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EXECUTION VERSION

DEED OF CHARGE

8 NOVEMBER 2021

**TOMBAC NO.3 PLC
as Issuer**

and

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

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

and

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

and

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

and

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

and

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

ALLEN & OVERY

Allen & Overy LLP

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CONTENTS

Clause	Page
1. Interpretation.....	3
2. Issuer's Covenant to Pay	3
3. Security and Declaration of Trust	4
4. Release of Charged Assets	9
5. Continuance of Security.....	10
6. Payments Out of the Bank Accounts, Authorised Investments and Application of Cash Prior to Acceleration	11
7. Payments Out of the Bank Accounts Upon Acceleration	13
8. Conflict.....	17
9. The Security Trustee's Powers	18
10. Receiver	21
11. Protection of Third Parties	24
12. Protection of Security Trustee and Receiver.....	24
13. Undertakings by the Seller	25
14. Protection of Security.....	25
15. Crystallisation	26
16. Power of Attorney	27
17. Other Security, etc.....	27
18. Avoidance of Payments	28
19. Set off.....	29
20. Execution of Documents.....	29
21. Exercise of Certain Rights	29
22. Covenants and Warranties	31
23. Provisions Supplemental to the Trustee Act 1925.....	36
24. Supplemental Provisions regarding the Security Trustee	43
25. Remuneration and Indemnification of the Security Trustee	51
26. Appointment of New Security Trustee and Removal of Security Trustee	53
27. Retirement of Security Trustee	54
28. Notices and Demands.....	54
29. Further Provisions	56
30. Variation.....	57
31. Secured Creditors.....	58
32. Assignment Register	58
33. Contracts (Rights of Third Parties) Act 1999	58
34. Choice of Law.....	58

Schedule

1. Issuer Power of Attorney	64
2. Form of Scottish Sub-Security (Land Register).....	66
3. Form of Scottish Sub-Security (Sasine Register)	69
4. Form of Scottish Supplemental Charge	73

THIS DEED OF CHARGE is made on 8 November 2021

BETWEEN:

- (1) **TOMBAC NO.3 PLC** (registered number 13594915), a public limited company incorporated under the laws of England and Wales, whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Issuer**);
- (2) **YORKSHIRE BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (in its capacity as the **Account Bank**, which expression shall include such person and all other persons for the time being acting as the account bank pursuant to the Bank Account Agreement);
- (3) **YORKSHIRE BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (**YBS** and in its capacity as the **GIC Provider**);
- (4) **ACCORD MORTGAGES LIMITED** (registered number 02139881), a private limited company incorporated under the laws of England and Wales whose registered office is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (**Accord** and in its capacities as the **Seller** and the **Class Z VFN Holder**);
- (5) **U.S. BANK TRUSTEES LIMITED** (registered number 02379632), a private limited company incorporated under the laws of England and Wales whose principal office is 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (acting in its capacities as the **Security Trustee**, which expression shall include such company and all other persons or companies for the time being acting as security trustee pursuant to the terms of this Deed and as the **Note Trustee**, for the Noteholders, which expression includes such company and all other persons or companies for the time being trustee or trustees pursuant to the Trust Deed);
- (6) **ELAVON FINANCIAL SERVICES DAC, UK BRANCH**, (registered number FC027535), a private limited company incorporated under the laws of Ireland, operating in the United Kingdom under branch registration number BR009373, acting through its offices at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (in its capacities as the **Principal Paying Agent** and **Agent Bank** which expressions shall include such person and all other persons for the time being acting as principal paying agent or agent bank, as appropriate, pursuant to the Agency Agreement);
- (7) **YORKSHIRE BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (in its capacities as **Servicer** under the Servicing Agreement, which expression shall include such person and all other persons for the time being acting as servicer pursuant to the Servicing Agreement, as **Cash Manager**, which expression shall include such person and all other persons for the time being acting as cash manager pursuant to the Cash Management Agreement and as **Class Z VFN Registrar**, which expression shall include such person and all other persons for the time being acting as Class Z VFN Registrar pursuant to the Agency Agreement);
- (8) **YORKSHIRE BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (in its capacity as **Interest Rate Swap Provider**);

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

WHEREAS:

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

IT IS HEREBY AGREED as follows:

1. INTERPRETATION

1.1 Definitions

The master definitions and construction schedule signed by, amongst others, the parties hereto and dated on or about the date hereof (as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto) (the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into these presents and, accordingly, the expressions defined in the Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in these presents, including the Recitals hereto and these presents shall be construed in accordance with the interpretation provisions set out in **Clause 2** (Interpretation and Construction) of the Master Definitions and Construction Schedule.

1.2 Construction

In this Deed, except where the context otherwise requires:

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

2. ISSUER'S COVENANT TO PAY

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

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

- (b) observe, perform and satisfy all its other obligations and liabilities under this Deed and each other Transaction Document.

3. SECURITY AND DECLARATION OF TRUST

3.1 Contractual Rights

- (a) The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to **Clause 4** (Release of Charged Assets), hereby assigns by way of security (and, to the extent not assigned, charges by way of first fixed charge) to the Security Trustee all of its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than the Trust Deed, the Scottish Declaration of Trust and this Deed) to which it is a party including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof, TO HOLD the same unto the Security Trustee absolutely.
- (b) The term all of its rights as used in this **Clause 3** includes, unless the context requires otherwise:
 - (i) the benefit of all covenants, undertakings, representations, warranties and indemnities;
 - (ii) all powers and remedies of enforcement and/or protection;
 - (iii) all rights to receive payment of all amounts assured or payable (or to become payable) (subject, in the case of payments under the Interest Rate Swap Agreement, to all applicable set-off and netting provisions therein, including Sections 2 and 6 of the Interest Rate Swap Agreement, as applicable) and all rights to take such steps as are required to cause payment to become due and payable; and
 - (iv) all causes and rights of action,in each case, in respect of the relevant Charged Assets.

3.2 English Loans, English Mortgages and other Related Security and Northern Irish Loans, Northern Irish Mortgages and other Related Security

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

case setting out the terms of the English Loans or the Northern Irish Loans in the Portfolio or their Related Security, TO HOLD the same unto the Security Trustee absolutely.

3.3 Insurance Policies

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

3.4 Scottish Sub-Securities

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

- (a) upon the delivery to it of any SLR Transfer from the Seller pursuant to Clause 6.3(b) (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 **Schedule 2** (Form of Scottish Sub-Security (Land Register)) to this Deed in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages (and the Scottish Loans secured thereby) to which the Issuer is entitled in terms of such SLR Transfer;
- (b) upon the delivery to it of any Sasine Transfer from the Seller pursuant to Clause 6.3(b) (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 **Schedule 3** (Form of Scottish Sub-Security (Sasine Register)) of this Deed in respect of the Issuer's whole right, title and interest in and to all of the Scottish Mortgages (and the Scottish Loans secured thereby) to which the Issuer is entitled in terms of such Sasine Transfer;
- (c) at the time of delivery of any Scottish Sub-Security in accordance with the preceding provisions of this **Clause 3.4** simultaneously to deliver to the Security Trustee the relevant SLR Transfer and the relevant Sasine Transfer respectively pertaining to the Scottish Mortgages specified in that Scottish Sub-Security;
- (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 perfect legal title to the Scottish Loans and their Related Security, including without limitation the registration or recording of the Issuer as heritable creditor under such Scottish Mortgages at the Land Register of Scotland or the General Register of Sasines and intimation thereof to the relevant 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 are reasonably necessary to enable the Security Trustee to perfect a first ranking heritable security over the Scottish Mortgages and a first ranking fixed security over the rights, title and interest of the Issuer in and to the other Related Security and all sums secured thereby.

3.5 Scottish Trust Security

- (a) The Issuer undertakes forthwith upon the execution and delivery of a Scottish Declaration of Trust entered into pursuant to Clause 3 (Closing Date) of the Mortgage Sale Agreement or otherwise, 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 Issuer to intimate and give notice to the Seller of the assignation in security made thereunder as provided therein.
- (b) The Seller undertakes to execute each Scottish Supplemental Charge as trustee under the relevant Scottish Declaration of Trust.
- (c) The Issuer undertakes to the Security Trustee at the time of delivery of the Scottish Supplemental Charge under the terms of **Clause 3.5(a)** simultaneously to deliver to the Security Trustee the relevant Scottish Declaration of Trust, with the schedule thereto redacted.

3.6 Accounts

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

3.7 Authorised Investments

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

3.8 Floating Charge

The Issuer, by way of first floating security for the payment or discharge of the Secured Obligations, subject to **Clause 4** (Release of Charged Assets), hereby charges to the Security Trustee by way of first floating charge the whole of its undertaking and all its property and assets, rights and revenues, whatsoever and wheresoever, both present and future, including without limitation its uncalled capital, other than any property or assets from time to time or for the time being subject of fixed charges pursuant to **Clauses 3.1** (Contractual Rights) to **3.3** (Insurance Policies) and **Clauses 3.6** (Accounts) to **3.7** (Authorised Investments) (inclusive) or otherwise effectively assigned by way of security or charged by way of fixed security but extending over all of its property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not the subject of fixed charges as aforesaid). The floating charge created hereby is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 of the Insolvency Act 1986 and accordingly paragraph 14 of Schedule B1 of the Insolvency Act 1986 applies to the floating charge.

3.9 Full Title Guarantee

Each of the dispositions, assignments or assignments of or charges over property effected in or pursuant to **Clauses 3.1** (Contractual Rights) to **3.8** (Floating Charge) (inclusive) is made with full title guarantee or, in relation to Scottish Mortgage Loans and their Related Security, with absolute warrandice.

3.10 Further Acquired Rights

For the avoidance of doubt and subject to **Clauses 3.4** (Scottish Sub-Securities) and **3.5** (Scottish Trust Security), it is hereby confirmed that reference herein to Mortgage Loans (including English Mortgage Loans, Northern Irish Loans and Scottish Loans), their Related Security and Insurance Policies and related rights under the same include those which are hereafter sold or transferred to or otherwise acquired by the Issuer and that the Security created by or pursuant to **Clause 3.1** (Contractual Rights) to **Clause 3.7** (Authorised Investments) (inclusive) are, and are intended to be, specific and fixed assignments and assignments by way of security of, or specific and fixed charges or standard securities over (as the case may be), the items to which they relate, both present and future acquired.

3.11 Notice and Acknowledgement

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

3.12 Charged Transaction Documents

Subject to **Clause 24.2** (Delegation), without prejudice to the rights of the Security Trustee after the Security created under or pursuant to this Deed has become enforceable, the Issuer hereby authorises the Security Trustee, prior to the Security created by or pursuant to this Deed becoming enforceable,

to exercise, or refrain from exercising, all rights, powers, authorities, discretions and remedies of the Issuer under or in respect of the Transaction Documents referred to in **Clause 3.1** (Contractual Rights) in such manner as the Security Trustee in its absolute discretion shall think fit. For the avoidance of doubt, the Security Trustee shall not be required to have regard to the interests of the Issuer in the exercise or non-exercise of any such rights, powers, authorities, discretions and remedies or to comply with any direction given by the Issuer in relation thereto nor shall the Security Trustee be obliged to exercise any such rights, powers, authorities, discretions and remedies prior to the Security becoming enforceable.

3.13 Notice of Transaction Documents

Each Secured Creditor (other than the Security Trustee and the Note Trustee) shall be deemed to have notice of all of the provisions of the Transaction Documents.

