our whole right, title and interest, present and future therein and thereto: The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland Act) 1970 (the “**1970 Act**”) and any lawful variation thereof operative for the time being shall apply: And we agree that:

- (First) The master definitions and construction agreement made between, inter alios, the LLP and the Security Trustee on 17 July 2008 as amended and restated on 8 May 2009, 16 December 2010, 8 April 2011, 11 January 2013, 5 July 2013, 12 January 2017, 11 September 2018, 22 November 2019, 24 September 2020 and 22 December 2021 (as

the same may be amended, varied and/or supplemented from time to time, the "Master Definitions and Construction Agreement") is expressly and specifically incorporated into this Standard Security and, accordingly, the expressions defined in the Master Definitions and Construction Agreement shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Standard Security, including the recitals hereto and this Standard Security shall be construed in accordance with the interpretation provisions set out in Clause 2 (*Interpretation and Construction*) of the Master Definitions and Construction Agreement.

- (Second) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security;
- (Third) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Deed of Charge (the terms of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said remaining Standard Conditions, the Deed of Charge shall, subject to the provisions of the 1970 Act, prevail and take effect;
- (Fourth) upon the Deed of Charge becoming immediately enforceable, in accordance with the provisions of Clause 9.2 (*Enforceable*) thereof or otherwise, we shall be deemed to be in default within the meaning of Condition 9(1)(b) of the Standard Conditions whereupon, and without prejudice to its whole other rights and powers under the 1970 Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the 1970 Act;
- (Fifth) without prejudice to the rights and remedies of the Security Trustee under the 1970 Act or otherwise, in the event of our being in default hereunder and provided that a LLP Acceleration Notice has been served by the Security Trustee (a) we shall on demand grant, execute and deliver a valid assignment of the Principal Securities or any of them in favour of the Security Trustee or any nominee of the Security Trustee and (b) the Security Trustee shall have power to uplift, receive, sue for and discharge all sums and liabilities due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if this deed had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Security Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Security Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise; and
- (Sixth) the security rights and interests created, made or given under this deed shall be held by the Security Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Deed of Charge:

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

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

**SUBSCRIBED for and on behalf of
COVENTRY BUILDING SOCIETY COVERED
BONDS LLP**

at.....

on.....Attorney

by

acting as their attorney before this witness:

.....Witness

.....
(Print Full Name)

.....

.....

.....
(Address)

Schedule referred to in the foregoing Standard Security by COVENTRY BUILDING SOCIETY COVERED BONDS LLP in favour of HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED (as Security Trustee)

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

Attorney

PART 2

FORM OF SCOTTISH SUB SECURITY – SASINE REGISTER

WE, COVENTRY BUILDING SOCIETY COVERED BONDS LLP (partnership number OC337802), a limited liability partnership incorporated under the laws of England and Wales whose registered office is at Oakfield House, Binley Business Park, Coventry CV3 2TQ (hereinafter referred to as the “LLP”) CONSIDERING that:

- (a) we have entered into a trust deed (as the same may be amended, restated, novated, varied or supplemented from time to time, the “**Trust Deed**”) dated 17 July 2008 as amended and restated by supplemental deeds dated 8 May 2009, 16 December 2010, 8 April 2011, 29 June 2012, 7 March 2013, 5 July 2013, 1 July 2015, 20 May 2016, 29 June 2016, 11 September 2018, 22 November 2019, 22 December 2020 and 22 December 2021 between us and **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**, incorporated under the laws of England and Wales whose registered office is at 8 Canada Square, London E14 5HQ (in its capacity as “**Security Trustee**” and “**Bond Trustee**” which expressions shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) pursuant to which we have provided a guarantee covering all Guaranteed Amounts when the same become Due for Payment in respect of all Covered Bonds issued under the Programme from time to time;
- (b) in security of the performance of the obligations specified therein to the Security Trustee and others we have entered into a 17 July 2008 as amended and supplemented on 8 April 2011 and 22 December 2021 (as the same may be amended, restated, novated, varied or supplemented from time to time, the “**Deed of Charge**”) between us, the Security Trustee and others; and
- (c) in terms of the Deed of Charge we have agreed to grant this deed.

NOW THEREFORE WE hereby in security of the payment and discharge of all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) constituting or comprised within the Secured Obligations and any variation or alteration thereof and in implement *pro tanto* of Clause 3.9 (*Scottish Sub-Securities*) of the Deed of Charge GRANT a Standard Security in favour of the Security Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 2 of the said Schedule annexed and executed as relative hereto in favour of the party whose name is specified in the relative entry in Column 3 of the said Schedule for all sums due and to become due over ALL and WHOLE the subjects described in the relative entry in Column 4 of the said Schedule lying in the county specified in the relative entry in Column 5 of the said Schedule, said respective Standard Securities being recorded in the General Register of Sasines for the county specified as aforesaid in the relative entry in Column 5 of the said Schedule on the date specified in the relative entry in Column 6 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the “**Principal Securities**”): Together with our whole right, title and interest, present and future therein and thereto: The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (the “**1970 Act**”) and any lawful variation thereof operative for the time being shall apply: And we agree that:

- (First) The master definitions and construction agreement made between, inter alios, the LLP and the Security Trustee on 17 July 2008 as amended and restated on 8 May 2009, 16 December 2010, 8 April 2011, 11 January 2013, 5 July 2013, 12 January 2017, 11 September 2018, 22 November 2019, 24 September 2020 and 22 December 2021 (as the same may be amended, varied and/or supplemented from time to time, the “**Master Definitions and Construction Agreement**”) is expressly and specifically incorporated into this Standard

Security and, accordingly, the expressions defined in the Master Definitions and Construction Agreement shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Standard Security, including the recitals hereto and this Standard Security shall be construed in accordance with the interpretation provisions set out in Clause 2 (*Interpretation and Construction*) of the Master Definitions and Construction Agreement.

- (Second) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security;
- (Third) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Deed of Charge (the terms of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said remaining Standard Conditions, the Deed of Charge shall, subject to the provisions of the 1970 Act, prevail and take effect;
- (Fourth) upon the Deed of Charge becoming immediately enforceable, in accordance with the provisions of Clause 9.2 (*Enforceable*) thereof or otherwise, we shall be deemed to be in default within the meaning of Condition 9(1)(b) of the Standard Conditions, whereupon and without prejudice to its whole other rights and powers under the 1970 Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the 1970 Act;
- (Fifth) without prejudice to the rights and remedies of the Security Trustee under the 1970 Act or otherwise, in the event of our being in default hereunder and provided that a LLP Acceleration Notice has been served by the Security Trustee (a) we shall on demand grant, execute and deliver a valid assignation of the Principal Securities or any of them in favour of the Security Trustee or any nominee of the Security Trustee and (b) the Security Trustee shall have power to uplift, receive, sue for and discharge all sums and liabilities due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if this deed had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Security Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Security Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise; and
- (Sixth) the security rights and interests created, made or given under this deed shall be held by the Security Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Deed of Charge.

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

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

**SUBSCRIBED for and on behalf of
COVENTRY BUILDING SOCIETY COVERED
BONDS LLP**

at.....

on.....Attorney

by.....

acting as their attorney before this witness:

.....Witness

.....
(Print Full Name)

.....

.....

.....
(Address)

Schedule referred to in the foregoing Standard Security by COVENTRY BUILDING SOCIETY COVERED BONDS LLP in favour of HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED (as Security Trustee)

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

Attorney