

**24 September 2018**

**GOSFORTH MORTGAGES TRUSTEE 2018-1 LIMITED**  
(as *Mortgages Trustee*)

**VIRGIN MONEY PLC**  
(as *Seller, Trustee, Administrator, and Collection Bank*)

**CITICORP TRUSTEE COMPANY LIMITED**  
(as *Security Trustee*)

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**COLLECTION ACCOUNT  
DECLARATION OF TRUST**

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**Freshfields Bruckhaus Deringer**

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**THIS DECLARATION OF TRUST** is made as a deed on 24 September 2018.

**BETWEEN:**

- (1) **GOSFORTH MORTGAGES TRUSTEE 2018-1 LIMITED** a private limited company incorporated in England and Wales (registered number 11444216 whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Mortgages Trustee*);
- (2) **VIRGIN MONEY PLC**, a public limited company incorporated under the laws of England and Wales (registered number 6952311) whose registered office is at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL (*Virgin Money*), in its capacity as seller of the Mortgage Loans (the *Seller*), in its capacity as a trustee under this Collection Account Declaration of Trust (the *Trustee*), in its capacity as administrator (the *Administrator*) and in its capacity as collection bank (*Collection Bank*); and
- (3) **CITICORP TRUSTEE COMPANY LIMITED** a private limited company incorporated in England and Wales (registered number 00235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the *Security Trustee*, which expression shall include the security trustee or security trustees for the time being under the Deed of Charge).

**INTRODUCTION**

- (A) The Seller carries on the business of, *inter alia*, originating and acquiring mortgage loans to individual borrowers secured on residential properties in England and Wales, and Scotland.
- (B) The Seller has agreed to sell and the Mortgages Trustee has agreed to purchase certain of the mortgage loans referred to in Recital (A) together with the benefit of the related security for such mortgage loans on the terms and subject to the conditions set out in the Mortgage Sale Agreement.
- (C) The Seller has opened the Collection Account with the Collection Bank into which payments are made in relation to mortgage loans originated by the Seller and Northern Rock (Asset Management) plc, and has agreed to hold the same on trust in accordance with the terms of this Deed.

**THIS DEED WITNESSES** as follows:

**1. INTERPRETATION**

- 1.1 The Master Definitions and Construction Schedule signed for the purposes of identification by Clifford Chance LLP and Freshfields Bruckhaus Deringer LLP on or about the date of this Deed (as the same may be amended, varied or supplemented from time to time with the consent of the parties hereto) 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 (*Principles of Interpretation and Construction*) of that Master Definitions and Construction Schedule. In the event of a conflict between the Master Definitions and Construction Schedule and this Deed, this Deed shall prevail.

- 1.2 In this Deed ***Mortgages Trustee's Collection Portion*** shall mean at any time an amount equal to the aggregate of any amounts (including any payment of interest, principal or otherwise) received under or in connection with the Mortgage Loans and their Related Security credited to the Collection Account from time to time in relation to the Mortgage Loans in the Initial Mortgage Portfolio from (and including) the Closing Date, and in respect of New Mortgage Loans from (and including) the relevant Transfer Date minus the aggregate amount transferred from the Collection Account to the Mortgages Trustee Transaction Accounts and/or the VM Mortgages Trustee Account from (and including) the Closing Date (or Transfer Date (as applicable)) pursuant to the Administration Agreement and the Trust Property Cash Management Agreement.

## 2. THE TRUST

- 2.1 The Seller acknowledges, declares and agrees that it shall hold all its right, title, benefit and interest, present and future, in and to the Collection Account including all amounts credited to the Collection Account from time to time (the ***Collection Account Trust Property***) on trust for:

- (a) the Mortgages Trustee; and
- (b) itself in its capacity as a beneficiary,

absolutely as beneficial tenants in common on the terms of and in the proportion specified in this Deed.

- 2.2 The Mortgages Trustee's share of the Collection Account Trust Property at any time shall be an amount equal to the Mortgages Trustee Collection Portion at that time.

- 2.3 The Seller's share of the Collection Account Trust Property at any time shall be that which remains after deduction of the Mortgages Trustee's Collection Portion at that time (the ***Seller's Collection Portion***).