3.14 Payments to the Issuer

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

3.15 Declaration of Trust

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

3.16 General

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

- (b) The term "all of its rights" as used in this **Clause 3** includes, unless the context requires otherwise:
 - (i) the benefit of all covenants, undertakings, representations, warranties and indemnities;
 - (ii) all powers and remedies of enforcement and/or protection;
 - (iii) all rights to receive payment of all amounts assured or payable (or to become payable) (subject, in the case of payments under the Interest Rate Swap Agreement after giving effect

to all applicable set-off and netting provisions therein including, Sections 2 and 6 of the Interest Rate Swap Agreement, as applicable), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable; and

- (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof,

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

4. RELEASE OF CHARGED ASSETS

4.1 Prior to Payment or Discharge of Secured Obligations

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

4.2 On Payment or Discharge of Secured Obligations

On proof being given by the Issuer to the satisfaction of the Security Trustee as to the full, final, irrevocable and unconditional payment or discharge (or any combination of the foregoing) of all the Secured Obligations, the Security Trustee, at the written request and cost of the Issuer, shall, without recourse, representation or warranty, release, reassign or discharge from the Security the Charged Assets to, or to the order of, the Issuer.

4.3 On Disposal of Authorised Investments

Upon the Cash Manager, on behalf of the Issuer, making a disposal of an Authorised Investment charged pursuant to **Clause 3.7** (Authorised Investments), the Security Trustee shall, if so requested in writing by the Cash Manager and at the sole cost and expense (on an indemnity basis) of the Issuer, but without being responsible for any loss, costs, claims or liabilities whatsoever occasioned and howsoever arising by so acting upon such request, without recourse, representation or warranty, release, reassign or discharge from the Encumbrances constituted by this Deed the relevant Authorised Investments, provided that the proceeds of such disposal are paid into an account charged pursuant to **Clause 3.6** (Accounts) in accordance with **Clause 6.4** (Investments in Authorised Investments) from which the monies to make such Authorised Investments were originally drawn, subject to and in accordance with the provisions of the Bank Account Agreement, the Guaranteed Investment Contract, the Cash Management Agreement and this Deed.

4.4 On Withdrawals from Bank Accounts

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

4.5 Repurchase of Loans

In the event of any repurchase of Loans and their Related Security (and any Further Advance, Underpayment Option or Product Switch and any other related rights under the same) by the Seller (or YBS or any of its subsidiaries) pursuant to and in accordance with the Transaction Documents, such Loans and their Related Security (and any Further Advance, Underpayment Option or Product Switch and any other related rights under the same) shall no longer form part of the Portfolio and shall be automatically released from the Security Interests created under or pursuant to this Deed and the Security Trustee shall, if so requested in writing by the Issuer (at the sole cost and expense of the Issuer), without recourse, representation or warranty, release, reassign, retrocess or discharge those Loans and their Related Security (and any Further Advance, Underpayment Option or Product Switch and any other related rights under the same) from the Security Interests created hereunder or pursuant to this Deed in respect thereof on or prior to the date of any such repurchase provided that the Issuer shall have provided to the Security Trustee a certificate from two directors of the Issuer (or two Authorised Signatories of the Cash Manager on behalf of the Issuer) confirming that such sale of Loans and their Related Security has been made in accordance with the terms of the Transaction Documents.

5. CONTINUANCE OF SECURITY

5.1 Continuing Security

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

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

5.2 Acknowledgement

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

5.3 UK Securitisation Regulation (Article 21(4)(d))

For purposes of Article 21(4)(d) of the UK Securitisation Regulation, no provision of this Deed shall require upon default the automatic liquidation of the Charged Assets.

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

6.1 Following service of a Note Acceleration Notice

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

6.2 Pre-Acceleration Priority of Payments

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

6.3 Payments under the Cash Management Agreement

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

6.4 Investments in Authorised Investments

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

- (a) any costs properly and reasonably incurred in making and changing investments will be reimbursed to the Cash Manager; and

- (b) all income or proceeds following the disposal or maturity of Authorised Investments shall be credited to the Bank Account(s) from which the monies to invest in Authorised Investments were originally drawn.

6.5 Authorised Investments

Notwithstanding the security rights created by or pursuant to **Clause 3** (Security and Declaration of Trust) but prior to the service of a Note Acceleration Notice, Authorised Investments may, at the request of the Cash Manager, on any Business Day, be sold or redeemed or disposed of or realised or otherwise deposited subject always to the other provisions hereof (including without limitation **Clause 3.7** (Authorised Investments) and **Clause 4.3** (On Disposal of Authorised Investments)).

6.6 Management and Application of Funds

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

- (a) all Revenue Receipts and all Principal Receipts;
- (b) amounts received by the Issuer pursuant to the Interest Rate Swap Transaction from the Transaction Account;
- (c) the proceeds arising from the disposal of any Authorised Investments and any and all income or other distributions received by the Issuer in respect thereof or arising from the proceeds of any Authorised Investments;
- (d) any drawings under the Class Z VFN intended to fund any Offset Product Revenue Shortfall Amount pursuant to Paragraph 14.5 of Schedule 2 of the Cash Management Agreement;
- (e) any payments received from the Seller (or YBS or any of its subsidiaries) in payment of any repurchase price for the Loans or any Further Advance, Underpayment Option and/or Product Switch; and
- (f) such other payments received by the Issuer as are, or ought in accordance with this Deed to be, comprised in the Charged Assets.

6.7 Enforcement When Not All Amounts Due and Payable

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

6.8 VAT

If any sums which are payable by the Issuer under **Clause 6.2** (Pre-Acceleration Priority of Payments) or **Clause 7** (Payments Out of the Bank Accounts Upon Acceleration) of this Deed are subject to VAT,

the Issuer shall make payment of the amount in respect of VAT as provided in the relevant agreement pursuant to which payment is due to the relevant person in accordance with the order of priorities set out in those clauses.

6.9 Obligations in relation to Charged Assets and Transaction Documents

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

7. PAYMENTS OUT OF THE BANK ACCOUNTS UPON ACCELERATION

7.1 After a Note Acceleration Notice

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

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

7.2 Post-Acceleration Priority of Payments

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

- (a) amounts representing any Excess Collateral (which such amounts shall be returned directly to the Interest Rate Swap Provider under the Interest Rate Swap Agreement);
- (b) any Collateral (including to the extent that: (i) the value of such Collateral has been applied, pursuant to the provisions of the Interest Rate Swap Agreement, to reduce the amount that would otherwise be payable by the Interest Rate Swap Provider to the Issuer on early termination of the Interest Rate Swap Transaction; or (ii) any such Collateral is required to be returned to the Interest Rate Swap Provider pursuant to the Interest Rate Swap Agreement which such amounts shall be returned directly to the Interest Rate Swap Provider);
- (c) any Tax Credits which shall be returned directly to the Interest Rate Swap Provider;
- (d) any Replacement Swap Premium (only to the extent it is applied directly to pay a termination payment due and payable by the Issuer to the Interest Rate Swap Provider) which shall be paid directly to the Interest Rate Swap Provider; and
- (e) any amounts standing to the credit of the Issuer Profit Ledger or any Issuer Profit Amount (which such amounts shall be used by the Issuer in or towards satisfaction of any amounts due and payable by the Issuer to third parties (and any amounts necessary to provide for any such

amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period) and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere)) and any amounts required to pay or discharge any liability of the Issuer for corporation tax on any income or chargeable gain of the Issuer (which such amounts shall be used for such purpose),

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

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

- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of
 - (i) any remuneration then due and payable to the Agent Bank, the Paying Agents and any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
 - (ii) any amounts then due and payable to any Collateral Account Bank and any fees, costs, charges, liabilities and expenses then due and payable to any Collateral Account Bank under the provisions of any Collateral Account Bank Agreement, together with (if payable) VAT thereon as provided therein;
 - (iii) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement together with (if payable) VAT thereon as provided therein;
 - (iv) any amounts then due and payable to the Class Z VFN Registrar and any fees, costs, charges, liabilities and expenses then due and payable to the Class Z VFN Registrar under the provisions of the Agency Agreement together with (if payable) VAT thereon as provided therein; and
 - (v) any amounts then due and payable to the Account Bank for itself and on behalf of the GIC Provider and any fees, costs, charges, liabilities and expenses then due and payable to the Account Bank for itself and on behalf of the GIC Provider under the provisions of the Bank Account Agreement, together with (if payable) VAT thereon as provided therein;

- (c) *third*, to pay, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any amounts then due and payable to the Servicer and any fees, costs, charges, liabilities and expenses then due and payable to the Servicer under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein;
 - (ii) any amounts then due and payable to the Cash Manager and any fees, costs, charges, liabilities and expenses then due and payable to the Cash Manager under the provisions of the Cash Management Agreement, together with (if payable) VAT thereon as provided therein; and
 - (iii) any amounts then due and payable to the Back-Up Servicer Facilitator and any costs, charges, liabilities and expenses then due and payable to the Back-Up Servicer Facilitator under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein;
- (d) *fourth*, to pay amounts due and payable to the Interest Rate Swap Provider in respect of the Interest Rate Swap Transaction including any termination payment due and payable by the Issuer to the extent it is not satisfied by the payment by the Issuer to the Interest Rate Swap Provider of any excess collateral amounts standing to the credit of any Collateral Account but excluding, where applicable, any related Interest Rate Swap Excluded Termination Amount;
- (e) *fifth*, to pay any interest and principal due and payable on the Class A Notes, until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;
- (f) *sixth*, to pay according to the respective outstanding amounts interest and principal due and payable on the Class Z VFN, until the Principal Amount Outstanding on the Class Z VFN has been reduced to zero;
- (g) *seventh*, to pay the respective amounts thereof and in accordance with the terms of the Interest Rate Swap Transaction, to the Interest Rate Swap Provider in respect of any Interest Rate Swap Excluded Termination Amount;
- (h) *eighth*, to pay the Issuer the Issuer Profit Amount to be retained by the Issuer in the Bank Accounts as profit in respect of the business of the Issuer; and
- (i) *ninth*, to pay any Deferred Consideration in accordance with the Mortgage Sale Agreement in respect of the Loans sold to the Issuer from time to time.

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

Amounts received or held by the Issuer in respect of Excess Collateral, Collateral (except to the extent that (a) the value of such Collateral has been applied, pursuant to the provisions of the Interest Rate Swap Agreement to reduce the amount that would otherwise be payable by the Interest Rate Swap Provider to the Issuer on early termination of the Interest Rate Swap Transaction under the Interest Rate Swap Agreement or (b) any such Collateral is required to be returned to the Interest Rate Swap Provider pursuant to the Interest Rate Swap Agreement, and, to the extent so applied in reduction of the amount otherwise payable by the Interest Rate Swap Provider, such Collateral is not to be applied in acquiring a replacement swap), Tax Credits and Replacement Swap Premium (only to the extent it is applied directly to pay a termination payment due and payable by the Issuer to the Interest Rate Swap Provider) shall, to the extent due and payable under the terms of the Interest Rate Swap

Agreement, including as part of any termination payment, be paid directly to the Interest Rate Swap Provider, without regard to the Post-Acceleration Priority of Payments.

7.4 Subordination

- (a) Each of the Secured Creditors hereby agrees to be bound by the order of priority set out in the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments (as applicable). Without prejudice to **Clause 21** (Exercise of Certain Rights), each of the Secured Creditors (other than the Security Trustee and Note Trustee) further agrees with each other party to this Deed that, notwithstanding any other provision contained herein or in any other Transaction Document:
- (i) it will not demand or receive payment of any distribution in respect of, or on account of, any amounts payable by the Issuer or the Security Trustee (as applicable) to that Secured Creditor under the Transaction Documents (other than, in relation to the Interest Rate Swap Agreement, amounts permitted or required to be paid directly to the Interest Rate Swap Provider, including under **Clause 7.3** (Application of Amounts in Respect of Collateral, Excess Collateral, Tax Credits and Replacement Swap Premium)), in cash or in kind, and will not apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method other than, for the avoidance of doubt, pursuant to Sections 2 and 6 of the Interest Rate Swap Agreement and, in the case of the Account Bank and the GIC Provider in accordance with **Clause 3.3** (Bank Charges) of the Bank Account Agreement, unless all amounts then due and payable by the Issuer to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) have been paid in full; and
 - (ii) without prejudice to the foregoing, whether in the liquidation of the Issuer or any other party to the Transaction Documents or otherwise, if any payment or distribution (including by way of set-off other than, for the avoidance of doubt, pursuant to Sections 2 and 6 of the Interest Rate Swap Agreement or the proceeds of any enforcement of any Security) is received by a Secured Creditor in respect of any amount payable by the Issuer or the Security Trustee (as applicable) to that Secured Creditor under the relevant Transaction Document at a time when, by virtue of the provisions of the relevant Transaction Document and this Deed, no payment or distribution should have been made, the amount so received shall be held by the Secured Creditor upon trust for the Issuer or, as applicable, the Security Trustee and shall be paid over to the Issuer or, as applicable, the Security Trustee as soon as is reasonably practicable following the earlier of (A) receipt of written notice from the Issuer or, as applicable, the Security Trustee and (B) actual knowledge of such Secured Creditor, in each case, that such payment or distribution should not have been made (whereupon the relevant payment or distribution shall be deemed not to have been made or received).
- (b) The Security Trustee shall not pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor under the relevant Transaction Documents (other than, in relation to the Interest Rate Swap Agreement, amounts permitted or required to be paid directly to the Interest Rate Swap Provider, including under **Clause 7.3** (Application of Amounts in Respect of Collateral, Excess Collateral, Tax Credits and Replacement Swap Premium), such amount to be provided directly to the Interest Rate Swap Provider pursuant to and in accordance with **Clause 6.1** (Following service of a Note Acceleration Notice)), in cash or in kind, except as expressly provided for in the relevant Transaction Documents, unless and until all amounts then payable by the Security Trustee to all other Secured Creditors ranking higher in the order of priority set out in the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) have been paid in full based on the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor. Subject to **Clause 12** (Protection of Security Trustee and Receiver), the Security Trustee shall not be held liable for any incorrect payment, repayment or distribution if such payment,

repayment or distribution is made in reliance upon the information provided to it by the Cash Manager and/or the Issuer and/or the relevant Secured Creditor.

- (c) Where amounts owing to a group of Secured Creditors under the relevant Transaction Document are expressed to be required to be made *pari passu* and pro rata among such group, the Security Trustee shall not pay or repay, or make any distribution in respect of, such amounts to any Secured Creditor of such group, in cash or in kind, except on a *pari passu* and pro rata basis among such group.
- (d) The perpetuity period for the trusts in this **Clause 7.4** shall be 125 years.

8. CONFLICT

8.1 Noteholders and Secured Creditors

Subject to **Clauses 8.2** (Conflict between Noteholders) and **8.3** (Conflict between other Secured Creditors) below, and except as otherwise expressly provided in this Deed, the Security Trustee shall have regard to the interests of only the Noteholders as regards the exercise and performance of all powers, rights, trusts, authorities, duties and discretions of the Security Trustee in respect of the Charged Assets, under this Deed or any other Transaction Document or the rights or benefits in respect of which are comprised in the Charged Assets (except where specifically provided otherwise), provided that in having regard to the interests of the Noteholders, the Security Trustee shall rely solely on a written confirmation from the Note Trustee as to whether, in the opinion of the Note Trustee, any matter, action or omission is or is not in the interests of or is not prejudicial or materially prejudicial to the interests of, the Noteholders. The Note Trustee shall have sole responsibility for resolving conflicts of interest as between Noteholders, subject to and in accordance with the provisions of the Trust Deed and the Conditions. So long as any of the Notes are outstanding, the Security Trustee shall not have regard to the interests of the other Secured Creditors subject to the provisions of Conditions 12.5 (*Modification*) and 12.6 (*Additional Right of Modification*) and **Clauses 24.7** (Modification to Transaction Documents) and 24.8 (Additional right of modification).

8.2 Conflict between Noteholders

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

8.3 Conflict between other Secured Creditors

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

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

8.4 Acknowledgement

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

9. THE SECURITY TRUSTEE'S POWERS

9.1 Prior Notification

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

9.2 Enforceable

Without prejudice to the provisions of **Clauses 9.5** (Law of Property Act 1925) and **10.1** (Appointment) (a) the Security created under this Deed shall become immediately enforceable and (b) the power of sale and other powers conferred by Section 101 of the Law of Property Act 1925 (the **1925 Act**) and Section 19 of the 1881 Act and Section 4 of the 1911 Act as varied or amended by this Deed, shall, in accordance with this **Clause 9** be exercisable by the Security Trustee and the Issuer shall be deemed to be in default within the meaning of Standard Condition 9(1)(b) of Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970, in each case at any time following the service of a Note Acceleration Notice (which has not been withdrawn) or, if there are no Notes outstanding, following a default in payment of any other Secured Obligations on its due date. Without prejudice to the effectiveness of any service of the Note Acceleration Notice or the obligation to deliver the same in accordance with Condition 10 (*Events of Default*), the Security Trustee shall deliver a copy of any Note Acceleration Notice (which has not been withdrawn) to each of the Secured Creditors and the Rating Agencies.

9.3 Amounts Due

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

9.4 Power of Sale

Section 103 of the 1925 Act and Section 20 of the 1881 Act shall not apply in relation to any of the charges contained in this Deed and at any time after the service of a Note Acceleration Notice (which has not been withdrawn):

- (a) the statutory power of sale (as extended by this Deed) and all other powers shall be immediately exercisable (without the restrictions contained in either the 1925 Act or the Conveyancing Acts 1811-1911); and
- (b) the Issuer shall be deemed to be in default within the meaning of Condition 9(1)(b) of Schedule 3 of the Conveyancing and Feudal Reform (Scotland) Act 1970.

9.5 Law of Property Act 1925

- (a) The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of Section 99 or 100 of the 1925 Act and Section 18 of the 1881 Act and Section 3 of the 1911 Act.
- (b) The provisions of the 1925 Act and the Conveyancing Acts 1881-1911 relating to the power of sale and the other powers conferred by Section 101(1) and (2) of the 1925 Act and Section 19 of the 1881 Act and Section 4 of the 1911 Act, are hereby extended in relation to the Issuer (as if such extensions were contained therein) to authorise the Security Trustee at its absolute discretion at any time following the service of a Note Acceleration Notice (which has not been withdrawn) and subject to the Security Trustee being satisfied as to the indemnification and/or security and/or prefunding available to it in relation to the exercise of such powers:
 - (i) to make demand in the name of the Secured Creditors or in its own right for any monies and liabilities in respect of the Charged Assets;
 - (ii) to sell the Issuer's title to or interest in the Charged Assets, and to do so for any shares, debentures or other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by an Encumbrance or a guarantee, or for such other consideration whatsoever as the Security Trustee may think fit, and also to grant any option to purchase, and to effect exchanges of, any of the Charged Assets;
 - (iii) with a view to or in connection with the sale of the Charged Assets, to carry out any transaction, scheme or arrangement which the Security Trustee may, in its absolute discretion, consider appropriate;
 - (iv) to insure the Charged Assets against such risks and for such amounts as the Security Trustee may decide; and
 - (v) to do all or any of the things or exercise all or any of the powers which are mentioned or referred to in **Clause 10.6 (Powers)** as if each of them was expressly conferred on the Security Trustee by this Deed and which may not be included in **paragraphs (i) to (iv) above**.

9.6 Delegation to Receiver

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

9.7 Application to Court

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

9.8 Authorised Investments

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

9.9 Deficiency or Additional Payment

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

9.10 Scottish Trust Property

The Seller and the Issuer hereby covenant and agree and undertake that if at any time after the Security constituted by or pursuant to this Deed shall have become enforceable and the Security Trustee or any Receiver shall so require, they will (i) provide an unredacted copy of each relevant Scottish Declaration of Trust to the Security Trustee and (ii) join together in directing the Seller or the Servicer on its behalf to sell or dispose of all or any part of the Scottish Trust Property on terms previously approved by the Security Trustee or any Receiver and/or in causing each relevant trust constituted by the relevant Scottish Declaration of Trust to be wound up and/or performed and they 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 and the Issuer hereby acknowledge and consent to the foregoing as trustee and beneficiary respectively in terms of each Scottish Declaration of Trust.

10. RECEIVER

10.1 Appointment

- (a) Except as provided below, at any time following the service of a Note Acceleration Notice (which has not been withdrawn), the Security Trustee may, at its absolute discretion, appoint, by writing or by deed, such person or persons (including an officer or officers of the Security Trustee) as the Security Trustee thinks fit, to be Receiver, of the Charged Assets or any part thereof and, in the case of an appointment of more than one person, to act together or independently of the other or others.
- (b) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under Section 109(1) of the 1925 Act and Section 24(1) of the 1881 Act) does not apply to this Deed.
- (c) The Security Trustee is not entitled to appoint a Receiver solely as a result of:
 - (i) obtaining a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium, under Part A1 of the Insolvency Act 1986.

10.2 Removal and Replacement

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

10.3 Extent of Appointment

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

10.4 Agent of the Issuer

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

10.5 Remuneration

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

shall be paid in accordance with the terms and conditions and in the manner agreed from time to time between the Receiver and the Security Trustee.

10.6 Powers

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

- (xiii) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, receipts, registrations, acts or things which it may consider appropriate;
 - (xiv) to exercise any powers, discretions, voting, conversion or other rights or entitlements in relation to any of the Charged Assets or incidental to the ownership of or rights in or to any of the Charged Assets and to complete or effect any transaction entered into by the Issuer and complete, disclaim, abandon or modify all or any of the outstanding contracts or arrangements of the Issuer relating to or affecting the Charged Assets;
 - (xv) to exercise all powers as are described in Schedule 1 to the Insolvency Act 1986 or the Conveyancing and Feudal Reform (Scotland) Act 1970 (if appropriate), whether or not the Receiver is an "administrative receiver" as defined in the Insolvency Act 1986;
 - (xvi) to delegate its powers by way of power of attorney, or in any other manner to any person, any right, power or discretion exercisable by it under this Deed on the terms (including the power to sub-delegate) and subject to any regulations which such Receiver may think fit and such Receiver shall not be liable or responsible in any way to the Issuer or the Security Trustee for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate;
 - (xvii) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Assets which it may consider expedient as effectually as if they were solely and absolutely entitled to the Charged Assets;
 - (xviii) in addition:
 - (A) to do all other acts and things which it may consider desirable or necessary for realising any Charged Assets or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and
 - (B) to exercise in relation to any Charged Assets all the powers, authorities and things which it would be capable of exercising if they were the absolute beneficial owner of the same,

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

10.7 Appointment of Administrator

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

11. PROTECTION OF THIRD PARTIES

11.1 Enquiry

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

11.2 Receipts

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

12. PROTECTION OF SECURITY TRUSTEE AND RECEIVER

12.1 Liability

Subject to Sections 750 and 751 of the Companies Act 2006 (if applicable), neither the Security Trustee nor the Receiver of the Issuer shall be liable to the Issuer in the absence of wilful default, fraud or negligence on their part or that of their officers, employees or agents in respect of any Liability which arises out of the exercise or the attempted or purported exercise of or failure to exercise any of their respective powers.