- 2.4 It is hereby expressly agreed and declared that:

- (a) the interests and entitlements of the Seller and the Mortgages Trustee in their capacities as beneficiaries (the ***Beneficiaries***) of the trust created by this Deed and to the property held on trust shall be vested and indefeasible, such that the Beneficiaries are absolutely entitled to the assets comprised in the Collection Account Trust Property as they are received and as income thereon arises; and
- (b) in accordance with Clause 2.4(a), the Seller (in its capacity as Trustee) shall have no duty, power or discretion to accumulate amounts representing income or otherwise to treat income as an accretion to principal but shall hold such income on trust to distribute or apply such

amounts promptly to the Beneficiaries in the proportions which each of the Mortgages Trustee's Collection Portion and the Seller's Collection Portion bear to the total Collection Account Trust Property at the time of receipt.

### **3. RESTRICTIONS**

#### **No right to Collection Account**

3.1 The Seller acknowledges that it has no right at any time to pay, set off or transfer any amount standing to the credit of the Collection Account in or towards satisfaction of:

- (a) any of the Liabilities of the Mortgages Trustee; or
- (b) any of the Liabilities of the Seller to any other person.

#### **Security over Property of Seller**

3.2 The Seller acknowledges and declares that the trust constituted by this Deed is not intended to create, nor does it create, any Encumbrance in favour of any person over any property or assets of the Seller but rather is intended clearly to delineate the beneficial interest of the Beneficiaries respectively in the Collection Account Trust Property.

#### **No Delegation or Investment**

3.3 Except insofar as is required or permitted pursuant to this Deed:

- (a) the Seller (in its capacity as Trustee) shall have no power to delegate to any other person any of the rights, powers, authorities, duties or obligations directed or authorised pursuant to this Deed; and
- (b) the Seller (in its capacity as Trustee) shall have no further or other powers of investment with respect to the property held on trust and for the avoidance of doubt, the provisions of the Trustee Act 2000 relating to trustee investments shall not apply.

#### **No Encumbrance**

3.4 The Seller hereby acknowledges and agrees that it will not encumber or dispose of any of its right, title, interest and benefit, present and future in the Collection Account or the amounts standing to the credit of the Collection Account.

#### **No Transfer or Disposal**

3.5 The Seller (in its capacity as Trustee) hereby agrees that it shall not, at any time, hold itself out to any person as being solely beneficially entitled to the Collection Account or the amounts standing to the credit of the Collection Account or entitled to effect any transfer or disposal of any of its right, title, interest and benefit in the Collection Account or the amounts standing to the credit of the Collection Account.

### **Administrator to Act as Agent**

- 3.6 The Mortgages Trustee and the Seller hereby authorise the Administrator, as agent of the Mortgages Trustee and the Seller respectively, to give Collection Bank Instructions to the Collection Bank in respect of the Collection Account, and authorise the Collection Bank to act upon such instructions in accordance with this Deed and the Administration Agreement.

### **Authority of Administrator**

- 3.7 The Seller irrevocably agrees, with the consent of the Mortgages Trustee, that the Administrator may give Collection Bank Instructions to the Collection Bank and operate the Collection Accounts on behalf of the Seller as contemplated by this Deed and the Administration Agreement.

### **No Discretion**

- 3.8 Without prejudice to any rights and powers conferred on the Seller (in its capacity as Trustee) pursuant to this Deed, the Seller (in its capacity as Trustee) shall at no time be entitled to exercise any discretion in respect of the Collection Account Trust Property or any other matter referred to in this Deed.

## **4. POWERS**

### **No Resignation**

- 4.1 The Seller shall have no right to resign from its position as Trustee under this Deed without the written consent of the Mortgages Trustee so long as the Mortgages Trustee has an interest in the Collection Account Trust Property.

The Mortgages Trustee shall have no obligation to give such consent while the Collection Account remains with the Collection Bank.

### **Statutory Powers**

- 4.2 The statutory power of appointing a new trustee or additional trustees as modified in this Deed shall apply to this Deed.

### **Power to Appoint New Trustee**

- 4.3 The power of appointing a new trustee shall be exercisable jointly by the Mortgages Trustee and the Security Trustee.