12.2 Possession

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

12.3 Mortgagee in Possession

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

13. UNDERTAKINGS BY THE SELLER

- 13.1 The Seller undertakes to the Issuer, the Interest Rate Swap Provider, the Security Trustee and the Note Trustee (on behalf of itself and the Noteholders) that it will, whilst any of the Notes remain outstanding, comply with the requirements of Article 6 of the UK Securitisation Regulation, subject always to any requirement of law, provided that the Seller will not be in breach of such undertaking if the Seller fails to so comply due to events, actions or circumstances beyond the Seller's control.
- 13.2 The Seller will retain for the life of the transaction a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of the UK Securitisation Regulation and as interpreted and applied on the date hereof. As at the Closing Date, such interest will comprise an interest in the first loss tranche, in this case the Class Z VFN in accordance with the text of Article 6(3)(d) of the UK Securitisation Regulation. Any change to the manner in which such interest is held will be notified to the Note Trustee and the Noteholders in accordance with the applicable Conditions and the requirements of the UK Securitisation Regulation.

14. PROTECTION OF SECURITY

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

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

- (c) with a view to protecting the Encumbrances created by or pursuant to this Deed,

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

15. CRYSTALLISATION

15.1 Notice

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

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

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

15.2 Automatic Crystallisation

- (a) Subject as set out below, in addition and without prejudice to any other event resulting in a crystallisation of the floating charge, the floating charge contained herein shall automatically be converted into a fixed charge over all property, assets or undertaking of the Issuer subject to the floating charge if and when:
- (i) a Note Acceleration Notice is served on the Issuer;
- (ii) the Issuer ceases to carry on all or a substantial part of its business or ceases to be a going concern or thereafter to do any of the foregoing;
- (iii) the Issuer stops making payments to its creditors or gives notice to creditors that it intends to stop payment;
- (iv) the holder of any other Encumbrance in relation to the Issuer, whether ranking in priority to or *pari passu* with or after the charges contained in this Deed, appoints a Receiver; or
- (v) any floating charge granted by the Issuer to any other person (whether permitted by the Transaction Documents or not) crystallises for any reason whatsoever.

except in relation to the Issuer's Scottish assets, where crystallisation will occur on the appointment of administrative receiver or receiver or upon commencement of the winding up of the Issuer.

- (b) The floating charge created by **Clause 3.8** (Floating Charge) above may not be converted into a fixed charge solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with leave of the court.

15.3 Failure of Petition for Administration or Winding-up

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

16. POWER OF ATTORNEY

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

17. OTHER SECURITY, ETC.

17.1 No Merger

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

17.2 Consolidation

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

17.3 Ruling Off

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

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

17.4 Change of Name, etc.

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

18. AVOIDANCE OF PAYMENTS

18.1 No Release

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

18.2 Retention of Charges

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

19. SET OFF

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

20. EXECUTION OF DOCUMENTS

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

21. EXERCISE OF CERTAIN RIGHTS

21.1 No Enforcement by Secured Creditors

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

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

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

21.2 Limited Recourse

- (a) Each of the Secured Creditors agrees that, notwithstanding any other provision of any Transaction Document, all obligations of the Issuer to each such Secured Creditor are limited in recourse to the Charged Assets. If:
- (i) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
 - (ii) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of this Deed; and
 - (iii) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of this Deed, amounts outstanding in respect of the Secured Obligations,
- then the Secured Creditors shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.
- (b) The provisions of this **Clause 21.2** shall survive the termination of this Deed.

21.3 Discretionary Enforcement

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

21.4 Mandatory Enforcement

- (a) Notwithstanding any provisions of the Transaction Documents, the Security Trustee shall not be bound to take any steps or to institute any proceedings or to take any other action or exercise any of its functions under or in connection with any of the Transaction Documents (including, without limitation, enforcing the Security constituted by or pursuant to this Deed if it has become enforceable) unless:
- (i) directed to do so by (A) a direction given by way of an Extraordinary Resolution of the Controlling Class or in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Controlling Class then outstanding or (B) if there are no Notes then outstanding, all the other Secured Creditors (in each case the "Instructing Party"); and
 - (ii) in all cases, it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable and all Liabilities which it may incur by so doing and the terms of such indemnity and/or security and/or prefunding may include the provision of a fighting fund, non-recourse loan or other similar arrangement,
- upon being directed in accordance with **paragraph (i)** and subject to **paragraph (ii)** above, the Security Trustee will be bound to take such action in the manner instructed by the Instructing Party, provided that the Security Trustee may at all times, whether or not so instructed, take such action in respect of any right, power or discretion which is personal to the Security Trustee or is to preserve or protect the Security Trustee's position or is of a purely administrative nature.

- (b) The Security Trustee shall not be liable to any Secured Creditors for any action it may take in accordance with any instructions received pursuant to this **Clause 21.4**. The Security Trustee shall be entitled to seek clarification from the relevant Instructing Party with regard to such instructions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction from such relevant Instructing Party and shall not be liable to any person for any loss occasioned thereby.
- (c) The Security Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Security Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to take the relevant action in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

21.5 Disposal of Charged Assets

Notwithstanding **Clause 9** (The Security Trustee's Powers), if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Security Trustee will not be entitled to dispose of any of the Charged Assets on any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the Class A Noteholders (and all persons ranking in priority thereto as set out in the Priority of Payments) or, once all of the Class A Noteholders have been repaid, to the Class Z VFN Holder (and all persons ranking in priority thereto as set out in the Priority of Payments) or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional adviser selected by the Security Trustee for the purpose of giving such advice), upon which advice the Security Trustee may rely absolutely without any liability to any person, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Class A Noteholders (and all persons ranking in priority thereto as set out in the Priority of Payments) (or, once all of the Class A Noteholders have been repaid, to the Class Z VFN Holder (and all persons ranking in priority thereto as set out in the Priority of Payments)). The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer.

22. COVENANTS AND WARRANTIES

22.1 Warranty

- (a) The Issuer warrants to the Security Trustee that it has taken all necessary steps to enable it to charge or assign as Security the Charged Assets in accordance with **Clause 3** (Security and Declaration of Trust), and that it has taken no action or steps to prejudice its right, title and interest in and to the Charged Assets.
- (b) The Issuer warrants to the Security Trustee (on behalf of the Secured Creditors) as at the date of this Deed that:
 - (i) it is duly incorporated in England and Wales with limited liability and with full power and authority to own its property and assets and conduct its business and is resident for tax purposes solely in, and has its usual place of abode in, the United Kingdom;
 - (ii) it has obtained and maintained in effect all authorisations, approvals, licences and consents required in connection with its business and the consummation of the transactions

contemplated by the Transaction Documents to which it is a party pursuant to any requirement of law or any regulatory direction applicable to the Issuer in each other jurisdiction in which the Issuer carries on business;

- (iii) it has the requisite power and authority to enter into this Deed and to undertake and perform the obligations expressed to be assumed by it therein;
 - (iv) all acts, conditions and things required to be done, fulfilled and performed in order to enable it lawfully to enter into this Deed, to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Deed, are legal, valid, binding and enforceable against it and to make this Deed admissible in evidence in England and Wales and (where applicable) in Scotland have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected, and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected; and
 - (v) the entry by it into and the execution (and, where appropriate, delivery) of this Deed and the performance by the Issuer of its obligations under this Deed does not and will not conflict with or constitute a breach or infringement by the Issuer of its Memorandum and Articles of Association or any requirement of law or any regulatory direction or any other agreement to which the Issuer is a party or which is binding on it or any of its assets.
- (c) The Issuer warrants to the Security Trustee that it does not hold, and has not at any time held any capital assets and will not at any time hold any assets other than the Portfolio save to the extent reasonably incidental to the activities envisaged by the Transaction Documents.
- (d) The Issuer warrants to the Security Trustee that the obligations expressed to be assumed by the Issuer under this Deed are legal and valid obligations, binding on it and enforceable against it in accordance with their terms except:
- (i) as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally;
 - (ii) as such enforceability may be limited by the effect of general principles of equity; and
 - (iii) obligations relating to stamp duties may be void by virtue of Section 117 of the Stamp Act 1891.
- (e) The Issuer represents and warrants to the Security Trustee that it does not have, and has not had since the date of its incorporation, a source of income prior to the Closing Date.
- (f) The Issuer hereby covenants to the Security Trustee that no director will be connected to the YBS Group.
- (g) The Issuer represents and warrants to the Security Trustee that it is the beneficial owner of the Charged Assets and the Charged Assets are free of any Security Interests (except for those created by or under this Deed) and any other rights or interests (including any licences) in favour of third parties.
- (h) The Issuer represents and warrants to the Security Trustee that, as at the Closing Date, none of its property, assets and/or undertaking are subject to any restriction (whether contractual or otherwise) that may render the Security Interests granted by the Issuer under this Deed ineffective or which otherwise prohibit the grant of such Security Interests.

- (i) No Encumbrance exists over or in respect of any asset of the Issuer, other than as created by or pursuant to this Deed.
- (j) The Issuer represents and warrants to the Security Trustee that the Issuer's Profit has been determined by the directors of the Issuer on the basis of due consideration of all relevant corporate and regulatory matters as being an adequate commercial return for the risks undertaken by the Issuer in entering into the transactions pursuant to and in accordance with the Transaction Documents.
- (k) The Issuer represents and warrants to the Security Trustee that the purposes for the Issuer in entering into the Transaction Documents to which it is a party do not include a purpose which is not amongst the business or other commercial purposes of the Issuer and that the obtaining of a tax advantage (as defined in Section 1139 of the Corporation Tax Act 2010) for any person is not and has at no time been the main or one of the main purposes for the Issuer in entering into the Transaction Documents to which it is a party.

22.2 Negative Covenants

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

- (a) create or permit to subsist any mortgage, standard security, assignment, assignation, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law) upon the whole or any part of its assets (including any uncalled capital) or its undertaking, present or future;
- (b)
 - (i) carry on any trade or business or any other activities other than as contemplated by the Transaction Documents and the related activities described therein; or
 - (ii) hold (and confirms it has not held) any shares or other interest in any company (including but not limited to an interest in the capital, income or voting rights in any company) nor have any employees (but shall procure that, at all times, it shall retain at least one Independent Director) or premises;
- (c) transfer, sell, assign, lend, part with, declare a trust over, create a beneficial interest in or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein or thereto or agree or attempts or purport to do so;
- (d) make any other distributions other than as contemplated by the Transaction Documents;
- (e) pay any dividend or make any other distribution to its shareholder other than out of its after Tax profit and net of any applicable taxes (if any) payable by the Issuer in relation to such dividend or distribution nor shall it issue any further shares;
- (f) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;
- (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (h) permit any of the Transaction Documents to become invalid or ineffective, or the priority of the Security Interests created thereby to be reduced, or consent to any variation of, or exercise

any powers of consent or waiver pursuant to the terms of any of the Transaction Documents, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Charged Assets to be released from its respective obligations;

- (i) have an interest in any bank account other than the Bank Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;
- (j) become or be a party to any transaction for the purposes of securing a tax advantage within the meaning of Section 1139 of the Corporation Tax Act 2010 for itself or any other person;
- (k) do any act or thing the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the United Kingdom;
- (l) permit any person other than the Issuer and the Security Trustee to have any equitable interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein; or
- (m) purchase or otherwise acquire any Note or Notes (other than pursuant to the Conditions).