## **5. ACKNOWLEDGEMENTS BY THE COLLECTION BANK, THE SELLER AND THE MORTGAGES TRUSTEE**

- 5.1 The Collection Bank hereby:
- (a) acknowledges and agrees that subject to Clause 7 (*Collection Account Shortfall*), that it will not, at any time set off or purport to set off the Collection Account Trust Property or any interest thereon or any part thereof against any liability owed to it by the Mortgages Trustee or the Beneficiaries or claim any lien or other right held by it on behalf of the Mortgages Trustee or the Beneficiaries (including, without limitation, any document) on any account whatsoever and the Collection Bank

undertakes that in the event that the Collection Bank does make a payment subject to any such set-off in breach of this Clause, they will immediately pay to the Mortgages Trustee or the Beneficiaries, as the case may be, an amount equal to the amount so set off and the other parties hereto agree that such payment shall discharge the liability of the Collection Bank for such breach in full;

- (b) acknowledges that the Collection Account is a trust account of the Seller (in its capacity as Trustee) and that the amounts standing to the credit of the Collection Account are held on trust by the Seller for, and are beneficially owned by the Mortgages Trustee and the Seller (each in its capacity as Beneficiary) in their respective shares and accordingly such amounts will not be affected by the winding up of the Seller or by the presentation of any petition;
- (c) acknowledges and agrees that to the extent the provisions of the Collection Account Mandate conflict with the provisions of this Deed, the provisions of this Deed shall prevail, and that any limitation of liability, right of termination or right to an indemnity, that the Collection Bank has the benefit of under the provisions of the Collection Account Mandate, shall be limited by and subject to the provisions of this Deed.

5.2 The Seller hereby confirms that the trust created pursuant to Clause 2.1 of this Deed is declared to safeguard the trust declared under clause 2 (*Trust Property*) of the Mortgages Trust Deed (a copy of which will on execution be supplied to the Collection Bank) and the Collection Bank acknowledges the existence of such trust.

5.3 The Mortgages Trustee acknowledges that not all amounts held by the Collection Bank in the Collection Account represent the Collection Account Trust Property and that there may be amounts held in the Collection Account which do not belong to Virgin Money or relate to other parts of the Virgin Money business.

## **6. COLLECTION BANK TO COMPLY WITH ADMINISTRATOR'S INSTRUCTIONS**

6.1 The Collection Bank shall be entitled to comply with or rely upon any Mandate Instruction, certificate, consent, notice, direction or other written communication, or any Electronic Instruction, which is or is believed by the Collection Bank to be genuine and to have been given by or signed by the Mortgages Trustee or the Administrator pursuant to and in accordance with this Deed, the Administration Agreement or the Mortgages Trust Deed and shall have no liability towards the Mortgages Trustee or the Administrator for any loss incurred or action taken as a consequence of it relying on any Mandate Instruction, certification, consent, notice, direction or other written communication or any Electronic Instruction except in the case of the Collection Bank's fraud, wilful default or negligence or breach of its respective obligations under this Deed or that of any of its officers or

employees or the standards, terms, conditions and/or procedures applicable to the relevant Electronic Instruction.

- 6.2 Notwithstanding any other provision of this Deed, the Collection Bank may rely on the instructions given to it in accordance with the Collection Account Mandate as provided it to it by Virgin Money from time to time.
- 6.3 The Collection Bank agrees that, if instructed pursuant to Clause 6.1 to make any payment:
- (a) in the case of Electronic Instructions, it will make such payment prior to close of business on the Business Day upon which the relevant Electronic Instruction is received for value that day; and
  - (b) in the case of Mandate Instructions, it will use its best endeavours to make such payment prior to close of business on the Business Day upon which the relevant Mandate Instruction is received for value that day,

**provided that**, if any Electronic Instruction or Mandate Instruction is received later than the Instruction Deadline, such payment will be made no later than the close of business on the following Business Day for value that following Business Day.

## 7. COLLECTION ACCOUNT SHORTFALL

- 7.1 If at any time the Collection Bank receives notice either under the Direct Debiting Scheme or otherwise that any amount (or part thereof), which the Collection Bank has credited to the Collection Account, and which has thereafter been transferred to the Mortgages Trustee Transaction Accounts and/or the VM Mortgages Trustee Account, has not been received as cleared funds by the Collection Bank or has otherwise been recalled, the Collection Bank shall notify the Administrator.
- 7.2 Subject to Clause 7.3, and upon notification pursuant to Clause 7.1, the Administrator will, if it determines that such amount (or any part thereof) represents the Collection Account Trust Property instruct the Mortgages Trustee Account Banks or Virgin Money, forthwith to debit the Mortgages Trustee Transaction Accounts and/or the VM Mortgages Trustee Account (as applicable) and credit the Collection Account for the whole or any part of such amount (such amount hereinafter referred to as the **Collection Bank Shortfall**) and, thereafter, (on receipt of a notification from Virgin Money as to the amount thereof) an amount equal to any cost incurred by Virgin Money as a result of its proportion of such Collection Bank Shortfall which are irrecoverable by Virgin Money from the relevant Borrower (the **Collection Bank Shortfall Costs**).
- 7.3 No debit from the Mortgages Trustee Transaction Accounts or the VM Mortgages Trustee Account for the credit of the Collection Account in respect of any Collection Bank Shortfall or Collection Bank Shortfall Costs may be made in the period from and including a Trust Calculation Date to, but excluding, the immediately succeeding Distribution Date, unless sufficient



funds are available after providing or making provision for all payments to be made on that Distribution Date in accordance with the Transaction Documents. After a Distribution Date and to the extent that there is a Collection Bank Shortfall and/or any Collection Bank Shortfall Costs, the Collection Bank (by way of a Collection Bank Instruction as provided by the Administrator) shall deduct an amount equivalent to such Collection Bank Shortfall (and any Collection Bank Shortfall Costs) from the Mortgages Trustee's Collection Portion to be transferred to the Mortgages Trustee Transaction Accounts and/or VM Mortgages Trustee Account in accordance with this Deed so that the Collection Bank and Virgin Money are fully compensated for any Collection Bank Shortfall or Collection Bank Shortfall Costs, respectively.

## **8. NO NEGATIVE BALANCE**

- 8.1 Notwithstanding any other provision of this Deed, the Collection Bank shall not be required to act on any Collection Bank Instruction to the extent that to do so would cause the Collection Account to have a negative balance. For the avoidance of doubt, the Collection Bank shall be under no obligation to monitor the Collection Account for the purpose of preventing the Collection Account from becoming overdrawn. No liability whatsoever shall attach to a Collection Bank should the Collection Account become overdrawn at any time.
- 8.2 The Collection Bank hereby agrees that it will notify the Administrator and the Mortgages Trustee, if compliance with any instruction would cause the Collection Account to have a negative balance, such notification to be given on the same Business Day it determines that compliance with such instruction would cause any such account to have a negative balance.

## **9. CHANGE OF ADMINISTRATOR**

- 9.1 The Collection Bank agrees, upon receipt of a written notice from the Issuer, the Mortgages Trustee, or the Administrator (to the effect that the Administrator's appointment as such has been terminated pursuant to the Administration Agreement) to comply with any direction of any substitute administrator identified in the written notice in respect of the operation of, and payments into and out of the Collection Account, and the Collection Bank shall be entitled to rely on any such direction purporting to have been given on behalf of the Mortgages Trustee or the Administrator without enquiry.
- 9.2 If, for any reason, the Administrator's appointment as such is terminated and a substitute administrator is appointed, the current Administrator shall use reasonable endeavours to ensure that such substitute administrator executes such documentation (including without limitation acceding to this Deed) necessary in order to assume the rights, and become subject to the obligations of, the Administrator under this Deed.

## 10. MANDATES AND STATEMENTS

### Signing and Delivery of Mandates

- 10.1 (a) Virgin Money hereby confirms that it has given the Collection Account Mandate to the Collection Bank. The Collection Bank hereby confirms that it has received the Collection Account Mandate duly executed and that the Collection Account Mandate is operative and that the Collection Account Mandate may not be amended in respect of such accounts without the prior written consent of the Administrator.
- (b) The Collection Bank hereby acknowledges and agrees that to the extent the provisions of the Collection Account Mandate conflict with the provisions of this Deed, the provisions of Clause 5 (*Acknowledgments by the Collection Bank, the Seller and the Mortgages Trustee*) and this Deed shall prevail, and that any limitation of liability, right of termination or right to an indemnity, that the Collection Bank has the benefit of under the provisions of the Collection Account Mandate, shall be limited by and subject to the provisions of this Deed.

### Amendment or Revocation

- 10.2 The Collection Bank agrees that it shall notify the Mortgages Trustee as soon as it is reasonably practicable, if it receives any amendment or revocation of the Collection Account Mandate and the Mortgages Trustee shall notify the Security Trustee as soon as it is reasonably practicable and shall seek the consent of the Security Trustee to make any such amendment or revocation **provided, however, that** unless such Collection Account Mandate is revoked, the Collection Bank may continue to comply with the relevant amended mandate unless it receives notice in writing from the Security Trustee (in respect of 10.2(a) below) or the Mortgages Trustee (in respect of 10.2(b)) to the effect that:
- (a) an Enforcement Notice has been served; or
- (b) the appointment of Virgin Money as Administrator under the Administration Agreement has been terminated.