22.3 Positive Covenants

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

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

- (f) to give notice in writing to the Security Trustee of the occurrence of any Event of Default and/or service of a Note Acceleration Notice (such notice to be effective by the delivery of a copy of the Note Acceleration Notice to the Security Trustee) immediately upon becoming aware thereof and without waiting for the Security Trustee to take any further action;
- (g) give to the Security Trustee (i) within seven (7) days after demand by the Security Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial year commencing with the financial period ending 31 December 2022 and in any event not later than one hundred and eighty (180) days after the end of each such financial year a certificate signed by two directors of the Issuer to the effect that, as at a date not more than seven (7) days before delivering such certificate (the **certification date**), to the best of the knowledge, information and belief of the Issuer, there did not exist and had not existed since the certification date of the previous certificate (or in the case of the first such certificate the date hereof) any Event of Default (or if such exists or existed specifying the same) and that during the period from and including the certification date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the certification date of such certificate the Issuer has complied, to the best of their knowledge, information and belief, with all its obligations contained in this Deed and each of the other Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not complied;
- (h) at all times to execute all such further documents and do all such further acts and things as may in the reasonable opinion of the Security Trustee be necessary at any time or times to give effect to the terms and conditions of this Deed and the other Transaction Documents;
- (i) at all times to comply with the obligations and provisions binding upon it under and pursuant to this Deed and the other Transaction Documents;
- (j) duly and promptly to pay and discharge all Taxes imposed upon it or its assets unless such Taxes are, in the opinion of the Security Trustee, being contested in good faith by the Issuer;
- (k) conduct its business and affairs such that, at all times, its "centre of main interests" for the purposes of the UK Insolvency Regulation and the UNCITRAL Implementing Regulations shall be in England and Wales and it will not have any "establishment" (as defined in the UK Insolvency Regulation and the UNCITRAL Implementing Regulations) other than in England;
- (l) that, in order to enable the Security Trustee to ascertain the principal amount of the Notes of each Class for the time being outstanding for any of the purposes referred to in the proviso to the definition of outstanding in the Master Definitions and Construction Schedule, the Issuer will deliver to the Security Trustee forthwith upon being so requested in writing by the Security Trustee (in relation to the Class Z VFN, upon being provided with the relevant information from the Class Z VFN Registrar) a certificate in writing signed by two directors of the Issuer setting out the total number and aggregate principal amount of Notes of each Class and which
 - (i) up to and including the date of such certificate have been cancelled, and
 - (ii) are at the date of such certificate held by, for the benefit of, or on behalf of, the Issuer, the Seller, YBS, any Holding Company of any of them or any other Subsidiary of such Holding Company, in each case, as beneficial owner;
- (m) that it will not hold save to the extent permitted by or provided in the Transaction Documents, any capital assets;

- (n) that it is not a director of any company;
- (o) it will keep any relevant notification pursuant to the Data Protection Laws current and up to date; and
- (p)
 - (i) that, in respect of each accounting period of the Issuer, the only amounts retained by the Issuer will be its profit as provided for in the Cash Management Agreement (the **Issuer's Profit**) and amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness; and
 - (ii) that, in respect of all amounts received by the Issuer pursuant to any Transaction Document, the Issuer has a corresponding obligation to pay out an equal amount by way of cost or expense owing to a third party less an amount equal to the Issuer's Profit and amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness within 18 months.

22.4 Form MR01

The Issuer shall make a filing or shall procure that a filing is made with the Registrar of Companies of a duly completed Form MR01 in respect of itself together with a certified copy of this Deed and each Scottish Supplemental Charge and Scottish Sub-Security, in each case within the applicable time limit.

23. PROVISIONS SUPPLEMENTAL TO THE TRUSTEE ACT 1925

23.1 Powers of Security Trustee

- (a) Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts constituted by this Deed. Where there are any inconsistencies between the Trustee Act 1925, the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000 the provisions of this Deed shall constitute a restriction or exclusion for the purposes of that Act.
- (b) By way of supplement to the Trustee Act 1925 and the Trustee Act 2000 it is expressly declared as follows:
 - (i) the Security Trustee may in relation to these presents and the other Transaction Documents rely or act on the advice, or report, or opinion or advice of or any information obtained from any Auditor, any lawyer, banker, valuer, accountant, surveyor, professional adviser, broker, auctioneer, or other expert, whether obtained by the Issuer, the Servicer, the Seller, the Principal Paying Agent, the Security Trustee, or otherwise and whether or not addressed to the Security Trustee notwithstanding that such advice, report, opinion, information, or any engagement letter or any other document entered into by the Security Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person and the Security Trustee shall not be responsible for any Liability occasioned by so acting or relying;
 - (ii) any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, facsimile reproduction, electronic mail or in any other form and the Security Trustee shall not be liable for acting or not acting in good faith on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic;

- (iii) the Security Trustee (A) shall (save as expressly otherwise provided in this Deed or any of the other Transaction Documents) as regards all rights, powers, authorities and discretions vested in it by this Deed or any of the other Transaction Documents, or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and (B) may at its discretion and without notice, take such proceedings and/or other steps as it may think fit against the Issuer or any other person or party to any of the Transaction Documents to enforce the provisions of the Notes and any of its rights under this Deed or any other Transaction Document in such manner as it thinks fit;
- (iv) the Security Trustee shall be at liberty to place this Deed and all deeds and other documents relating to this Deed with any bank or banking company, or lawyer or firm of lawyers believed by it to be of good repute, in any part of the world, and the Security Trustee shall not be responsible for or be required to insure against any loss incurred in connection with any such deposit and the Issuer shall pay all sums required to be paid on account of or in respect of any such deposit;
- (v) the Security Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Security Trustee (including the receipt and payment of money). Subject to **Clause 24.2** (Delegation), the Security Trustee shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons;
- (vi) where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or required by law) be converted at such rate or rates in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Security Trustee in its absolute discretion but having regard to current rates of exchange if available and the Security Trustee shall not be liable for any loss occasioned by the said conversion under this **paragraph (vi)**;
- (vii) subject to **Clause 24.5** (Consent of Security Trustee), any consent or approval given by the Security Trustee for the purposes of this Deed or any of the other Transaction Documents may be given on such terms and subject to such conditions (if any) as the Security Trustee thinks fit and, notwithstanding anything to the contrary contained in this Deed or any of the other Transaction Documents, may be given retrospectively;
- (viii) the Security Trustee shall be entitled to rely upon a certificate, believed by it to be genuine, of the Issuer, the Servicer or the Seller or any other person in respect of every matter and circumstance for which a certificate is expressly provided for under this Deed or the other Transaction Documents and to call for and rely upon a certificate of the Issuer, the Servicer or the Seller or any other person reasonably believed by it to be genuine as to any other fact or matter *prima facie* within the knowledge of the Issuer or such person as sufficient evidence thereof and the Security Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liabilities or inconvenience that may be caused by it failing to do so;
- (ix) the Security Trustee shall not be responsible for acting upon any resolution in writing or resolution purporting to have been passed at any meeting of the Noteholders in respect whereof minutes have been made and purporting to have been signed by the chairman thereof, even though it may subsequently be found that there was some defect in the constitution of

the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Noteholders;

- (x) the Security Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of the Class A Notes standing to the account of any person or, in relation to the Class Z VFN, any confirmation as to the Principal Amount Outstanding of the Class Z VFN from the Class Z VFN Registrar. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by (A) in relation to the Class A Notes, the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular Principal Amount Outstanding of such Class A Notes is clearly identified together with the amount of such holding; or (B) in relation to the Class Z VFN, any form of document from the Class Z VFN Registrar identifying the Principal Amount Outstanding of the Class Z VFN and the Class Z VFN Holder. The Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg or the Class Z VFN Registrar, as applicable, and subsequently found to be forged or not authentic;
- (xi) subject to **Clause 21.4** (Mandatory Enforcement), the Security Trustee shall, in connection with the exercise by it of any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents:
 - (A) where it is required to have regard to Noteholders of any Class, it shall have regard to the interests of the Noteholders as a Class and shall not have regard to any interest arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise or performance thereof for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Security Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders; and
 - (B) notwithstanding that none of the Security Trustee and the Noteholders may have any right of recourse against the Rating Agencies in respect of any confirmation given by it and relied upon by the Security Trustee pursuant to this **paragraph (xi)(B)**, the Security Trustee may, among other things, for the purposes of exercising any of its trusts, duties, rights, powers, authorities and discretions under this Deed and any of the other Transaction Documents and determining if such exercise will not be materially prejudicial to the interests of the Class A Noteholders, have regard to any Ratings Confirmation. It is agreed and acknowledged by the Security Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders. In being entitled to take into account any Ratings Confirmation, it is agreed and acknowledged by the Security Trustee that such reliance does not impose or extend any actual or contingent liability of the Rating Agencies to the Security Trustee, the Class A Noteholders or any other person or create any legal relations between the Rating Agencies and the Security Trustee, the Noteholders or any other person whether by way of contract or otherwise;

- (xii) the Security Trustee shall have no responsibility for the maintenance of any rating of the Class A Notes by the Rating Agencies or any other person;
- (xiii) the Security Trustee shall not be liable for any error of 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;
- (xiv) no provision of this Deed or any other Transaction Document shall require the Security Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers or otherwise in connection with this Deed or any other Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it;
- (xv) the Security Trustee shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be required to disclose to any Secured Creditor any information made available to the Security Trustee by the Issuer in connection with the trusts of this Deed or the other Transaction Documents and no Secured Creditor shall be entitled to take any action to obtain from the Security Trustee any such information;
- (xvi) the Security Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Security Trustee may determine, including for the purpose of depositing with a custodian this Deed or any documents relating to the trusts created hereunder. The Security Trustee shall not be responsible for any misconduct, omission or default on the part of any person appointed by it in good faith hereunder or be bound to supervise the proceedings or acts of any such persons;
- (xvii) unless notified to the contrary, the Security Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to **Clause 22.3(1)** (Positive Covenants)) that no Notes are held by, for the benefit of, or on behalf of, the Issuer, any holding company of any of them or any other Subsidiary of such holding company;
- (xviii) the Security Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic;
- (xix) the Security Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience occasioned to the Security however caused, whether by an act or omission of the Issuer or any other party to the Transaction Documents or any other person (including any bank, broker, depository, or other intermediary or any clearing system or operator thereof) acting in accordance with or contrary to the provisions of any Transaction Documents or otherwise and irrespective of whether the Security is held by or to the order of any such persons;
- (xx) the Security Trustee shall not be under any obligation to insure any of the Security or any deeds or documents of title or other evidence in respect of the Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any Liabilities or inconvenience which may be suffered by any person as a result of the lack of or inadequacy of any such insurance;
- (xxi) the Security Trustee will not be liable for any decline in value nor any loss realised upon any sale or other disposition pursuant to this Deed of, any of the Charged Assets. In particular and

without limitation, the Security Trustee shall not be liable for any such decline or loss directly or indirectly arising from its acting or failing to act as a consequence of an opinion reached by it in good faith based on advice received by it in accordance with this Deed and the Conditions;

- (xxii) the Security Trustee shall have no responsibility whatsoever to the Issuer or Secured Creditors as regards any deficiency which might arise because the Security Trustee is subject to any Tax in respect of all or any of the Charged Assets, the income therefrom or the proceeds thereof;
- (xxiii) it is a term of the trust created in these presents, that, except where expressly provided otherwise in the Transaction Documents, any information provided to the Security Trustee under the terms of the Transaction Documents is for information purposes only and the Security Trustee will not and is not expected to routinely review or monitor such information;
- (xxiv) in determining whether to serve a notice to terminate the Servicer's appointment following a Servicer Termination Event (a **Servicer Termination Notice**) the Security Trustee shall be entitled to seek directions from the Note Trustee, itself acting on directions by an Extraordinary Resolution of the Class A Notes while they remain outstanding and thereafter Class Z VFN Notes and shall not be responsible for any delays in taking action occasioned by so doing. The Security Trustee has no obligation to assume the role or responsibilities of the Servicer;
- (xxv) the Security Trustee shall not be responsible for:
 - (A) identifying the occurrence of a Seller Insolvency Event or a Servicer Termination Event and shall assume that no such event has occurred unless notified thereof by the Seller in accordance with the provisions of **Clause 7** (Undertakings) of the Mortgage Sale Agreement regarding a Seller Insolvency Event, or by the Servicer pursuant to **Clause 20** (Termination) of the Servicing Agreement, regarding a Servicer Termination Event;
 - (B) serving a Servicer Termination Notice, unless notified by the Servicer or the Issuer of the circumstances entitling it to serve such notice; or
 - (C) analysing the circumstances which have informed the Servicer or the Issuer when notifying the Security Trustee of a Servicer Termination Event;
- (xxvi) in connection with the Security Trustee's entitlement to take action to terminate the appointment of the Servicer, the Security Trustee:
 - (A) will not be responsible for carrying out the role of Servicer itself during the time the Issuer is attempting to identify such replacement Servicer or thereafter if the Issuer is unable to find such replacement; and
 - (B) will not be required to take any action to find a replacement Servicer;
- (xxvii) the Security Trustee shall be entitled to assume that (A) no event has occurred which is a breach of the Servicer's obligations under the Servicing Agreement and (B) no event has occurred which would, under the terms of the Servicing Agreement or other Transaction Documents, lead to the replacement of the Servicer, unless it is told otherwise as specified in the Transaction Documents; and
- (xxviii) notwithstanding anything else herein contained, the Security Trustee may refrain without liability from doing anything that would or might in its opinion be contrary to any law of any

state or jurisdiction (including England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

23.2 Representations and Warranties, etc.

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

23.3 Perfection

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

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

23.4 Enforceability, etc.

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

- (a) the nature, status, creditworthiness or solvency of the Issuer;

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

23.5 No Supervision

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

23.6 No Liability

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

23.7 Conclusive and Binding Determinations

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

23.8 Use of Proceeds

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

23.9 No Indemnity

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

23.10 Consequential losses

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

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

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

24. SUPPLEMENTAL PROVISIONS REGARDING THE SECURITY TRUSTEE

24.1 Assumption of No Default

Except as herein otherwise expressly provided, the Security Trustee shall be and is hereby authorised to assume without enquiry, and it is hereby declared to be the intention of the Security Trustee that it shall assume without enquiry, that the Issuer and each of the other parties thereto is duly performing and observing all the covenants and provisions contained in this Deed and the other Transaction Documents to be performed and observed on their parts and that no event has occurred which

constitutes an Event of Default or which would cause a right or remedy to become exercisable, whether by the Issuer or the Security Trustee, under or in respect of any of the Transaction Documents.

24.2 Delegation

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

24.3 Commercial Transactions

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

24.4 Additional Powers

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

24.5 Consent of Security Trustee

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

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

- (b) in any other case, the Security Trustee may give its consent or approval if so instructed by the Note Trustee.

24.6 Interests of Secured Creditors

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

24.7 Modification to Transaction Documents

- (a) The Security Trustee may from time to time and at any time, only with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents and after the Issuer having notified the Rating Agencies but without any consent or sanction of any other Secured Creditors, concur with the Issuer and any other person in making or sanctioning any modification:
 - (i) to any of the Transaction Documents which in the opinion of the Security Trustee it may be expedient to make, provided that the Security Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders; or
 - (ii) to any of the Transaction Documents which in the Security Trustee's opinion is made to correct a manifest error or is of a formal, minor or technical nature,
- (b) provided that in respect of any modifications to any of the Transaction Documents which would (in the opinion of the Interest Rate Swap Provider, which shall be confirmed in writing within 20 Business Days of the Interest Rate Swap Provider receiving notice from the Issuer of such modifications to the Note Trustee and the Security Trustee prior to such modification) have: (A) the effect that immediately after such modification, the Interest Rate Swap Provider would be reasonably required to pay more or receive less under the Interest Rate Swap Agreement if the Interest Rate Swap Provider (as applicable) were to replace itself as swap counterparty under the Interest Rate Swap Transaction than it would otherwise have been required to prior to such modification; or (B) the effect of altering the amount, timing or priority of any payments or deliveries due from the Issuer to the Interest Rate Swap Provider or from the Interest Rate Swap Provider to the Issuer; or (C) a material adverse effect on the rights of the Interest Rate Swap Provider under the Transaction Documents (including for the avoidance of doubt and without limitation, its rights and obligations under the Interest Rate Swap Agreement and its regulatory treatment of the Interest Rate Swap Agreement and the transactions thereunder), the prior written consent of the Interest Rate Swap Provider is required. Any such modification may be made on such terms and subject to such conditions (if any) as the Security Trustee may determine. Each Secured Creditor agrees that such modification shall be binding on it and, unless the Security Trustee otherwise agrees, notice thereof shall be given by the Cash Manager to the Secured Creditors as soon as practicable thereafter.

24.8 Additional right of modification

- (a) Notwithstanding the provisions of **Clause 24.7** (Modification to Transaction Documents), the Security Trustee shall be obliged, without any written consent or actions of the Noteholders, or, subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or whose ranking in any Priority of Payments is affected, any of the Secured Creditors, to concur with the Issuer in making any modification (other than a Basic Terms Modification) to any Transaction Document or enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:

- (i) in order to enable the Issuer and/or the Interest Rate Swap Provider to comply with any requirements which apply under UK EMIR and/or EU EMIR, subject to receipt by the Note Trustee and the Security Trustee of a certificate issued by (A) the Issuer or (B) the Cash Manager on behalf of the Issuer certifying to the Note Trustee and the Security Trustee the requested amendments are to be made solely for the purpose of enabling the Issuer or the Interest Rate Swap Provider, as the case may be, to satisfy its requirements under UK EMIR and/or EU EMIR and have been drafted solely to that effect;
- (ii) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that in relation to any amendment under this **Clause 24.8**:
 - (A) the Issuer or the Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
 - (B) in the case of any modification to a Transaction Document proposed by any of YBS, the Cash Manager, the Seller, the Servicer, the Account Bank, the GIC Provider, the Collateral Account Bank, the Interest Rate Swap Provider (for the purposes of this **Clause 24.8** only, each a **Relevant Party**) in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
 - I. the Relevant Party certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in **paragraph (B)(x)** and/or **(y)** above;
 - II. either:
 - (a) the Issuer or the Cash Manager (on behalf of the Issuer) obtains from each of the Rating Agencies a Ratings Confirmation and, if relevant, delivers a copy of each such confirmation to the Issuer, the Note Trustee and the Security Trustee; or
 - (b) the Issuer or the Cash Manager (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated within 30 days of being so informed that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); and
 - (C) YBS pays all costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee and the Security Trustee or any other Transaction Party in connection with such modification,
- (iii) for the purpose of complying with any changes in the requirements of (A) Article 6 of the UK Securitisation Regulation or Article 6 of the EU Securitisation Regulation, after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the

UK Securitisation Regulation, (B) the UK CRR or (C) any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer (or the Cash Manager on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

- (iv) for the purpose of enabling the Notes to comply with the requirements of the UK Securitisation Regulation or the EU Securitisation Regulation, including relating to compliance with UK STS Requirements and the treatment of the Notes as a simple, transparent and standardised securitisation, and any related regulatory technical standards authorised under the UK Securitisation Regulation or the EU Securitisation Regulation, provided that the Issuer (or the Cash Manager on its behalf) certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (v) for the purpose of making any modification of the Notes or any of the Transaction Documents to enable the Issuer or any of the other Transaction Parties to comply with FATCA, provided that the Issuer (or the Cash Manager on its behalf) or the relevant Transaction Party certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (vi) for the purpose of enabling the Class A Notes to be (or to remain) listed on Euronext Dublin or, where the maintenance of such listing has become unduly onerous, procure and maintain either the admission of the Class A Notes to the Official List of the FCA and to trading on the regulated market of the London Stock Exchange or the listing of the Class A Notes on such other stock exchange or exchanges or securities market or markets as the Issuer may decide **provided that** such new stock exchange is a recognised stock exchange for the purposes of Section 987 of the ITA 2007, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (vii) for the purpose of complying with any changes in the requirements of the UK CRA Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (viii) for the purpose of appointing any additional Collateral Account Bank or opening any additional Collateral Accounts (including, without limitation, any custody accounts); provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,

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

- (ix) for the purpose of changing the reference rate or the base rate that then applies in respect of any of the Notes (**Reference Rate**) to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner) (any such rate, which may include an alternative screen rate, an **Alternative Base Rate**) and make such other amendments as are necessary or advisable in the reasonable judgement of the Issuer to facilitate such change (a **Base Rate Modification**), provided that:

(A) the Cash Manager, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that:

I. such Base Rate Modification is being undertaken due to:

- (a) a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
- (b) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
- (c) a material disruption to the Reference Rate, an adverse change in the methodology of calculating the Reference Rate or the Reference Rate ceasing to exist or be published;
- (d) the insolvency or cessation of business of the administrator of the Reference Rate (in circumstances where no successor administrator of the Reference Rate has been appointed);
- (e) a public statement by the administrator of the Reference Rate that it will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator for the relevant Reference Rate has been appointed that will continue publication of the Reference Rate);
- (f) a public statement by the supervisor of the administrator of the Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
- (g) a public statement by the supervisor of the administrator of the Reference Rate that means such Reference Rate may no longer be used or that its use is subject to restrictions or adverse consequences; or
- (h) the reasonable expectation of the Cash Manager that any of the events specified in sub-paragraphs (a) to (g) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

II. such Alternative Base Rate is:

- (a) a base rate published, endorsed, approved or recognised by the Bank of England, any regulator in the United Kingdom or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
- (b) a base rate utilised in a material number of publicly-listed new issues of Sterling-denominated asset-backed floating rate notes prior to the effective date of such Base Rate Modification;

- (c) a base rate utilised in a publicly-listed new issue of Sterling-denominated asset backed floating rate notes where the originator of the relevant assets is an affiliate of Yorkshire Building Society; or
 - (d) such other base rate as the Cash Manager reasonably determines,
- (B) for the purpose of changing the base rate that then applies in respect of the Interest Rate Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Cash Manager on its behalf) and the Interest Rate Swap Provider solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Interest Rate Swap Agreement to the base rate of the Notes following such Base Rate Modification, provided that the Cash Manager, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a **Swap Rate Modification Certificate**);

and provided that:

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

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

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

- V. the Issuer certifies in writing to the Note Trustee and the Security Trustee that (a) the Issuer has provided at least 30 days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 15 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes and (b) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the most senior Class of Notes then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the most senior Class of Notes then outstanding have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Controlling Class is passed in favour of such modification in accordance with the Trust Deed.

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

24.9 Consent to Additional Right of Modification

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

24.10 Authorisation or Waiver of Breach

The Security Trustee may, only with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents but without the consent or sanction of the other Secured Creditors, without prejudice to its right in respect of any further or other breach, from time to time and at any

time authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to any of the Transaction Documents by any party thereto, but only if and in so far as it receives written confirmation from the Note Trustee that in its opinion the interests of the Noteholders will not be materially prejudiced thereby. Any such authorisation or waiver shall be binding on the Secured Creditors and notice thereof shall be given by the Cash Manager to the Secured Creditors and to the Rating Agencies as soon as practicable thereafter.

24.11 Incorporation by Reference

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

25. REMUNERATION AND INDEMNIFICATION OF THE SECURITY TRUSTEE

25.1 Remuneration

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

25.2 Additional Remuneration

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

25.3 Disputes

In the event of the Security Trustee and the Issuer failing to agree upon the amount of any remuneration from time to time pursuant to **Clause 25.1** (Remuneration) or to agree in a case to which **Clause 25.2** (Additional Remuneration) above applies, upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee hereunder or upon the amount of such additional remuneration, such matters shall be determined by a person (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by the Issuer or, failing such

approval, nominated by the President for the time being of the Law Society of England and Wales, the expenses being involved in such nomination and the fees of such person being payable by the Issuer, and the decision of any such person shall be final and binding on the Issuer and the Security Trustee.