### Statements

- 10.3 The Collection Bank shall submit on a monthly basis (or at such other intervals as the Administrator shall reasonably request) as soon as reasonably practical after the Business Day on which the statement is produced, written statements (for the avoidance of doubt, delivery of such statements may be by electronic means) to the Administrator (and the Administrator shall provide copies of such statements to the Seller and the Mortgages Trustee) setting out the amounts standing to the credit of the Collection Account as at the close of business on the Business Day immediately preceding the date of each such statement.

## **11. SCOPE OF DUTIES**

- 11.1 Except as otherwise expressly provided for in this Deed, the Collection Bank shall treat all amounts held by it in the Collection Account in the same manner as it treats amounts held in accounts for the benefit of its other customers.
- 11.2 The parties to this Deed expressly agree that:
- (a) it sets forth all the duties of the Collection Bank;
  - (b) the Collection Bank shall not be bound by (and shall be deemed not to have notice of) the provisions of any agreement entered into by or involving the Mortgages Trustee, the Issuer or Virgin Money except this Deed; and
  - (c) no implied duty or obligation of the Collection Bank shall be read into this Deed save as required by applicable law.
- 11.3 The Collection Bank shall be under no duty to ensure that funds withdrawn from the Collection Account are actually applied for the purpose for which they were withdrawn or that any instruction or other instruction or direction by the Administrator or the Mortgages Trustee in respect thereof is accurate or correct or that such withdrawals are made in accordance with the terms of the trust created pursuant to Clause 2.1 of this Deed.
- 11.4 Except as otherwise expressly provided for in this Deed, the Collection Bank shall be entitled to deal with money paid to the Collection Account in the same manner as other money paid to a banking service provider by its account holders.
- 11.5 Nothing in this Deed shall require the Collection Bank to assume an obligation of the Issuer arising under any provision of the listing, prospectus, disclosure or transparency rules (or equivalent rules of any other competent authority besides the FCA).
- 11.6 The Collection Bank shall be entitled to take any action or refuse to take any action which the Collection Bank regards as necessary to comply with any applicable law, regulation or fiscal requirement, or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system.
- 11.7 In acting under this Deed, the Collection Bank shall not assume any obligation or responsibility towards or relationship of agency or trust for or with any of the parties hereto, the owners or holders of the Notes or any third party.
- 11.8 Each of the Administrator and the Mortgages Trustee unconditionally agree to the use of any form of telephonic or electronic monitoring or recording by the Collection Bank as the Collection Bank deems appropriate for security and service purposes.

## **12. INDEMNITIES GIVEN TO THE COLLECTION BANK**

- 12.1 The Mortgages Trustee (on behalf of the Beneficiaries and out of Trust Property) shall indemnify and keep the Collection Bank (and its directors,

officers, agents and employees) indemnified and hold each of them harmless from and against any and all direct losses, liabilities, claims, actions, damages, expenses or demands (including any Irrecoverable VAT thereon) (together, the **Losses**) (including, but not limited to, all reasonable costs, legal fees, charges and expenses paid or incurred in disputing or defending any Losses (including any Irrecoverable VAT thereon) (together, the **Expenses**)) which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers or duties under this Deed or in complying with or relying on any instructions delivered by the Administrator, the Mortgages Trustee or Virgin Money, except to the extent that any Losses or Expenses are caused by any breach by the Collection Bank of its obligations under this Deed or the Collection Account Mandate or by its own fraud, negligence, wilful default or that of its officers, directors or employees.

12.2 Clause 12.1 shall survive notwithstanding any termination of this Deed or the resignation or replacement of the Collection Bank.

### **13. EXCLUSION OF THE TRUSTEE ACT 2000**

To the fullest extent permitted by law, none of Parts I, II, III, IV, or V of the Trustee Act 2000 nor the requirement to discharge the duty of care set out in Section 1(1) of the Trustee Act 2000 in exercising any of its powers shall apply to the trust constituted by this Deed or the Seller's role as trustee of such trust. The disapplication of those parts or sections of the Trustee Act 2000 shall constitute an exclusion of the relevant parts or sections of the Trustee Act 2000 for the purposes of that Act.

### **14. ASSIGNMENT**

The Mortgages Trustee may at its sole discretion assign or charge all its right, title, interest and benefit under this Deed but none of the other parties to this Deed may assign or charge any of their rights, title, interest and benefit under this Deed without the prior written consent of the Security Trustee.

### **15. TERMINATION**

#### **Termination Events**

15.1 (a) The Administrator, the Seller or the Mortgages Trustee may (with the prior written consent of the Security Trustee) terminate the appointment of the Collection Bank and this Deed together subject to Clause 15.1(b), by serving a written notice of termination on the Collection Bank if any of the following events occurs:

- (i) a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on the Collection Account; or
- (ii) the Collection Bank through an authorised action of the board of directors of the Collection Bank ceases to carry on the whole or substantially the whole of its business; or

- (iii) an order is made or an effective legislation is passed for the winding-up of the Collection Bank (except a winding-up for the purposes of or pursuant to an amalgamation or the reconstruction of the terms of which have previously been approved by the Seller and the Mortgage Trustee); or
  - (iv) proceedings are initiated against the Collection Bank under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation (other than a reorganisation where the Collection Bank is solvent) or other similar laws (including, but not limited to, presentation of an application or a petition for an administration order) and (except in the case of presentation of an application or a petition for an administration order) such proceedings are not, in the sole opinion of the Seller, being disputed in good faith with a reasonable prospect of success or an administration order is granted or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official is appointed in relation to the Collection Bank or in relation to the whole or any substantial part of the undertaking or assets of the Collection Bank, or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Collection Bank, or a distress, execution or diligence or other process is levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Collection Bank and such possession or process (as the case may be) is not discharged or otherwise ceases to apply within 30 days of its commencement, or the Collection Bank initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally; or
  - (v) the Collection Bank fails to perform any of its obligations under this Deed and such failure remains unremedied for three Business Days after the Mortgages Trustee, the Administrator or (following the delivery of an Enforcement Notice) the Security Trustee has given notice of such failure (provided that such failure is not by reason of those matters contemplated by Clause 27 (*Force Majeure*)).
- (b) The Seller, or the Administrator or the Mortgages Trustee may terminate the appointment of the Collection Bank in accordance with the provisions of this Clause 15.1 so long as such termination shall not be effective until (a) a replacement financial institution or institutions chosen by the Seller, the Administrator and the Mortgages Trustee shall have entered into a deed on terms substantially similar to those set out in this Deed and (b) all amounts held on trust for the Mortgages Trustee standing to the credit of the Collection Account shall have been transferred to a replacement account at such replacement

institution, and that the Administrator has confirmed in writing that, in its opinion, formed on the basis of due consideration, the then current ratings of the Notes will not be downgraded, qualified or withdrawn by the Rating Agencies as a result of such termination.

### **Termination by the Collection Bank**

- 15.2 (a) The Collection Bank may subject to Clause 15.2(b) terminate this Deed and its appointment as Collection Bank giving not fewer than 45 days' prior written notice to the Administrator, the Mortgages Trustee and the Security Trustee of its intention to terminate the banking arrangements granted to it under this Deed on the date specified in such notice. Upon the transfer of the Collection Account, the Administrator will procure that the arrangements for operation of such new Collection Account shall be the same as in relation to the old Collection Account which is being replaced.
- (b) Following notice of termination received from the Collection Bank in accordance with Clause 15.2(a) above, the Collection Bank shall not be released from its obligations under the relevant provisions of this Deed until a substitute collection bank has entered into a new deed and the Seller will declare a trust over the new Collection Account on terms substantially similar to those set out in Clause 2 (*The Trust*) of this Deed.
- (c) In the event of such termination and cessation, the Collection Bank shall assist the other parties to effect an orderly transition of the banking arrangements set out under this Deed for a period of 30 days (including paying to the order of the Administrator or Virgin Money (or as required by the Security Trustee under the Deed of Charge) all amounts standing to the credit of the Collection Account to the extent such amounts are part of the Collection Account Trust Property with interest accrued to (but excluding) the date of actual payment).
- (d) Notwithstanding anything to the contrary in this Deed, in the event of fraud, material default or material breach of the terms and conditions applicable to the Collection Account, the Collection Bank may resign from its role as Collection Bank on such notice as may be reasonable in the circumstances.
- 15.3 This Deed shall automatically terminate (if not terminated earlier pursuant to this Clause 15 (*Termination*)) on the date falling 90 days after the later to occur of (a) the Final Discharge Date or (b) the termination of the Mortgages Trust.

### **16. FURTHER ASSURANCE**

The parties hereto agree that they will co-operate fully to do all such further acts and things and execute any further documents as may be necessary or desirable to give full effect to the arrangements contemplated by this Deed.