25.4 Expenses

In addition to remuneration hereunder, the Issuer shall pay (on an indemnity basis) all other costs, charges and expenses not expressly waived in the fee letter referenced in **Clause 25.1** (Remuneration) which the Security Trustee or the Receiver of the Issuer and any other Appointee may properly incur in relation to the negotiation, preparation and execution of, the exercise or attempted exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Deed, the Security and any of the other Transaction Documents to which the Security Trustee is a party including but not limited to travelling and legal expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Security Trustee or the Receiver of the Issuer in connection with any action taken or contemplated by or on behalf of the Security Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Deed, the Security or any of the other Transaction Documents (including, in each case, any Irrecoverable VAT in respect thereof but excluding, for the avoidance of doubt, any Tax on the Security Trustee or Receiver's net income, profit or gains).

25.5 Indemnity

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

25.6 Interest

- (a) All sums payable by the Issuer under **Clauses 25.3** (Disputes), **25.4** (Expenses) and **25.5** (Indemnity) shall be payable on demand and:
 - (i) in the case of payments actually made by the Security Trustee prior to the demand, shall carry interest at the rate per annum which is one per cent. per annum above the Bank of England Base Rate for the time being from the first Business Day following the date of the same being demanded to the date of actual payment (provided that such demand shall be made on a Business Day, otherwise interest shall be payable from the second Business Day following the date of the demand to the date of actual payment); and

- (ii) in all other cases, shall carry interest at such rate from the date fifteen (15) days after the date of the same being demanded or (where the demand specifies that payment by the Security Trustee will be made on an earlier date provided such earlier date is a business day) from such earlier date (not being earlier than the Business Day following the date of such demand) to the date of actual payment.
- (b) Any amounts payable pursuant to **Clauses 25.1** (Remuneration) to **25.2** (Additional Remuneration) (inclusive) shall carry interest at the aforesaid rate from the due date thereof to the date of actual payment.

25.7 Stamp Duties

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

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

25.8 Survival

Unless otherwise specifically stated in any discharge of this Deed, the provisions of this **Clause 25** shall continue in full force and effect notwithstanding such discharge and whether or not the Security Trustee is then the Security Trustee of these presents.

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

26.1 Power of Issuer

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

26.2 Power of Security Trustee

- (a) Notwithstanding the provisions of **Clause 26.1** (Power of Issuer), the Security Trustee may (as attorney for the Issuer) upon giving prior notice to the Issuer but without the consent of the Issuer or the Secured Creditors appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate security trustee or as a co-trustee jointly with the Security Trustee:
 - (i) if the Security Trustee considers such appointment to be in the interests of the Secured Creditors (or any of them);

- (ii) for the purposes of conforming to any legal requirement, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed or any Charged Assets is or is to be located; or
 - (iii) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of this Deed or any of the other Transaction Documents to which the Security Trustee is a party or obligations arising pursuant thereto or any of the security constituted by or pursuant to this Deed.
- (b) The Issuer hereby irrevocably appoints the Security Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Deed or any of the other Transaction Documents to which the Security Trustee is a party) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Security Trustee by this Deed or any of the other Transaction Documents to which the Security Trustee is a party) and such duties and obligations as shall be conferred or imposed on it by the instrument of appointment. The Security Trustee shall have power in like manner to remove any such person.

26.3 Multiple Trustees

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

27. RETIREMENT OF SECURITY TRUSTEE

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

28. NOTICES AND DEMANDS

28.1 Service of Notices

Any notices to be given pursuant to this Deed to any of the parties hereto shall be sufficiently served if sent to the addresses given in **Clause 28.2** (Address) by prepaid first class post, by hand, facsimile transmission or email 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 5.00 pm (London time) on a Business Day or on the next Business Day if delivered thereafter or on a day which is not a Business Day or (in the case of first class post) when it would be received in the ordinary course of the post. Any notices to be given pursuant to this Deed to Noteholders will be given in accordance with the relevant Conditions.

28.2 Address

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

- (a) in the case of the Issuer, to Tombac No.3 PLC, c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (for the attention of the Directors), with copies to (i) Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ for the attention of Treasury Operations Manager and (ii) Accord Mortgages Limited, c/o Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ for the attention of Treasury Operations Manager;
- (b) in the case of the Seller, Accord Mortgages Limited, c/o Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ for the attention of Treasury Operations Manager;
- (c) in the case of the Account Bank, Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (email:_) for the attention of Treasury Operations Manager;
- (d) in the case of the GIC Provider, Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (email:_) for the attention of Treasury Operations Manager;
- (e) in the case of the Security Trustee and/or the Note Trustee, to U.S. Bank Trustees Limited, 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (facsimile number_) for the attention of Structured Finance Relationship Management;
- (f) in the case of the Principal Paying Agent, to Elavon Financial Services DAC, UK Branch at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, (email:_) for the attention of Dublin MBS / Agency Services;
- (g) in the case of the Agent Bank, to Elavon Financial Services DAC, UK Branch at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, (email:_) for the attention of Dublin MBS / Agency Services and (email:_) for the attention of MBS ERG London;
- (h) in the case of the Servicer and/or Cash Manager, to Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ for the attention of Treasury Operations Manager;
- (i) in the case of the Interest Rate Swap Provider, to Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (email:_) for the attention of Treasury Operations Manager;
- (j) in the case of the Corporate Services Provider, to Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF for the attention of The Directors;
- (k) in the case of the Back-Up Servicer Facilitator, to Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF for the attention of The Directors;

- (l) in the case of the Collateral Account Bank, to Elavon Financial Services DAC, UK Branch at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, (email:_)) for the attention of Dublin MBS;
- (m) in the case of Moody's, to Moody's Investors Service Limited, One Canada Square, Canary Wharf, London E14 5FA (email:_)); and
- (n) in the case of Fitch, to Fitch Ratings Limited, 30 North Colonnade, Canary Wharf, London E14 5GN, United Kingdom (email:_));

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

29. FURTHER PROVISIONS

29.1 Information for Security Trustee

The Issuer and each Secured Creditor shall supply the Security Trustee with any information that the Security Trustee may reasonably specify as being necessary or desirable to enable the Security Trustee to perform its functions as Security Trustee.

29.2 Evidence of Indebtedness

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

29.3 Rights Cumulative, Waivers

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

29.4 Invalidity of any Provision

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

29.5 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 Issuer hereby waives any provision of law but only to the extent permitted by law which renders any provision of this Deed prohibited or unenforceable in any respect.

29.6 Counterparts

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

29.7 Further Assurance

- (a) The Issuer shall (at its own cost) do and execute, or arrange for the doing and executing of, each act, document and thing requested of it by the Security Trustee or any Receiver (including, without limitation, the giving of notices of assignment or assignation and the effecting of filings of registration in any jurisdiction) for perfecting or protecting the Security from time to time and, at any time after the Security or any part thereof has become enforceable, shall do and execute, or arrange for the doing and executing of, each necessary act, document and thing within its power and as may be requested of it by the Security Trustee or any Receiver for facilitating the realisation of, or enforcement of rights in respect of, all or any of the Charged Assets and the exercise of all rights vested in the Security Trustee or in any Receiver in respect of all or any of such Security.
- (b) Each of the parties hereto (other than the Note Trustee and the Security Trustee) hereby agree to enter into any necessary document required in connection with the termination of the appointment of any party to any of the Transaction Documents and their replacement with a successor or replacement party (including, without limitation, any deed of accession or deed of novation), any costs in relation to which shall be borne by the Issuer.
- (c) A corporation into which the Security Trustee may be merged or converted, or any corporation with which the Security Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Security Trustee shall be a party, shall, on the date when the merger, conversion or consolidation becomes effective and to the extent permitted by any applicable laws and subject to any requirements set out in this Deed become the successor security trustee under this Deed without the execution or filing of any paper or any further act on the part of the parties to this Deed, unless otherwise required by the Issuer, and after the said effective date, all references in this Deed to the Security Trustee shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion or consolidation shall immediately be given to the Issuer and the Note Trustee by the Security Trustee.

30. VARIATION

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

31. SECURED CREDITORS

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

32. ASSIGNMENT REGISTER

32.1 Save as provided in **Clause 32.2** below in the case of the Interest Rate Swap Provider, neither the Issuer nor any of the other Secured Creditors may assign, encumber or transfer all or any part of its rights or benefits and/or transfer its obligations under or pursuant to this Deed without the prior written consent of the Security Trustee.

32.2 The Interest Rate Swap Provider may assign its rights or benefits and/or transfer its obligations under or pursuant to this Deed to any third party who accedes to the Transaction Documents as a new interest rate swap provider pursuant to and in accordance with the terms of the Interest Rate Swap Agreement.

33. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

34. CHOICE OF LAW

34.1 Governing Law

This Deed (and any non-contractual obligations arising out of or in connection with it) is governed by, and shall be construed in accordance with English law (provided that **Clauses 3.4** (Scottish Sub-Securities), **3.5** (Scottish Trust Security) and **9.10** (Scottish Trust Property) and any terms hereof which are particular to the law of Scotland shall be governed by and construed in accordance with, Scots law).

34.2 Submission to Jurisdiction

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

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

Issuer

EXECUTED and DELIVERED as a DEED)
for and on behalf of **TOMBAC NO.3 PLC**)
acting by its authorised signatory)

in the presence of:

Witness:

Name:

Address:

Seller and Class Z VFN Holder

EXECUTED and DELIVERED as a DEED)
by **ACCORD MORTGAGES LIMITED**)
acting by its **Attorney**)

in the presence of:

Witness:

Name:

Address:

Back-Up Servicer Facilitator

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

in the presence of:

Witness:

Name:

Address:

Corporate Services Provider

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

in the presence of:

Witness:

Name:

Address:

Account Bank

The SEAL of)
YORKSHIRE BUILDING SOCIETY)
is affixed to this **DEED** in the presence of)
and it is subscribed for it by:)

By authority of the Board of Directors

GIC Provider

The SEAL of)
YORKSHIRE BUILDING SOCIETY)
is affixed to this **DEED** in the presence of)
and it is subscribed for it by:)

By authority of the Board of Directors

Servicer, Cash Manager and Class Z VFN Registrar

The SEAL of)
YORKSHIRE BUILDING SOCIETY)
is affixed to this **DEED** in the presence of)
and it is subscribed for it by:)

By authority of the Board of Directors

Interest Rate Swap Provider

The SEAL of)
YORKSHIRE BUILDING SOCIETY)
is affixed to this **DEED** in the presence of)
and it is subscribed for it by:)

By authority of the Board of Directors

Security Trustee

EXECUTED and DELIVERED as a DEED)
for and on behalf of **U.S. BANK TRUSTEES**)
LIMITED)
acting by its Authorised Attorney)

in the presence of:

Witness:

Name:

Address:

Note Trustee

EXECUTED and DELIVERED as a DEED)
for and on behalf of **U.S. BANK TRUSTEES**)
LIMITED)
acting by its Authorised Attorney)

in the presence of:

Witness:

Name:

Address:

Principal Paying Agent and Agent Bank

EXECUTED and DELIVERED as a DEED)
for and on behalf of **ELAVON FINANCIAL**)
SERVICES DAC, UK BRANCH)
acting by its Authorised Attorney)

in the presence of:

Witness:

Name:

Address:

Collateral Account Bank

EXECUTED and DELIVERED as a DEED)
for and on behalf of **ELAVON FINANCIAL**)
SERVICES DAC, UK BRANCH)
acting by its Authorised Attorney)

in the presence of:

Witness:

Name:

Address:

SCHEDULE 1

ISSUER POWER OF ATTORNEY

THIS POWER OF ATTORNEY is made on [●] 2021 by **TOMBAC NO.3 PLC** (registered number 13594915), whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Principal**).