## 17. CONFIDENTIALITY

Each party to this Deed agrees at all times, up to and including the second anniversary of the Final Discharge Date, that it shall keep confidential and will not disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any party to the Transaction Documents, which it may have obtained as a result of the execution or performance of any Transaction Document, **provided however that** the provisions of this Clause 17 (*Confidentiality*) shall not apply:

- (a) to the disclosure of any information to the Security Trustee or the Note Trustee or to any other person who is a party to any of the Transaction Documents as expressly permitted by the Transaction Documents;
- (b) to the disclosure of any information by such party to any of its Affiliates **provided that**, before any such disclosure, the party shall make the relevant employees of the Affiliate aware of their obligations of confidentiality under the relevant Transaction Document and shall at all times procure compliance with such obligations by such employees;
- (c) to the disclosure of any information which is or becomes public knowledge otherwise than as a result of the wrongful conduct of the recipient;
- (d) to the extent that such disclosure is required pursuant to any law, regulation or order of any court or pursuant to any direction or requirement (whether or not having the force of law) of any central bank or any governmental or other regulatory or taxation authority including any stock exchange, industry guidelines or industry best practice adopted by issuers of residential mortgage backed securities;
- (e) to the disclosure of any information to professional advisers (including, without prejudice to the generality of the foregoing, consultants, auditors or lawyers) who receive the same under a duty of confidentiality;
- (f) to the disclosure of any information with the consent of the parties hereto;
- (g) to the disclosure to the Rating Agencies or any of them of such information as may be requested by any of them for the purposes of setting or reviewing the rating assigned to the Notes (or any of them) and the corresponding disclosure of such information to those persons who are entitled to view the 17g-5 Information Provider's Website;
- (h) to any disclosure for the purposes of collecting in or enforcing the Trust Property or any of it;
- (i) in the case of the Security Trustee, in connection with transferring or purporting to transfer its rights and obligations to a successor Security Trustee, respectively;

- (j) to the extent that the recipient needs to disclose the same to any of the employees of the Seller, **provided that**, before any such disclosure the Seller shall make the relevant employees of the Seller aware of its obligations of confidentiality under the relevant Transaction Document and shall at all times procure compliance with such obligations by such employees; and
- (k) to the extent that the recipient needs to disclose the same for the exercise, protection or enforcement of any of its rights under any of the Transaction Documents.

## **18. NOTICES**

The provisions of clause 22 (*Notices*) of the Deed of Charge shall apply to this Deed as if set out in this Deed in full *mutatis mutandis*.

## **19. MERGER**

Without prejudice to the provisions of this Agreement, any corporation into which the Collection Bank may be merged or converted, or any corporation with which the Collection Bank may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Collection Bank shall be a party, or any corporation to which the Collection Bank shall sell or otherwise transfer all or substantially all of its assets shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the relevant successor Collection Bank under this Agreement without the execution or filing of any paper or any further act on the part of the parties to this Agreement unless otherwise required by Virgin Money, and after the said effective date all references in this Agreement to the Collection Bank shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall immediately be given to each of the Mortgages Trustee and the Security Trustee by the Collection Bank.

## **20. ENTIRE AGREEMENT**

20.1 Each party to this Deed agrees that:

- (a) it has not entered into this Deed in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Deed; and
- (b) except in respect of an express representation or warranty under any of the Transaction Documents, it shall not have any claim or remedy (whether in equity, contract or tort, under the Misrepresentation Act 1967 or in any other way) in respect of any misrepresentation or breach of warranty by any other party or in respect of any untrue statement by any other party, regardless of whether such misrepresentation, breach or untrue statement was made, occurred or was given prior to the execution of any of the Transaction Documents.



- 20.2 This Clause 20 (*Entire Agreement*) shall not exclude any liability for fraudulent misrepresentation.
- 20.3 Nothing in this Clause shall have the effect of limiting or restricting any liability of a Transaction Party arising as a result of any wilful default, fraud, illegal dealing, negligence or material breach of this Deed or breach of trust by such person.

## **21. OBLIGATIONS AS CORPORATE OBLIGATIONS**

No party shall have any recourse against nor shall any personal liability attach to any shareholder, officer, agent, employee or director of the Mortgages Trustee in his capacity as such, by any Proceedings or otherwise, in respect of any obligation, covenant, or agreement of the Mortgages Trustee contained in this Deed.

## **22. CONTINUATION OF OBLIGATIONS**

Except to the extent that they have been performed and except where specifically provided otherwise, the warranties, representations, indemnities, and obligations contained in this Deed remain in force after the date on which they were expressed to take effect until the Final Discharge Date.

## **23. AMENDMENTS**

No amendment or waiver of any provision of this Deed nor consent to any departure by any of the parties therefrom shall in any event be effective unless the same shall be in writing and signed by each of the parties hereto. In the case of a waiver or consent, such waiver or consent shall be effective only in the specific instance and as against the party or parties giving it for the specific purpose for which it is given.

## **24. WAIVERS**

The respective rights of the parties hereto are cumulative and may be exercised as often as each considers appropriate and are in addition to their respective rights under the general law. No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies in this Deed are cumulative and not exclusive of any remedy provided by law.

## **25. THE SECURITY TRUSTEE**

The Security Trustee has agreed to become a party to this Deed for the purpose of taking the benefit of, and assuming obligations under, the provisions of this Deed expressly stated to be for the benefit of or to be assumed by the Security Trustee, for the avoidance of doubt, (including, all future rights and obligations created pursuant to this Deed) and for the better preservation and enforcement of its rights and the rights of the Secured Creditors under the Deed of Charge and hereunder but shall have no

responsibility for any of the obligations of nor assume any liabilities to, any other party to this Deed. The parties to this Deed acknowledge that the rights and obligations of the Security Trustee under this Deed are governed by the Deed of Charge and the provisions for indemnifying the Security Trustee contained therein shall apply *mutatis mutandis* to this Deed.

**26. THIRD PARTY RIGHTS**

A person who is not a party to this Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

**27. FORCE MAJEURE**

27.1 The Collection Bank shall not be obliged to perform any of its obligations under this Deed to the extent that, but only for so long as, it is prevented from doing so by any future law or regulation, any future act of governmental authority, fire, flood and other catastrophe, terrorist activity, act of god, war, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, accident or mechanical and electrical breakdown.

27.2 The Collection Bank shall notify the Administrator and the Mortgages Trustee if the Collection Bank is unable to perform its obligations pursuant to Clause 27.1, and it shall use its best endeavours to comply with its obligations as soon as it is reasonably practicable after the events specified in Clause 27.1 above have ceased to apply.

**28. SEVERABILITY**

Where any provision in or obligation under this Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations under this Deed, or of such provision or obligation in any other jurisdiction, shall not be affected or impaired thereby.

**29. COUNTERPARTS**

This Deed may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

**30. GOVERNING LAW**

This Deed and any non-contractual obligation arising out of or in relation to this Deed shall be governed by, and interpreted in accordance with, English law.

## **31. JURISDICTION**

### **Submission to Jurisdiction**

31.1 Each party agrees that the English courts (except if otherwise set out in this Deed) shall have exclusive jurisdiction in relation to all disputes arising out of or in connection with this Deed (including claims for set-off and counterclaims), including, without limitation, disputes arising out of or in connection with: (a) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, this Deed; and (b) any non-contractual obligation arising out of or in connection with this Deed. For such purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

### **Inconvenient Forum and Enforcement Abroad**

31.2 Each party:

- (a) waives any objection to the choice of or submission to the English courts on the grounds of inconvenient forum or otherwise as regards proceedings in connection with this Deed or any non-contractual obligation arising out of or in connection with this Deed; and
- (b) agrees that a judgment, declaration or order (whether interim or final) of an English court in connection with this Deed or any non-contractual obligation arising out of or in connection with this Deed is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

## **32. EXECUTION**

The Seller has executed this Deed as a deed and intends to deliver, and does deliver, this Deed on the date stated above.

**EXECUTION PAGE(S)**

**Mortgages Trustee**

**EXECUTED** as a **DEED** by )  
**GOSFORTH MORTGAGES** )  
**TRUSTEE 2018-1 LIMITED** )

Director \_\_\_\_\_

Director/Secretary \_\_\_\_\_

**Seller, Trustee, Administrator and Collection Bank**

**EXECUTED** as a **DEED** by )  
**VIRGIN MONEY PLC** )

Signature of Authorised Signatory \_\_\_\_\_

Name of Authorised Signatory \_\_\_\_\_

Signature of witness \_\_\_\_\_

Name of witness \_\_\_\_\_

Address of witness \_\_\_\_\_

Occupation of witness \_\_\_\_\_

**Security Trustee**

**EXECUTED as a DEED by** )  
**CITICORP TRUSTEE** )  
**COMPANY LIMITED** )

Signature of Authorised Attorney \_\_\_\_\_

Name of Authorised Attorney \_\_\_\_\_

Signature of witness \_\_\_\_\_

Name of witness \_\_\_\_\_

Address of witness \_\_\_\_\_

Occupation of witness \_\_\_\_\_