Whereas

- (1) By virtue of a deed of charge (the **Deed of Charge**) dated on or about [●] 2021 and made between, *inter alios*, the Principal, the Seller, the Class Z VFN Holder, the Cash Manager, the Security Trustee, the Note Trustee, the Servicer, the Account Bank, the GIC Provider, the Principal Paying Agent, the Agent Bank, the Class Z VFN Registrar, the Corporate Services Provider, the Back-Up Servicer Facilitator, the Collateral Account Bank and the Interest Rate Swap Provider (each as referred to therein) provision was made for the execution by the Principal of this Power of Attorney.
- (2) Words and phrases in this Power of Attorney shall (save where expressed to the contrary) have the same meanings respectively as the words and phrases in the Deed of Charge.

NOW THIS POWER OF ATTORNEY WITNESSETH

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

SCHEDULE 2

FORM OF SCOTTISH SUB-SECURITY (LAND REGISTER)

WE, **TOMBAC NO.3 PLC** (registered number 13594915), a public limited company incorporated in England and Wales, having our registered office at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (hereinafter referred to as the **Issuer**) CONSIDERING that:

- (a) We have entered into a trust deed (hereinafter referred to as the **Trust Deed**) dated [●] 2021 between us and U.S. Bank Trustees Limited whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (hereinafter referred to as the **Note Trustee**, which expression shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Trust Deed or this Deed) constituting certain mortgage-backed floating rate notes;
- (b) In security, *inter alia*, of the performance of the obligations specified therein to the Note Trustee and others we have entered into a deed of charge (the **Deed of Charge**) between us, U.S. Bank Trustees Limited whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee**, which expression shall include such company and all other persons for the time being acting as trustee or trustees under the Deed of Charge or this deed) and others dated [●] 2021;
- (c) In terms of the Deed of Charge we have agreed to grant this deed; and
- (d) Capitalised terms in this deed (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in the Deed of Charge and this deed shall be construed in accordance with the principles of interpretation and constructions set out therein:

NOW THEREFORE we the Issuer, in security of the payment and discharge of all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) constituting or comprised within the Secured Obligations and any variation or alteration thereof and in implement *pro tanto* of **Clause 3.4** (Scottish Sub-Securities) of the Deed of Charge HEREBY GRANT a Standard Security in favour of the Security Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 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 and any lawful variation thereof operative for the time being shall apply: And we agree that:

- (First) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security;
- (Second) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Deed of Charge (the terms of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said Standard Conditions, the Deed of Charge shall, subject to the provisions of the said Act, prevail and take effect;
- (Third) upon the Deed of Charge becoming immediately enforceable, in accordance with the provisions of **Clause 9.2** (Enforceable) thereof, we shall (in addition to the circumstances specified in the said Act) be deemed to be in default within the meaning of Condition 9(1)(b)

of the Standard Conditions whereupon, and without prejudice to its whole other rights and powers under the said Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the said Act;

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

(Fifth) the security rights and interests created, made or given under or pursuant to this deed shall be held by the Security Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Deed of Charge:

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

IN WITNESS WHEREOF these presents typewritten on this and the two preceding pages and the schedule are executed at [] on the day of [] as follows:

SUBSCRIBED for and on behalf of the said

TOMBAC NO.3 PLC

at

on

by
Director

at

on

by:
Director

.....

.....

Schedule referred to in the foregoing Standard Security by Tombac No.3 PLC in favour of U.S. Bank Trustees Limited (as Security Trustee)

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

..... Director

..... Director

SCHEDULE 3

FORM OF SCOTTISH SUB-SECURITY (SASINE REGISTER)

WE, **TOMBAC NO.3 PLC** (registered number 13594915), a public limited company incorporated in England and Wales, having our registered office at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (hereinafter referred to as the **Issuer**) CONSIDERING that:

- (a) We have entered into a trust deed (hereinafter referred to as the **Trust Deed**) dated [●] 2021 between us and U.S. Bank Trustees Limited whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (hereinafter referred to as the **Note Trustee**, which expression shall include such company and all other persons or companies for the time being acting as trustee or trustees under the Trust Deed or this Deed) constituting certain mortgage-backed floating rate notes;
- (b) In security, *inter alia*, of the performance of the obligations specified therein to the Note Trustee and others we have entered into a deed of charge (the **Deed of Charge**) between us, U.S. Bank Trustees Limited whose principal place of business is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee**, which expression shall include such company and all other persons for the time being acting as trustee or trustees under the Deed of Charge or this deed) and others dated [●] 2021;
- (c) In terms of the Deed of Charge we have agreed to grant this deed; and
- (d) Capitalised terms in this deed (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in the Deed of Charge and this deed shall be construed in accordance with the principles of interpretation and constructions set out therein:

NOW THEREFORE we the Issuer, in security of the payment and discharge of all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) constituting or comprised within the Secured Obligations and any variation or alteration thereof and in implement *pro tanto* of **Clause 3.4** (Scottish Sub-Securities) of the Deed of Charge HEREBY GRANT a Standard Security in favour of the Security Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 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 the subjects therein described 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 and any lawful variation thereof operative for the time being shall apply: And we agree that:

- (First) Conditions 1 to 7 (inclusive) of the Standard Conditions shall not apply to this Standard Security;
- (Second) the remaining Standard Conditions shall be varied to the effect that in so far as the provisions of the Deed of Charge (the terms of which shall be deemed to be incorporated herein) extend, add to, depart from or conflict with the said Standard Conditions, the Deed of Charge shall, subject to the provisions of the said Act, prevail and take effect;
- (Third) upon the Deed of Charge becoming immediately enforceable, in accordance with the provisions of **Clause 9.2** (Enforceable) thereof, we shall (in addition to the circumstances

specified in the said Act) be deemed to be in default within the meaning of Condition 9(1)(b) of the Standard Conditions, whereupon and without prejudice to its whole other rights and powers under the said Act or the Transaction Documents, the Security Trustee shall be entitled to enforce this Standard Security in accordance with the provisions of the said Act;

(Fourth)

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

(Fifth)

the security rights and interests created, made or given under or pursuant to this deed shall be held by the Security Trustee as trustee for the Secured Creditors upon and subject to the terms and conditions of the Deed of Charge:

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

IN WITNESS WHEREOF these presents typewritten on this and the two preceding pages and the schedule are executed at [] on the [] day of [] as follows:

SUBSCRIBED for and on behalf of the said
TOMBAC NO.3 PLC

at

on

by
Director

at

on
Director

Schedule referred to in the foregoing Standard Security by Tombac No.3 PLC in favour of U.S. Bank Trustees Limited (as Security Trustee)

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

SCHEDULE 4

FORM OF SCOTTISH SUPPLEMENTAL CHARGE

ASSIGNATION IN SECURITY

BY

- (1) **TOMBAC NO.3 PLC** (registered number 13594915), a public limited company incorporated in England and Wales, whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (referred to herein as the **Issuer**);

in favour of:

- (2) **U.S. BANK TRUSTEES LIMITED** (registered number 02379632), a private limited company incorporated under the laws of England and Wales whose principal office is 125 Old Broad Street, Fifth Floor, London, EC2N 1AR (acting in its capacity as the security trustee, which expression shall include such company and all other persons or companies for the time being acting as security trustee pursuant to the terms of the Deed of Charge (referred to hereinafter as the **Security Trustee**);

with intimation and acknowledgement by:

- (3) **ACCORD MORTGAGES LIMITED** (registered number 02139881) a company incorporated in England and Wales and registered as a private limited company whose registered office is at Yorkshire House, Yorkshire Drive, Bradford, BD5 8LJ (referred to hereinafter as the **Seller**).

WHEREAS:

- (A) This deed is supplemental to a Deed of Charge dated [on [●] 2021/on or around the effective date hereof] (the Deed of Charge) made between, *inter alios*, the Issuer 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 itself and the other Secured Creditors;
- (C) A Scottish declaration of trust with an effective date [of [●] 2021/on or around the effective date hereof] (the Scottish Declaration of Trust) has been entered into between the Seller and the Issuer and delivered, in terms of which certain Scottish Loans together with their related Scottish Mortgages and other collateral security relative thereto as more fully specified and defined therein (the Scottish Trust Property) are held in trust by the Seller for the Issuer; and
- (D) This deed is made by the Issuer and the Seller in favour of the Security Trustee in accordance with and pursuant to Clause 3.5 (Scottish Trust Security) of the Deed of Charge.

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

1. The Master Definitions and Construction Schedule made between *inter alios* the Issuer and the Seller dated [on [●] 2021/on or around the effective date hereof] is expressly and specifically incorporated into this deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this deed, including the recitals hereto and this deed shall be construed in accordance with the interpretation provisions set out in **Clause 2** (Interpretation and Construction) of the Master Definitions and Construction Schedule.

2. The Issuer covenants with and undertakes to the Security Trustee for itself and as trustee for the other Secured Creditors that it will, subject to the provisions of the Transaction Documents:
 - (a) duly and punctually pay and discharge all monies and liabilities whatsoever which now are or at any time hereafter may (whether before or after demand or decree) become due and payable to the Security Trustee (whether for its own account or as trustee for the Secured Creditors) or any of the other Secured Creditors by the Issuer, whether actually or contingently, under the Deed of Charge, this deed or any other Transaction Document; and
 - (b) observe, perform and satisfy all its other obligations and liabilities under the Deed of Charge, this deed and each other Transaction Document.
3. The Issuer as holder of the beneficial interest therein and with absolute warrandice and subject to the proviso for release contained in **Clause 4** (Release of Charged Assets) of the Deed of Charge HEREBY ASSIGNS to and in favour of the Security Trustee in security for the discharge and payment of the Secured Obligations the Issuer's whole right, title, interest and benefit, present and future, in and to the Scottish Trust Property and in and to the Scottish Declaration of Trust, surrogating and substituting the Security Trustee in its full right and place therein and thereto.
4. The Issuer (for itself and on behalf of the Security Trustee) hereby gives notice of and intimates the assignation in security made in terms of **Clause 3** hereof to the 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.
5. The parties hereby agree that all the obligations, undertakings, covenants, rights and powers specified and contained in the Deed of Charge which relate to the property referred to in 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 3** hereof and the security and other rights and powers created under 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 deed shall be without prejudice to the Deed of Charge and all of the rights, powers obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this deed.
6. This deed may be executed in any number of counterparts and by each of the parties on separate counterparts and where executed in counterpart:
 - (a) this deed will not take effect until each of the counterparts has 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 delivered; and
 - (c) the date of delivery may be inserted in the testing clause in the space provided for the effective date of this deed.

7. This deed shall be governed by and construed in accordance with Scots law.

[When completing the Scottish Supplemental Charge, please ensure that the pro forma signing details appear on the final page of the Scottish Supplemental Charge, i.e. on a page containing part of the text of the Scottish Supplemental Charge. Note that the text of the Scottish Supplemental Charge does not include the words from "IN WITNESS WHEREOF" to "and in such order".]

IN WITNESS WHEREOF these presents typewritten on this and the preceding page are executed in counterpart by the parties as undernoted, with an effective date of [●] and with the counterparts executed by the Issuer, the Security Trustee and the Seller being treated as delivered on such date and in such order:

SUBSCRIBED for and on behalf of the said
TOMBAC NO.3 PLC

at

on

by:.....
Director

.....
Director

SUBSCRIBED)
for and on behalf of the said **U.S. BANK**)
TRUSTEES LIMITED)
acting by its Authorised Attorney)

at

on.....

in the presence of the following witness:

Witness signature:

Name:

Address:

SUBSCRIBED for and on behalf of the said
ACCORD MORTGAGES LIMITED
as **Seller**

at

on

by:

.....
Attorney/Authorised Signatory

in the presence of the following witness:

Witness signature:

Name:

Address: