

**24 September 2018**

**GOSFORTH FUNDING 2018-1 PLC**  
(as *Issuer*)

**GOSFORTH HOLDINGS 2018-1 LIMITED**  
(as *Holdings*)

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

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

**CITIBANK, N.A., LONDON BRANCH**  
(as *Principal Paying Agent, Agent Bank, Transfer Agent* and *Registrar*)

**LAW DEBENTURE CORPORATE SERVICES LIMITED**  
(as *Corporate Services Provider* and *Back-Up Administrator Facilitator*)

**LLOYDS BANK CORPORATE MARKETS PLC**  
(as *Currency Swap Provider*)

**ELAVON FINANCIAL SERVICES DAC, UK BRANCH**  
(as *Issuer Swap Collateral Account Bank*)

**CITIBANK, N.A., LONDON BRANCH and ELAVON FINANCIAL SERVICES DAC,  
UK BRANCH**  
(as *Issuer Account Banks* and *Mortgages Trustee Account Banks*)

**VIRGIN MONEY PLC**  
(as *Issuer Cash Manager, Administrator, 17g-5 Information Provider, Subordinated Loan  
Provider, Basis Rate Swap Provider, VM Mortgages Trustee Account Bank, VM Issuer  
Account Bank, Collection Bank, Seller* and *Beneficiary*)

---

---

**DEED OF CHARGE**

---

---



**Freshfields Bruckhaus Deringer**

Freshfields Bruckhaus Deringer LLP  
65 Fleet Street  
London  
EC4Y 1HS

## CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION .....	3
2. COVENANT TO PAY AND TO PERFORM .....	4
3. ISSUER SECURITY .....	4
4. REDEMPTION AND RELEASE OF CHARGED PROPERTY .....	8
5. DECLARATION OF TRUST .....	9
6. RESTRICTIONS ON EXERCISE OF CERTAIN RIGHTS .....	9
7. SECURITY ENFORCEABLE .....	14
8. ENFORCEMENT .....	17
9. RECEIVER .....	21
10. FURTHER ASSURANCE AND POWER OF ATTORNEY .....	24
11. CRYSTALLISATION .....	25
12. PROVISIONS RELATING TO THE ISSUER SECURITY .....	26
13. PROTECTION OF THIRD PARTIES .....	30
14. SET-OFF .....	30
15. REPRESENTATIONS, WARRANTIES AND COVENANTS .....	31
16. SECURITY TRUSTEE PROVISIONS .....	37
17. MISCELLANEOUS PROVISIONS .....	39
18. LIMITED RECOURSE .....	40
19. WAIVERS .....	41
20. AMENDMENTS .....	42
21. ASSIGNMENT .....	42
22. NOTICES .....	42
23. CONFIDENTIALITY .....	44
24. ENTIRE AGREEMENT .....	45
25. OBLIGATIONS AS CORPORATE OBLIGATIONS .....	46
26. CONFLICT OF LAW .....	46
27. CONTINUATION OF OBLIGATIONS .....	46
28. THIRD PARTY RIGHTS .....	46
29. COUNTERPARTS .....	46
30. SEVERABILITY .....	47
31. GOVERNING LAW .....	47
32. JURISDICTION .....	47

SCHEDULE 1 FORM OF SECURITY TRUSTEE POWER OF ATTORNEY .....55  
SCHEDULE 2 FORM OF NOTICE OF ASSIGNMENT .....58  
SCHEDULE 3 PRIORITIES OF PAYMENTS.....60  
SCHEDULE 4 FORM OF ACCESSION UNDERTAKING.....69  
SCHEDULE 5 FORM OF SCOTTISH SUPPLEMENTAL CHARGE .....76

**THIS DEED OF CHARGE** is made on 24 September 2018

**BETWEEN:**

- (1) **GOSFORTH FUNDING 2018-1 PLC** a public limited company incorporated under the laws of England and Wales (registered number 11444253) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Issuer*) and in its capacity as a beneficiary under the Mortgages Trust (the *Beneficiary*);
- (2) **GOSFORTH HOLDINGS 2018-1 LIMITED** a private limited company incorporated in England and Wales with limited liability (registered number 11444180) whose registered office is at Fifth Floor, 100 Wood Street London EC2V 7EX (*Holdings*);
- (3) **GOSFORTH MORTGAGES TRUSTEE 2018-1 LIMITED** a private limited company incorporated in England and Wales with limited liability (registered number 11444216) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Mortgages Trustee*);
- (4) **CITICORP TRUSTEE COMPANY LIMITED** a private limited company incorporated in England and Wales with limited liability (registered number 00235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, in its capacity as security trustee under this Deed of Charge (the *Security Trustee*, which expression shall include such person and all other persons for the time being acting as the security trustee pursuant to this Deed of Charge); and in its capacity as note trustee under the Trust Deed (the *Note Trustee*, which expression shall include such person and all other persons for the time being acting as the note trustee pursuant to the Trust Deed);
- (5) **CITIBANK, N.A., LONDON BRANCH**, acting through its office at Citigroup Centre, Canada Square, Canary Wharf London E14 5LB in its capacity as principal paying agent, agent bank, transfer agent and registrar pursuant to the Paying Agent and Agent Bank Agreement (the *Principal Paying Agent*, the *Agent Bank*, the *Transfer Agent* and the *Registrar* respectively, which expressions shall include such person and all other persons for the time being acting as principal paying agent, agent bank, transfer agent and registrar pursuant to the Paying Agent and Agent Bank Agreement);
- (6) **LAW DEBENTURE CORPORATE SERVICES LIMITED** a private limited company incorporated in England and Wales with limited liability (registered number 3388362) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Corporate Services Provider* which expression shall include such person and all other persons for the time being acting as the corporate services provider or corporate services providers pursuant to the Corporate Services Agreement); and in its capacity as Back-Up Administrator Facilitator (the *Back-Up Administrator Facilitator*, which expression shall include such person and all other persons for the time being acting as the back-up administrator facilitator pursuant to the Administration Agreement);

- (7) **LLOYDS BANK CORPORATE MARKETS PLC**, a public limited liability company incorporated in England and Wales under number 10399850 with offices at 25 Gresham Street, London EC2V 7HN (the ***Currency Swap Provider***, which expression shall include such person and all other persons for the time being acting as a currency swap provider pursuant to a Currency Swap Agreement);
- (8) **ELAVON FINANCIAL SERVICES DAC, UK BRANCH**, acting through its UK Branch (registered number BR009373) from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom (the ***Issuer Swap Collateral Account Bank***, which expression shall include such person and all other persons for the time being acting as the Issuer Swap Collateral Account Bank pursuant to the Swap Collateral Account Bank Agreement);
- (9) **CITIBANK, N.A., LONDON BRANCH**, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB (the ***First Issuer Account Bank*** which expression shall include such person and all other persons for the time being acting as First Issuer Account Bank pursuant to the First Account Bank Agreement) and in its capacity as First Mortgages Trustee Account Bank under the First Account Bank Agreement (the ***First Mortgages Trustee Account Bank*** which expression shall include such person and all other persons for the time being acting as the First Mortgages Trustee Account Bank under the First Account Bank Agreement);
- (10) **ELAVON FINANCIAL SERVICES DAC, UK BRANCH**, acting through its UK Branch (registered number BR009373) from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom (the ***Second Issuer Account Bank*** which expression shall include such person and all other persons for the time being acting as Second Issuer Account Bank pursuant to the Second Account Bank Agreement) and in its capacity as Second Mortgages Trustee Account Bank under the Second Account Bank Agreement (the ***Second Mortgages Trustee Account Bank*** which expression shall include such person and all other persons for the time being acting as the Second Mortgages Trustee Account Bank under the Second Account Bank Agreement) (and together with the First Issuer Account Bank and the First Mortgages Trustee Account Bank, the ***Issuer Account Banks*** and the ***Mortgages Trustee Account Banks***);
- (11) **VIRGIN MONEY PLC** (registered number 6952311) a public limited company incorporated under the laws of England and Wales whose registered office is at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL, in its capacity as Issuer cash manager under the Issuer Cash Management Agreement (the ***Issuer Cash Manager***, which expression shall include such person and all other persons for the time being acting as the Issuer cash manager or Issuer cash managers pursuant to the Issuer Cash Management Agreement); in its capacity as administrator under the Administration Agreement (the ***Administrator*** which expression shall include such person and all other persons for the time being acting as the administrator under the Administration Agreement); in its capacity as 17g-5 information provider under the Administration Agreement (the ***17g-5 Information Provider*** which

expression shall include such person and all other persons for the time being acting as the 17g-5 Information Provider under the Administration Agreement); in its capacity as subordinated loan provider under the Subordinated Loan Agreement (the ***Subordinated Loan Provider*** which expression shall include such person and all other persons for the time being acting as the subordinated loan provider pursuant to the Subordinated Loan Agreement); in its capacity as basis rate swap provider under the Basis Rate Swap Agreements (the ***Basis Rate Swap Provider***, which expressions shall include such person and all other persons for the time being acting as the basis rate swap provider pursuant to the Basis Rate Swap Agreements); in its capacity as VM Mortgages Trustee Account Bank under the VM Mortgages Trustee Account Bank Agreement (the ***VM Mortgages Trustee Account Bank***); in its capacity as VM Issuer Account Bank under the VM Issuer Account Bank Agreement (the ***VM Issuer Account Bank***); in its capacity as Collection Bank under the Collection Account Declaration of Trust (***Collection Bank***); in its capacity as seller of the Mortgage Portfolio (the ***Seller***); and in its capacity as a beneficiary under the Mortgages Trust (the ***Beneficiary***).

**WHEREAS:**

- (A) This Deed of Charge secures and will secure, *inter alia*, the Secured Obligations to the Secured Creditors.
- (B) The Issuer will on the date of this Deed of Charge issue the Notes pursuant to the Trust Deed.
- (C) It is intended that Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 of the Enterprise Act 2002) shall apply to all charges created pursuant to this Deed of Charge which are, or take effect as, floating charges.

**NOW THIS DEED WITNESSES** as follows:

**1. DEFINITIONS AND 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 the date of this Deed of Charge is expressly and specifically incorporated into this Deed of Charge 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 of Charge, including the recitals hereto, and this Deed of Charge 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 of Charge, this Deed of Charge shall prevail.
- 1.2 Any reference in this Deed of Charge to any discretion, power or right on the part of the Mortgages Trustee shall be as exercised by the Mortgages Trustee

only as directed by the Beneficiaries but subject in each case to the provisions of clause 16.2 (*Directions from Beneficiaries*) of the Mortgages Trust Deed.

- 1.3 In this Deed of Charge, except where the context otherwise requires:
- (a) the terms of the Trust Deed and of any agreement in existence at the date hereof between the parties hereto are incorporated in this Deed of Charge but only to the extent required to ensure that any proposed disposition of the Charged Property contained in this Deed of Charge is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989; and
  - (b) a reference in this Deed of Charge to any property, assets, undertakings or rights includes, unless the context otherwise requires, present and future property, assets, undertakings or rights.

## 2. COVENANT TO PAY AND TO PERFORM

- 2.1 Subject to the provisions of the Transaction Documents, the Issuer covenants and undertakes to the Security Trustee for itself and as security trustee for the Secured Creditors that it will:
- (a) **Issuer's undertaking to pay:** duly, unconditionally and punctually pay and discharge all monies and liabilities whatsoever which now are or at any time hereafter may (whether before or after demand) become due and payable by the Issuer to the Secured Creditors, whether actually or contingently, under this Deed of Charge and/or any of the other Transaction Documents (including without limitation the Notes); and
  - (b) **Issuer's undertaking to perform obligations:** observe, perform and satisfy all its other obligations and liabilities under this Deed of Charge and/or any of the other Transaction Documents (including without limitation the Notes and the Trust Deed),

**provided that** every payment in respect of any Transaction Document made to the relevant Secured Creditor in the manner provided in such Transaction Document shall operate in satisfaction *pro tanto* of the relative covenant by the Issuer in this Clause 2 (*Covenant to Pay and to Perform*).

## 3. ISSUER SECURITY

### Interest in Trust Property

- 3.1 The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to Clause 4 (*Redemption and Release of Charged Property*) hereby assigns to the Security Trustee subject to the subsisting rights of redemption of the relevant Borrowers all of its right, title, benefit and interest and all claims, present and future, in and to, the Issuer Share of the Trust Property, including all rights to receive payment of any amount which may become payable to the Issuer thereunder and all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to

cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain relief in respect thereof and the proceeds of any of the foregoing and all rights in respect of all documents relating to the Issuer Share of the Trust Property (including title deeds and any consent certificates and valuations).

### **Security over Scottish Assets**

- 3.2 (a) The Issuer undertakes forthwith upon the execution and delivery on the date hereof of the Scottish Declaration of Trust pursuant to clause 4 (*Completion*) of the Mortgage Sale Agreement, to execute and procure the execution and delivery to the Security Trustee as soon as reasonably practicable of a Scottish Supplemental Charge in the form set out in Schedule 5 (*Form of Scottish Supplemental Charge*); and
- (b) The Issuer undertakes to the Security Trustee at the time of delivery of the Scottish Supplemental Charge under the terms of Clause 3.2(a) above simultaneously to deliver to the Security Trustee the Scottish Declaration of Trust specified therein.

### **Contractual Rights**

- 3.3 The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations, subject to Clause 4 (*Redemption and Release of Charged Property*) hereby assigns to the Security Trustee all of its right, title, benefit and interest, present and future, in, to and under:
- (a) the Mortgages Trust Deed;
  - (b) the Beneficiaries Deed;
  - (c) the Mortgage Sale Agreement;
  - (d) the Administration Agreement;
  - (e) the Basis Rate Swap Agreements;
  - (f) the Swap Collateral Account Bank Agreement;
  - (g) the Currency Swap Agreement (subject to any set-off and/or netting pursuant to the Currency Swap Agreement (as amended));
  - (h) the Paying Agent and Agent Bank Agreement;
  - (i) the Corporate Services Agreement;
  - (j) the Account Bank Agreements;
  - (k) the VM Issuer Account Bank Agreement;
  - (l) the Issuer Cash Management Agreement;
  - (m) the Subordinated Loan Agreement;
  - (n) the Trust Deed;



- (o) the Trust Property Cash Management Agreement; and
- (p) each other Transaction Document (other than this Deed of Charge) entered into or to be entered into by the Issuer and any other agreement or document from time to time designated as a Transaction Document by the Issuer, the Note Trustee and the Security Trustee (including any agreement entered into by the Issuer as a replacement of any of the above agreements upon the termination of such agreement),

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 relief in respect thereof and the proceeds of any of the foregoing.

### **Bank Accounts**

3.4 The Issuer, by way of first fixed security for the payment or discharge of the Secured Obligations subject to Clause 4 (*Redemption and Release of Charged Property*) hereby assigns in favour of the Security Trustee all of its rights, title, benefit and interest, present and future, in and to:

- (a) the Issuer Transaction Accounts;
- (b) the VM Issuer Account;
- (c) the Cash Accounts;
- (d) the Custody Accounts; and
- (e) each other account (if any) in which the Issuer may at any time have or acquire any right, title, benefit or interest pursuant to the terms of the Account Bank Agreements, the VM Issuer Account Bank Agreement or the Swap Collateral Account Bank Agreement or otherwise,

and all monies now or at any time hereafter standing to the credit thereof and the debts represented by them together with all rights and claims relating or attached thereto including, without limitation, the right to interest and the proceeds of any of the foregoing.

### **Floating Charge**

3.5 The Issuer, by way of first floating charge for the payment or discharge of the Secured Obligations subject to Clause 4 (*Redemption and Release of Charged Property*) hereby charges in favour of the Security Trustee the whole of its undertaking and all its property, assets and rights, whatsoever and wheresoever, both present and future, including without limitation its uncalled capital, other than any property or assets for the time being the subject of a fixed charge or effectively assigned by way of security pursuant to any of the foregoing provisions of this Clause 3 (*Issuer Security*), but excepting from the

foregoing exclusion the whole of the Issuer's undertaking, property, assets and rights as are situated in Scotland or governed by Scots law (the *Scottish Assets*) all of which are charged by the floating charge hereby created.

### **Qualifying Floating Charge**

- 3.6 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by schedule 16 of the Enterprise Act 2002) shall apply to all floating charges created pursuant to this Deed of Charge.

### **Title Guarantee**

- 3.7 Each of the dispositions of or charges over property effected in or pursuant to this Clause 3 (*Issuer Security*) is made with full title guarantee or, in relation to property situated in Scotland or governed by Scots law, with absolute warrandice.

### **Implied Covenants**

- 3.8 The covenants set out in sections 2(l)(a), 3 and 4 of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to the dispositions and charges effected by the Issuer under this Deed of Charge in the same way that they extend to any disposition made with full title guarantee but subject as mentioned in Clause 3.9 (*Modifications to statutory provisions*).

### **Modifications to Statutory Provisions**

- 3.9 The implied covenants referred to in Clause 3.8 (*Implied Covenants*) shall be construed on the basis that:
- (a) the words "other than any charges, encumbrances or rights which that person does not and could not reasonably be expected to know about" in section 3(l)(b) of the Law of Property (Miscellaneous Provisions) Act 1994; and
  - (b) section 6(2) of that Act,
- are deemed deleted.

### **Breach of Implied Covenant**

- 3.10 A breach of any covenant as to title as provided in Clause 3.8 (*Implied Covenants*) shall be treated as a failure to comply with an obligation or undertaking for the purposes of Condition 9 (*Events of Default*).

### **Further Acquired Items**

- 3.11 For the avoidance of doubt, it is hereby confirmed that the Issuer Security created under or pursuant to Clause 3.1 (*Interest in Trust Property*) to Clause 3.5 (*Floating Charge*) (inclusive) are intended to be specific and fixed assignments by way of security of, or specific and fixed charges over (as the case may be) the property and assets to which they relate, both present and future, including property and assets which are acquired after the date hereof.

### **No Transfer of Obligations**

- 3.12 Notwithstanding anything else in this Deed of Charge, it is hereby agreed that dispositions of property effected in or pursuant to this Clause 3 (*Issuer Security*) do not transfer obligations, and nothing herein shall be construed as a transfer of obligations, to the Security Trustee.

### **Notice and Acknowledgement**

- 3.13 (a) the execution of this Deed of Charge by any party hereto shall constitute express notice to such Secured Creditor of the Issuer Security made by the Issuer pursuant to this Clause 3 (*Issuer Security*);
- (b) by its execution of this Deed of Charge each party hereto acknowledges and consents to the Issuer Security made or granted by the Issuer under, or pursuant to this Clause 3 (*Issuer Security*) and also acknowledges that as at the date hereof it has not received from any other person notice of any assignment, assignation or charge of any property the subject of such Issuer Security;
- (c) by its execution of this Deed of Charge, each party hereto acknowledges that it is bound by and deemed to have notice of all the provisions of the Transaction Documents as if it was party to each Transaction Document; and
- (d) notwithstanding the assignments, assignations, charges and security interests granted under or pursuant to this Clause 3 (*Issuer Security*) and subject as provided otherwise in this Deed of Charge, each of the parties hereto acknowledges that:
- (i) each Secured Creditor and each other party to any Transaction Document may continue to make all payments becoming due to the Issuer under any Transaction Document in the manner envisaged by such Transaction Document until the receipt of written notice from the Security Trustee or any Receiver requiring payments to be made otherwise; and
  - (ii) until the Issuer Security becomes enforceable in accordance with Clause 7.2 (*Enforceable*), the Issuer shall be entitled to exercise its rights, powers and discretions in relation to the Charged Property and under the Transaction Documents in accordance with the provisions of the Transaction Documents.

## **4. REDEMPTION AND RELEASE OF CHARGED PROPERTY**

### **Release, Reassignment or Discharge**

- 4.1 Upon the irrevocable and unconditional payment in full or discharge (or any combination of the foregoing) of all the Secured Obligations and upon the Security Trustee being satisfied that the Issuer is under no further actual or contingent obligation under this Deed of Charge or any other Transaction Document, the Security Trustee shall, at the request and cost of the Issuer and without recourse, representation or warranty, take whatever action necessary

to release, reassign, retrocess and/or discharge from the Issuer Security all of the Charged Property to, or to the order of, the Issuer.

#### **No Avoidance**

- 4.2 No assurance, security or payment which is avoided under any enactment relating to bankruptcy or under Sections 238 to 245 or Section 423 of the Insolvency Act or any equivalent provision of common law and no release, settlement or discharge given or made by the Security Trustee in reliance on any such assurance, security or payment shall prejudice or affect the right of the Security Trustee to enforce the Issuer Security to the full extent of the Secured Obligations. The Issuer agrees that, notwithstanding any such avoidance, release, settlement or discharge, the Issuer Security shall be deemed always to have been and to have remained held by the Security Trustee as and by way of security for the payment to or to the order of the Security Trustee of the Secured Obligations.

#### **5. DECLARATION OF TRUST**

Each party hereto declares the Security Trustee as trustee of, and the Security Trustee hereby declares that it holds on trust for the Secured Creditors, upon and subject to the terms and conditions of this Deed of Charge, all of the covenants, undertakings and representations made to the Security Trustee under this Deed of Charge and any other Transaction Document and all of the charges, assignments, security and Issuer Security made or given to the Security Trustee or to be made or given to it for the purpose of securing the Secured Obligations under or pursuant to this Deed of Charge or any other Transaction Document. The Issuer hereby acknowledges the security trust created under this Deed of Charge.

#### **6. RESTRICTIONS ON EXERCISE OF CERTAIN RIGHTS**

##### **Payments to Issuer Accounts**

- 6.1 At all times prior to the release, re-assignment, retrocession and/or discharge of the Charged Property pursuant to Clause 4 (*Redemption and Release of Charged Property*), the Issuer shall save as otherwise provided in the Transaction Documents or unless the Security Trustee otherwise agrees in writing (and then only on such terms and in such manner as the Security Trustee may require) procure that the Issuer Accounts and the VM Issuer Account shall from time to time be credited with all amounts received by the Issuer under or in respect of the Transaction Documents, including without limitation the following payments:
- (a) amounts received by the Issuer from, or on behalf of, the Mortgages Trustee pursuant to the provisions of the Mortgages Trust Deed;
  - (b) interest received on the Issuer Accounts, including the Issuer Transaction Accounts and the VM Issuer Account (other than interest on any Swap Collateral which shall be credited to the applicable Issuer Swap Collateral Account);

- (c) amounts received by the Issuer from the Basis Rate Swap Provider under the Basis Rate Swap Agreements (for the avoidance of doubt Swap Collateral shall be credited to the applicable Issuer Swap Collateral Account);
- (d) amounts received by the Issuer from the Currency Swap Provider under the Currency Swap Agreement (other than any amounts that are paid directly to the Principal Paying Agent on behalf of the Issuer and for the avoidance of doubt Swap Collateral shall be credited to the applicable Issuer Swap Collateral Account);
- (e) amounts received by the Issuer from the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (f) amounts received by the Issuer from the Security Trustee or a Receiver following the service of an Enforcement Notice; and
- (g) such other payments received by the Issuer as are, or ought in accordance with this Deed of Charge to be, comprised in the Charged Property.

#### **No Withdrawal from Bank Accounts**

- 6.2 At all times during the subsistence of the Issuer Security, none of the Issuer or the Issuer Cash Manager shall be entitled to withdraw or transfer from any Issuer Account or the VM Issuer Account any monies standing to the credit thereof or direct any payment to be made therefrom to any person (other than any amount standing to the credit of the applicable Issuer Swap Collateral Account which is payable to a Swap Provider in accordance with the applicable Swap Agreement), save to the extent expressly permitted under this Deed of Charge and the other Transaction Documents without the Security Trustee's prior written consent. Any amount withdrawn from the Issuer Accounts and the VM Issuer Account in accordance with this Deed of Charge and the other Transaction Documents shall be released from the Issuer Security created under or pursuant to this Deed of Charge.

#### **Permitted Withdrawals from the Issuer Accounts and the VM Issuer Account**

- 6.3 (a) The Issuer covenants with the Security Trustee that the amounts standing to the credit of the Issuer Accounts and the VM Issuer Account may only be withdrawn in accordance with this Clause 6.3 (*Permitted Withdrawals from Issuer Accounts and the VM Issuer Account*), the Issuer Cash Management Agreement and the other Transaction Documents or otherwise with the Security Trustee's prior written consent.
- (b) On any day during an Interest Period prior to the Issuer Security becoming enforceable pursuant to Clause 7.2 (*Enforceable*), the Issuer and the Security Trustee hereby authorise the Issuer Cash Manager to withdraw such monies from the Issuer Accounts and the VM Issuer Account as are to be applied on such date to meet any amounts then due and payable by the Issuer to third parties in accordance with the

Issuer Pre-Acceleration Revenue Priority of Payments, **provided that**, such monies are applied in making such payments on behalf of the Issuer. The Issuer Cash Manager shall be entitled to assume that the Issuer Security is not enforceable pursuant to Clause 7.2 (*Enforceable*) unless it has received notice from the Issuer or the Security Trustee or is otherwise aware that the Issuer Security has become so enforceable and shall not be liable to the Security Trustee, the Issuer or any other Secured Creditor for having made payments based on this assumption.

#### **Issuer Pre-Acceleration Revenue Priority of Payments**

- 6.4 Prior to the service of a Note Acceleration Notice to the Issuer, the Basis Rate Swap Providers and the Currency Swap Provider, on (a) each Payment Date or (b) the date when due in respect of amounts provided for on the preceding Payment Date under paragraph (i), (ii), (iv) or (v) or amounts due to third parties under paragraph (iii) of the Issuer Pre-Acceleration Revenue Priority of Payments as set out in Part A of Schedule 3 (*Priorities of Payments*) to this Deed of Charge, the Issuer and the Security Trustee hereby authorise the Issuer Cash Manager to withdraw Issuer Available Revenue Receipts standing to the credit of the Issuer Accounts and/or the VM Issuer Account and to apply such monies in accordance with the Issuer Pre-Acceleration Revenue Priority of Payments as set out in Part A of Schedule 3 (*Priorities of Payments*) to this Deed of Charge.

#### **Issuer Pre-Acceleration Principal Priority of Payments**

- 6.5 Prior to the service of a Note Acceleration Notice to the Issuer, the Basis Rate Swap Providers and the Currency Swap Provider, on each Payment Date, the Issuer and the Security Trustee hereby authorise the Issuer Cash Manager to withdraw Issuer Available Principal Receipts standing to the credit of the Issuer Accounts and/or the VM Issuer Account and to apply such monies in accordance with the Issuer Pre-Acceleration Principal Priority of Payments as set out in Part B of Schedule 3 (*Priorities of Payments*) to this Deed of Charge.

#### **Issuer Post-Acceleration Priority of Payments**

- 6.6 Following the service of a Note Acceleration Notice to the Issuer, the Basis Rate Swap Providers and the Currency Swap Provider but prior to the service of an Enforcement Notice, the Issuer and the Security Trustee hereby authorise the Issuer Cash Manager to withdraw amounts standing to the credit of the Issuer Accounts and/or the VM Issuer Account on its behalf, and to apply such monies in accordance with the Issuer Post-Acceleration Priority of Payments as set out in Part C of Schedule 3 (*Priorities of Payments*) to this Deed of Charge.

#### **Ledgers**

- 6.7 For the avoidance of doubt, other than in respect of a debit entry relating to principal losses on the Mortgage Loans, where amounts are stated as being credited to or, as applicable, debited from, a ledger of the Issuer, there shall be a corresponding retention in, or payment from, the relevant Issuer Transaction

Account (or, in respect of any Swap Collateral, the relevant Issuer Swap Collateral Account) in respect of such credit or debit.

### **No Enforcement**

- 6.8 (a) Each of the parties to this Deed of Charge (other than the Note Trustee (acting on behalf of the Noteholders) and the Security Trustee (acting on behalf of the Noteholders and the other Secured Creditors) and any Receiver) hereby agree with the Issuer and the Security Trustee that:
- (i) it will not take any steps for the purpose of recovering any debts whatsoever owing to it by the Issuer save as provided for in accordance with the terms of this Deed of Charge and clause 8.2 (*Only Note Trustee and Security Trustee to Enforce*) of the Trust Deed (including, without limitation, by exercising any right of set-off);
  - (ii) subject to the provisions of this Deed of Charge and clause 8.2 (*Only Note Trustee and Security Trustee to Enforce*) of the Trust Deed only the Security Trustee is entitled to enforce the Issuer Security or to take proceedings against the Issuer to enforce the Issuer Security or any of the provisions of the Deed of Charge or any other Transaction Document;
  - (iii) no party to this Deed of Charge (other than the Security Trustee) nor any person acting on behalf of any party (other than the Security Trustee and Note Trustee) shall have any right to take any proceedings against the Issuer to enforce any right arising out of this Deed of Charge or any other Transaction Document against the Issuer or, save in accordance with the terms of the Transaction Documents, to direct the Security Trustee to do so;
  - (iv) subject to the provisions of this Deed of Charge and clause 8.2 (*Only Note Trustee and Security Trustee to Enforce*) of the Trust Deed no party to this Deed of Charge (other than the Security Trustee) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to such party;
  - (v) neither it nor any party on its behalf shall initiate or join any person in initiating any Insolvency Proceeding in relation to the Issuer;
  - (vi) it shall not be entitled to take any steps or proceedings which would result in the Issuer Post-Acceleration Priority of Payments not being observed; and
  - (vii) it shall not institute against the Mortgages Trustee any Insolvency Proceeding nor take any action to wind up the

Mortgages Trust until two years *plus* one day following the Final Discharge Date;

- (b) if the Note Trustee has become bound to deliver a Note Acceleration Notice to the Issuer, the Basis Rate Swap Providers and the Currency Swap Provider, or to instruct the Security Trustee to give an Enforcement Notice to the Issuer, and has failed to do so within 30 days of becoming so bound and such failure is continuing, this Clause 6.8 (*No Enforcement*) shall not prevent (i) the holders of not less than 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class or (ii) holders by or pursuant to an Extraordinary Resolution passed at a meeting of the holders of the Most Senior Class from, as applicable:
  - (i) delivering a Note Acceleration Notice to the Issuer, the Basis Rate Swap Providers and the Currency Swap Provider in accordance with Condition 9 (*Events of Default*); and/or
  - (ii) instructing the Security Trustee to give an Enforcement Notice to the Issuer in accordance with Condition 10 (*Enforcement of Notes*);
- (c) if the Security Trustee has become bound to deliver an Enforcement Notice to the Issuer and has failed to do so within 30 days of becoming so bound and such failure is continuing, this Clause 6.8 (*No Enforcement*) shall not prevent (i) the holders of not less than 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class or (ii) holders by or pursuant to an Extraordinary Resolution passed at a meeting of the holders of the Most Senior Class from, as applicable:
  - (i) delivering an Enforcement Notice in accordance with Condition 10 (*Enforcement of Notes*); and
  - (ii) to the extent legally possible, taking enforcement steps in relation to the Issuer Security, **provided that**, no Noteholder nor any party on its behalf shall initiate or join any person in initiating any Insolvency Proceeding in relation to the Issuer;
- (d) following redemption of the Notes in full, if the Security Trustee has become bound to deliver an Enforcement Notice to the Issuer and has failed to do so within 30 days of becoming so bound and such failure is continuing, this Clause 6.8 (*No Enforcement*) shall not prevent the Secured Creditors acting together, to the extent legally possible, from taking enforcement steps in relation to the Issuer Security;
- (e) this Clause 6.8 (*No Enforcement*) shall not prevent any party to this Deed of Charge from taking any steps against the Issuer pursuant to the other Transaction Documents so long as such steps do not amount to the initiation or the threat of initiation of an Insolvency Proceeding or the initiation or threat of initiation of legal proceedings for the purpose of obtaining payment of any amount due to such party from the Issuer;



- (f) each of the parties to this Deed of Charge acknowledges to the Security Trustee that it is bound by the terms of this Deed of Charge and confirms that no sum shall be paid by the Issuer except in accordance with the provisions of the Issuer Cash Management Agreement and this Deed of Charge, unless and until all sums required by the Issuer Cash Management Agreement or this Deed of Charge, as the case may be, to be paid or provided for in priority thereto have been paid or discharged in full;
- (g) each of the parties to this Deed of Charge agrees to defer taking any action or proceedings against the Issuer to recover any amounts payable by the Issuer to such party under the Transaction Documents except to the extent expressly permitted by the provisions of this Deed of Charge and clause 8.2 (*Only Note Trustee and Security Trustee to Enforce*) of the Trust Deed, unless and until (then only to the extent that) the Issuer has assets sufficient to meet such claim in full having taken into account all other liabilities (actual contingent or prospective) of the Issuer which under this Deed of Charge and the Issuer Cash Management Agreement, rank *pari passu* with or in priority to its liabilities to the parties under the Transaction Documents, **provided, however, that** nothing in this paragraph (g) of Clause 6.8 (*No Enforcement*) shall prevent any party from proving for the full amount owed to it by the Issuer under the Transaction Documents in the liquidation of the Issuer; and
- (h) without prejudice to the other provisions of this Clause 6 (*Restrictions on the Exercise of Certain Rights*), the parties to this Deed of Charge covenant with the Security Trustee that if, whether in the liquidation of the Issuer or otherwise (and notwithstanding the provisions of this Clause 6 (*Restrictions on the Exercise of Certain Rights*)), any payment is received by it hereunder other than in accordance with the Issuer Cash Management Agreement or this Deed of Charge, as applicable, the amount so paid shall be received and held by the relevant party upon trust for the Security Trustee and shall be paid over to, or to the order of, the Security Trustee forthwith upon receipt, **provided however that**, this paragraph (h) of Clause 6.8 (*No Enforcement*) shall have effect only to the extent that it does not constitute or create and is not deemed to constitute or create any mortgage, charge or other Security Interest of any kind.

## 7. SECURITY ENFORCEABLE

### Prior Notification

- 7.1 The Security Trustee shall, if practicable, give prior notification to the Issuer, the Mortgages Trustee and the Issuer Cash Manager of the Security Trustee's intention to enforce the Issuer Security. However, the failure of the Security Trustee to provide such notification shall not in any way prejudice the ability of the Security Trustee to enforce the Issuer Security.

## **Enforceable**

7.2 Without prejudice to the provisions of Clause 9 (*Receiver*) the Issuer Security shall become immediately enforceable and the power of sale and other powers conferred by Section 101 of the 1925 Act, as varied or amended by this Deed of Charge, shall be exercisable by the Security Trustee:

- (a) at any time when any Note remains outstanding upon the delivery of a Note Acceleration Notice to the Issuer and the Swap Providers accompanied by an instruction from the Note Trustee directing the Security Trustee to give an Enforcement Notice to the Issuer; and
- (b) if there are no Notes outstanding, upon the delivery of an instruction from the Secured Creditors following a default in payment of any other Secured Obligation on its due date or within any applicable grace period following such due date stated in the relevant Transaction Document but subject always to Clause 6.6 (*Issuer Post-Acceleration Priority of Payments*) and Clause 18 (*Limited Recourse*),

subject to the Security Trustee being indemnified and/or secured and/or prefunded to its satisfaction.

## **Power of Sale**

- 7.3 (a) Notwithstanding any other provision of this Deed of Charge, the Secured Obligations shall be deemed to have become due and payable for the purposes of Section 101 of the 1925 Act and (to the extent applicable) the statutory power of sale and of appointing a receiver and other powers which are conferred on mortgagees under the 1925 Act as varied or extended by this Deed of Charge shall be deemed to arise immediately after execution of this Deed of Charge.
- (b) The restrictions contained in Sections 93 and 103 of the 1925 Act shall not apply to this Deed of Charge and forthwith after the Issuer Security has become enforceable in accordance with Clause 7.2 (*Enforceable*) the statutory power of sale, as extended by this Deed of Charge, and all other powers shall become immediately exercisable without notice to the Issuer and the provisions of the 1925 Act regulating the power of sale shall, so far as they relate to the Charged Property, be varied and extended accordingly.

## **Law of Property Act 1925**

7.4 The provisions of the 1925 Act relating to the power of sale and the other powers conferred by Section 101(1) and (2) are hereby extended in relation to the Issuer as if such extensions were contained in the 1925 Act such that at any time after the Issuer Security has become enforceable in accordance with Clause 7.2 (*Enforceable*), the Security Trustee may in its absolute discretion:

- (a) enter into, make, execute, sign, deliver and do all such contracts, agreements, deeds, receipts, payments, assignments, assignations, transfers, conveyances, assurances and things and bring, prosecute,

enforce, defend and abandon all such actions, suits and proceedings in relation to the Charged Property as it may think expedient;

- (b) exercise or refrain from exercising, in such manner as in its absolute discretion the Security Trustee shall think fit, all or any of the rights, powers, authorities, discretions or remedies of the Issuer under or in relation to the Charged Property or incidental to the ownership thereof and, in particular but without limiting the generality of the foregoing, exercise all rights to vote or to give any consent or notification or make any declaration in relation to such Charged Property. 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;
- (c) demand, sue for and take any advice or institute any proceedings to recover or obtain payment of any amounts which may then be due and payable to the Issuer but which remains unpaid under or in respect of the Charged Property or any part thereof either in its own name or in the name of the Issuer;
- (d) make demand in the name of the Secured Creditors or in its own right for any monies and liabilities in respect of the Charged Property;
- (e) enforce any right that it may have in respect of the whole or any part of the Charged Property in such manner and upon such terms as the Security Trustee shall think fit;
- (f) take possession of, get in and collect the Charged Property and perfect interests comprised therein;
- (g) (subject to any restrictions under or in respect of the relevant Charged Property) sell, transfer, convey, dispose of, vary or otherwise deal with, and also grant any option to purchase, and effect exchanges of, the whole or any part of Charged Property or any interest therein in such manner, for such consideration (if any) and generally upon such terms (including by deferred payment or payment by instalments) as it may think fit and/or to concur in any of the foregoing (and nothing shall preclude any such disposal being made to a Secured Creditor);
- (h) carry out any transaction, scheme or arrangement which the Security Trustee may, in its absolute discretion, consider appropriate with a view to or in connection with the sale of the Charged Property;
- (i) do all or any of the things or exercise all or any of the powers, authorities and discretions conferred expressly or by implication on any Receiver under Clause 9.6 (*Powers of the Receiver*) or otherwise under this Deed of Charge; and/or
- (j) exercise all or any of the powers conferred on mortgagees by the 1925 Act as varied or extended by this Deed of Charge and any other rights

and remedies that may be conferred by statute or common law or in equity on mortgagees or receivers.

### **Trust Property in Scotland**

7.5 The Issuer, the Mortgages Trustee and the Beneficiary hereby covenant and agree with the Security Trustee that if, after the security constituted by or pursuant to this Deed of Charge shall have become enforceable, the Security Trustee or any Receiver shall so require, they will join together in directing the Mortgages Trustee and the Beneficiary to sell all or any part of the Trust Property situated in, or governed by the laws of, Scotland which is the subject of the Mortgages Trust and all or any part of the Scottish Trust Property which is the subject of the Scottish Declaration of Trust on terms previously approved by the Security Trustee and/or in causing the Scottish Trust to be wound up or performed and they will take all such actions and execute all such documents as may be reasonably necessary to effect such sale or winding up or performance and the distribution or transfer of such Trust Property in accordance with the terms of the Mortgages Trust and/or such Scottish Trust Property in accordance with the terms of the Scottish Declaration of Trust. The Mortgages Trustee and the Beneficiary hereby acknowledge and consent to the foregoing. In the event of any such sale or winding up, the Trust Property and, as the case may be, the Scottish Trust Property shall be distributed in accordance with the terms of the Mortgages Trust Deed and, as the case may be, the Scottish Declaration of Trust.

## **8. ENFORCEMENT**

### **Service of an Enforcement Notice**

8.1 If the Note Trustee directs the Security Trustee to deliver an Enforcement Notice, the Security Trustee shall as soon as is practicable procure that each of the Secured Creditors and the Mortgages Trustee is sent a copy of such Enforcement Notice and the Issuer shall as soon as reasonably practicable procure that the Rating Agencies are sent a copy of the Enforcement Notice.

### **Consequences of Issuer Security becoming Enforceable**

8.2 At any time after the Issuer Security has become enforceable in accordance with Clause 7.2 (*Enforceable*) and, **provided that**, the relevant Note Event of Default has not been waived in accordance with the provisions of the Trust Deed:

- (a) if it has not already crystallised, any floating charge created by this Deed of Charge shall crystallise in accordance with Clause 11 (*Crystallisation*);
- (b) other than in respect of amounts standing to the credit of the Issuer Swap Collateral Accounts which are payable to the Currency Swap Provider in accordance with the Currency Swap Agreement or the Basis Rate Swap Provider in accordance with Basis Rate Swap Agreements, amounts may be withdrawn from the Issuer Accounts

only with the permission of the Security Trustee and shall be applied in accordance with the Issuer Post-Acceleration Priority of Payments;

- (c) subject to the provisions of this Deed of Charge, the Conditions and the Trust Deed, the Security Trustee may institute such proceedings against the Issuer and take such action as it may think fit to enforce or realise or take any other steps or action in respect of all or any part of the Issuer Security;
- (d) the Security Trustee may appoint a Receiver in accordance with Clause 9.1 (*Appointment*); and
- (e) whether or not it has appointed a Receiver, the Security Trustee may exercise all or any of the right, power, authority and discretion conferred by this Deed of Charge on a Receiver conferred by the 1925 Act (as varied or amended by this Deed of Charge or the Trust Deed) on mortgagees or otherwise conferred by law on mortgagees, security holders or receivers,

subject, in each case, to the Security Trustee being indemnified and/or secured and/or pre-funded to its satisfaction.

### **Certification of Amounts**

- 8.3 (a) The Security Trustee shall be entitled to rely on (and to accept as conclusive evidence save in the case of manifest error) a certificate from each Secured Creditor as to the amounts owed to such Secured Creditor under the Transaction Documents. The Security Trustee shall not be obliged to take into account for the purpose of the application of monies in accordance with the Issuer Post-Acceleration Priority of Payments any amounts of which it has not been notified by the intended recipient on or prior to the date in question.
- (b) Each Secured Creditor will at all times, promptly provide the Security Trustee and/or any Receiver on request with a certificate setting out detailed information as to the amount of the Secured Obligations to which such Secured Creditor is entitled and such other information as the Security Trustee and/or any Receiver may require to enable or facilitate the Security Trustee and/or any Receiver to perform its functions hereunder or under any of the Transaction Documents, such certificate to be in a form required by the Security Trustee and/or any Receiver. In determining the respective entitlements of the Secured Creditors hereunder, such certificates shall be binding on all of the Secured Creditors.

### **Retention Account**

- 8.4 If the Security Trustee enforces or realises the Issuer Security at a time when either no amounts or not all amounts owing in respect of the Secured Obligations have become due and payable or any of the Secured Obligations are at such time contingent or future, the Security Trustee or a Receiver may, for so long as no such amounts or not all such amounts have become due and

payable or any of the Secured Obligations are at such time contingent or future, pay any monies referred to in Schedule 3 (*Priorities of Payments*) to this Deed of Charge into, and retain such monies in, an interest-bearing retention account to be held by it as security and applied by it in accordance with Clause 8.2 (*Consequences of Issuer Security becoming enforceable*) as and when any of the amounts referred to therein become due and payable.

### **Security Trustee Rights upon Enforcement**

8.5 In addition to any other right expressly provided herein, during the period commencing upon the service of an Enforcement Notice and terminating upon the notification to the Secured Creditors by the Security Trustee that all Secured Obligations have been satisfied in full:

- (a) **provided that**, such Secured Creditor has received a copy of, or other notice of the service on the Issuer of, any such Enforcement Notice each Secured Creditor agrees that it will pay to the Security Trustee or the Receiver, as the case may be, all monies received or recovered by such Secured Creditor (whether by way of set-off or otherwise) in order that such amounts may be applied by the Security Trustee in accordance with Schedule 3 (*Priorities of Payments*) to this Deed of Charge;
- (b) save as otherwise expressly provided in this Deed of Charge or as required by the Security Trustee, all payments under or arising from this Deed of Charge and all amounts payable to the Issuer by any party to this Deed of Charge under any Transaction Document shall be paid to the Security Trustee or to its order;
- (c) save as otherwise expressly provided in this Deed of Charge, all rights or remedies provided for by this Deed of Charge or available at law or in equity to the Secured Creditors are exercisable by the Security Trustee and/or any Receiver;
- (d) save as otherwise expressly provided in this Deed of Charge, all rights to compel performance of the Transaction Documents are exercisable by the Security Trustee and/or any Receiver; and
- (e) all payments in respect of the Secured Obligations shall operate in satisfaction *pro tanto* of the Issuer's covenants to the relevant Secured Creditors.

8.6 The parties to this Deed of Charge hereby acknowledge that, pursuant to Clause 3.3 (*Contractual Rights*) and the other provisions of this Deed of Charge, and following delivery of an Enforcement Notice by the Security Trustee, the Security Trustee (or any Receiver on its behalf) may at its sole discretion exercise any right of the Issuer provided under the Transaction Documents) and such right and the relevant Transaction Document shall be construed accordingly.

### Issuer Priority of Payments

- 8.7 All monies received or recovered by the Security Trustee or any Receiver in respect of the Secured Obligations or the Charged Property following service of an Enforcement Notice (other than, in respect of each Swap Agreement, any amount standing to the credit of an Issuer Swap Collateral Account and recorded as a credit to a Swap Collateral Ledger applicable to that Swap Agreement which is payable to the relevant Swap Provider in accordance with the applicable Swap Agreement), will be held by it on trust to be applied in accordance with the provisions and the order of priority of the Issuer Post-Acceleration Priority of Payments as set out in Part C of Schedule 3 (*Priorities of Payments*) to this Deed of Charge.

### Mandatory Enforcement

- 8.8 (a) Subject to paragraph (b) below and except where expressly provided otherwise, the Security Trustee shall not, and shall not be bound to, take any steps, institute any proceedings, exercise its rights and/or take any other action under or in connection with any of the Transaction Documents (including, without limitation, enforcing or realising the Issuer Security and/or lodging an appeal in any proceedings) unless the Security Trustee is directed to do so in writing by:
- (i) the Note Trustee; or
  - (ii) if there are no Notes outstanding, all of the other Secured Creditors,
- (in each case, the *Instructing Party*), **provided that**, the Security Trustee may at all times, whether or not so directed, take such action in respect of any right, power or discretion which is personal to the Security Trustee or is to preserve or protect the Security Trustee's position or interests or is of a purely administrative nature.
- (b) Upon being directed in accordance with paragraph (a) above the Security Trustee will be bound to take the relevant action(s) in the manner instructed by the Instructing Party, **provided that**, the Security Trustee has been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities, proceedings, claims, demands, costs, charges and expenses to which it may render itself liable or which it may incur by so doing.
- (c) The Security Trustee shall not be liable to any Secured Creditor or to the Issuer for any action that it may take in accordance with any instruction received pursuant to paragraph (a) above. The Security Trustee shall be entitled to seek clarification from the relevant Instructing Party with regard to such instructions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction from such Instructing Party.

## **9. RECEIVER**

### **Appointment**

- 9.1 At any time after delivery of an Enforcement Notice and whether or not the Security Trustee has taken possession of the Charged Property the Security Trustee may appoint such person or persons (including an officer or officers of the Security Trustee) as it thinks fit to be a receiver, a manager, a receiver and manager or an administrative receiver of the Charged Property or any part thereof (each a *Receiver*) to act jointly or jointly and severally. The Security Trustee shall comply with any requirement under the Insolvency Act that the person appointed to be a Receiver be a licensed insolvency practitioner.

### **Removal and Replacement**

- 9.2 Except as otherwise required by statute, the Security Trustee may remove a Receiver whether or not appointing another in its place; the Security Trustee may also appoint another receiver if the Receiver resigns, retires or otherwise ceases to hold office.

### **Extension of Appointment**

- 9.3 The exclusion of any part of the Charged Property from the appointment of the Receiver shall not, so far as the law permits, preclude the Security Trustee from subsequently extending its appointment (or that of the Receiver replacing it or another Receiver) to that part of the Charged Property.

### **Agent of Issuer**

- 9.4 The Receiver shall, so far as the law permits, 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 the Receiver. In no circumstances whatsoever shall the Security Trustee or any Secured Creditor 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.

### **Remuneration**

- 9.5 Subject as provided otherwise by applicable law, 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. Such remuneration shall be payable hereunder by the Issuer alone subject always to the Issuer Post-Acceleration Priority of Payments and the amount of such remuneration shall form part of the Secured Obligations and shall accordingly be secured on the Charged Property under the Issuer Security.

### **Powers of the Receiver**

- 9.6 Every Receiver shall, in addition to any powers conferred on a Receiver by statute or common law, have the power to:



- (a) take possession of, get in and collect the Charged Property;
- (b) (subject to any restrictions under or in respect of relevant Charged Property) sell, transfer, convey, license, release or otherwise dispose of vary or deal with, and also grant any option to purchase, and effect exchanges of, the whole or any part of the Charged Property or any interest therein and grant or accept surrenders, disclaimers and variations in relation to or otherwise affecting the Charged Property in each case in such manner, for such consideration (if any) and generally upon such terms (including by deferred payment of payment by instalments) as it may think fit and/or concur in any of the foregoing (and nothing shall preclude any such disposal being made to an Secured Creditor);
- (c) carry out any transaction, scheme or arrangement which it may, in its absolute discretion, consider appropriate with a view to or in connection with the sale of the Charged Property;
- (d) insure the Charged Property against such risks and for such amounts as it may consider prudent and obtain bonds and performance guarantees;
- (e) otherwise protect, maintain or improve, the Charged Property or any part thereof in any manner and for any purpose whatsoever as it shall think fit;
- (f) transfer all or any of the Charged Property and/or any of the liabilities to any other company or body corporate, whether or not formed or acquired for the purpose (and whether or not a subsidiary or associated company of the Security Trustee or any other party to the Transaction Documents) and to form a subsidiary or subsidiaries of the Issuer;
- (g) carry on and manage or concur in managing or appoint a manager of, the whole or any part of the business of the Issuer in such manner as it shall in its absolute discretion think fit including the power to enter into any contract and to perform, repudiate, rescind or vary any contract to which the Issuer is a party;
- (h) sell or concur in selling the whole or any part of the Issuer's business whether as a going concern or otherwise;
- (i) appoint, dismiss, engage or vary the terms of employment of any employees, managers, agents or advisers of the Issuer upon such terms as to remuneration and otherwise for such periods as it may in its absolute discretion think fit;
- (j) in connection with the exercise or proposed exercise of any of its powers or in order to obtain payment of its remuneration or reimbursement of its expenses (in each case, whether or not already due), borrow or raise money from any person, without security or on the security of the Charged Property (either in priority to the security constituted by this Deed of Charge or otherwise) and generally in such manner and on such terms as it may think fit;

- (k) bring, defend, submit to arbitration, negotiate, compromise, enforce, abandon and settle actions, suits, claims and proceedings concerning or affecting the Charged Property or the security created under or pursuant to this Deed of Charge;
- (l) exercise any powers, discretions, voting, conversion or other rights or entitlements in relation to any of the Charged Property or incidental to the ownership of or rights in or to any of the Charged Property and to complete or effect any transaction entered into by the Issuer or disclaim, abandon or modify all or any of the outstanding contracts or arrangements of the Issuer relating to or affecting the Charged Property;
- (m) generally carry out, or cause to be carried out any transaction or scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Property which it may consider expedient as if it were solely and absolutely entitled to the Charged Property;
- (n) in connection with the exercise of any of its powers, 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, acts or things which it may consider appropriate;
- (o) redeem, discharge or compromise any security whether or not having priority to the security created hereunder;
- (p) enter into covenants, guarantees, commitments, indemnities and other obligations or liabilities as it shall think fit;
- (q) pay and discharge out of the profits and income of the Charged Property and the monies to be made by it carrying on any such business as aforesaid the expenses in and about the carrying on and management of such business or in the exercise of any of the powers conferred by Clause 9 (*Receiver*) or otherwise in respect of the Charged Property and all outgoings which it shall think fit to pay and to apply the residue of the said profits, income or monies in the manner provided by the Issuer Post-Acceleration Priority of Payments; and
- (r) exercise any other powers, rights and/or remedies that may be available at law or in equity including the powers referred to in Schedule 1 (and where applicable Schedule 2) of the Insolvency Act 1986.

## **Security**

- 9.7 The Security Trustee may from time to time and at any time require any such Receiver to give security for the due performance of its duties and may fix the nature and amount of the security to be so given but the Security Trustee shall not be bound in any such case to require any such security.

### **Application of Monies by Receiver**

- 9.8 Except for any amount standing to the credit of the Issuer Swap Collateral Account and recorded to the applicable Swap Collateral Ledger in respect of a Swap Agreement, which is payable to the relevant Swap Provider in accordance with that Swap Agreement, and save so far as otherwise directed by the Security Trustee, all monies from time to time received by such Receiver shall be paid over to, or to the order of, the Security Trustee to be held by it on the trusts declared under this Deed of Charge and to be distributed in accordance with the Issuer Post-Acceleration Priority of Payments. Sections 109(6) and (8) of the 1925 Act (relating to the application of monies received by a receiver) shall not apply in relation to any Receiver.

### **Payment to Receiver**

- 9.9 The Security Trustee may pay over to such Receiver any monies constituting part of the Charged Property for the same to be applied for the purposes of this Deed of Charge 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 its duties as such Receiver.

### **1925 Act Restrictions Inapplicable**

- 9.10 None of the restrictions imposed by the 1925 Act in relation to the appointment of receivers or the giving of notice or otherwise shall apply in relation to the Receiver.

### **Receiver and Transaction Documents**

- 9.11 No Receiver shall have any power to take any action in relation to the Charged Property which the Security Trustee is prohibited from taking by the terms of any of the Transaction Documents.

## **10. FURTHER ASSURANCE AND POWER OF ATTORNEY**

### **Further Assurance**

- 10.1 The Issuer covenants with and undertakes to the Security Trustee from time to time (notwithstanding that the Issuer Security may not have become enforceable and the Security Trustee may not have served any Enforcement Notice) upon demand:
- (a) to execute, at the Issuer's cost, any document or do any act or thing which the Security Trustee or any Receiver may specify (including executing such Issuer Security over its rights in and over the Charged Property and any other assets of the Issuer in such form as the Security Trustee and/or any Receiver may require) with a view to:
    - (i) registering, perfecting, protecting or improving any charge or security or Issuer Security created or intended to be created by or pursuant to this Deed of Charge (including any act or document which may be required or desirable under the laws of any jurisdiction in which any property or assets may be located

in order to confer on the Security Trustee security over such property and assets equivalent or similar to the security intended to be conferred by or pursuant to this Deed of Charge) and in such form as the Security Trustee or the Receiver may specify; and/or

- (ii) facilitating the realisation of or enforcement of rights of, all or any part of the Charged Property or the exercise, or proposed exercise, of any of the powers, duties or discretions vested or intended to be vested in the Security Trustee or such Receiver by or pursuant to this Deed of Charge or doing any act or thing deemed necessary by the Security Trustee or the Receiver; and
- (b) to give or join in giving or procure the giving of any notices to any persons and obtain or procure that there is obtained any necessary acknowledgements in relation to such notices, all in such form, as the Security Trustee or the Receiver may require at the cost of the Issuer, and for the purpose of this Clause 10.1 (*Further Assurance*) a certificate in writing signed by the Security Trustee to the effect that any particular assurance or thing is required or is desirable by it shall be conclusive evidence of that fact, **provided that**, the Issuer shall not be obliged to execute any such documentation or take any other action or steps to the extent that it would breach a restriction in any agreement to which it is a party or conflict with any applicable law.

### **Execution of Power of Attorney**

10.2 Immediately upon execution of this Deed of Charge, 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 (*Form of Security Trustee Power of Attorney*).

### **Charged Property on Trust**

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

## **11. CRYSTALLISATION**

### **Notice**

11.1 In addition and without prejudice to any other event resulting in a crystallisation of the floating charges created by this Deed of Charge or any other right the Security Trustee may have, the Security Trustee may (to the extent permitted by applicable law), by notice in writing to the Issuer, declare that the floating charges hereby created shall be converted into first fixed

charges over such of the undertaking, property and assets of the Issuer as the Security Trustee may specify in such notice at any time if:

- (a) a Note Event of Default has occurred;
- (b) the Security Trustee believes that the Charged Property or any part thereof is in danger of being seized or sold under any form of distress, execution or diligence levied or is otherwise in jeopardy; or
- (c) the Security Trustee considers that it is desirable in order to protect the priority of the Issuer Security.

### **Automatic Crystallisation**

11.2 In addition and without prejudice to any other event resulting in a crystallisation of the floating charge contained herein and without prejudice to any rule of law which may have a similar effect, the floating charge created under this Deed of Charge shall (to the extent permitted by applicable law) automatically and without notice be converted with immediate effect into a fixed charge as regards all property, assets or undertaking of the Issuer subject to the floating charge, upon:

- (a) the occurrence of an Insolvency Event in relation to the Issuer; and/or
- (b) any property, assets or undertaking of the Issuer, which become subject to a Security Interest in favour of any person other than the Security Trustee or which is/are the subject of a sale, transfer or other disposition, in either case, contrary to the covenants and undertakings contained in the Transaction Documents, immediately prior to such Security interest arising or such sale, transfer or other disposition being made,

**provided that**, the floating charge created hereunder may not be converted into a fixed charge or charges solely as a result of obtaining a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with the leave of court.

## **12. PROVISIONS RELATING TO THE ISSUER SECURITY**

### **Continuing security**

12.1 The Issuer Security created under or pursuant to this Deed of Charge shall be:

- (a) in addition to and independent of and shall not operate so as to prejudice or affect or merge in any other security, right of recourse or other right whatsoever which may be held by any of the Secured Creditors or the Security Trustee on their behalf in respect of the whole or any part of the Secured Obligations and shall not be affected by any release, reassignment, retrocession or discharge of such other security; and
- (b) a continuing security for the Secured Obligations and shall remain in force as continuing security for the Secured Creditors and shall not be

considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations or the existence at any time of a credit balance on any current or other account or any other matter or thing whatsoever.

### **Consolidation**

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

### **Ruling Off**

12.3 If the Security Trustee receives notice of any Security interest affecting the whole or any part of the Charged Property or any security granted hereunder in contravention of the provisions hereof:

- (a) the Security Trustee may open a new bank account in the name 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 bank account, and in no circumstances whatsoever shall operate to reduce the Secured Obligations as at the time that the Security Trustee received such notice.

### **Avoidance of Payments**

12.4 Any settlement, discharge or release between (a) the Issuer and (b) the Security Trustee or any Receiver (the ***Relevant Person(s)***) shall be conditional upon no security or payment granted or made to the Relevant Person(s) by the Issuer or any other person being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of such security or payment being so avoided or reduced, the Relevant Person(s) shall be entitled to recover the value or amount of such security or payment from the Issuer and from the security subsequently as if such settlement, discharge or release had not occurred.

### **Retention of Charges**

12.5 If the Security Trustee shall have reasonable grounds for believing that the Issuer may be insolvent or deemed to be insolvent pursuant to the provisions of the Insolvency Act (and production of a solvency certificate of a duly authorised officer of the Issuer shall be *prima facie* evidence of the solvency of the Issuer) as 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 contained in or created pursuant to this Deed of Charge 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. However, if at any time within such period, a petition shall be presented to a competent court for an order for the winding up or the making of an administration order in respect of the Issuer, or if 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, as the case may be, the Security Trustee shall be at liberty to continue to retain such security for such further period as the Security Trustee may determine and such security shall be deemed to continue to have been held as security for the payment and discharge to the Security Trustee of all Secured Obligations.

### **Possession**

- 12.6 Entry into possession of the Charged Property or any part thereof shall not render the Security Trustee or any Receiver of the Issuer liable to account as mortgagee or security holder in possession for anything except actual receipts. If and whenever the Security Trustee or the Receiver enters into possession of the Charged Property, it shall be entitled at any time to go out of such possession.

### **Change of Name, etc.**

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

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

- 12.8 Subject to Clause 12.9, any New Secured Creditor shall accede to the terms of this Deed by executing an Accession Undertaking in the form or substantially in the form set out in Schedule 4 (*Form of Accession Undertaking*) to this Deed. The parties hereto acknowledge and agree to be bound by the terms of Clause 12.9.
- 12.9 (a) Subject to the Issuer providing the certificate and obtaining the confirmations stipulated pursuant to, and referred to in, paragraph (c) below, the prior consent of the Note Trustee, the Security Trustee, the Noteholders and the other Secured Creditors will not be required or obtained in relation to the accession of any New Secured Creditor pursuant to an Accession Undertaking. Accordingly, each Secured Creditor (other than the Note Trustee and the Security Trustee) shall be deemed to have consented to the admission of any company as a New Secured Creditor without the necessity for any approval by means of an Extraordinary Resolution or otherwise of the Noteholders or for any other Secured Creditor who is party to any Transaction Document to concur in or consent to any deed admitting any New Secured Creditor. In addition, each other Secured Creditor is deemed to:

- (i) subject to the Issuer securing the confirmations set out in paragraph (c) below, consent to any consequential changes to the Priorities of Payments set out in the Issuer Cash Management Agreement and/or the Deed of Charge as are required and any other amendment to the Transaction Documents as may be required to give effect to the Accession Undertaking save to the extent that any such change or amendment results in an alteration to the ranking of any such Secured Creditor in which event such change or amendment shall not become effective without the prior written consent of such Secured Creditor; and
  - (ii) agree that, upon the accession of any New Secured Creditor as provided above, any deed, agreement or other document to which such New Secured Creditor is a party shall be subject to the Security Interests set out in Clause 3 (*Issuer Security*).
- (b) The Note Trustee, without seeking any approval by means of an Extraordinary Resolution or otherwise of the Noteholders, shall be obliged to concur in and to effect any modifications to the Transaction Documents that are required to accommodate the accession of a New Secured Creditor, **provided that** (i) it receives a certificate from the Issuer confirming that such modifications are made only in order to accommodate such accession and the Note Trustee and Security Trustee shall not be required or entitled to look behind such certificate; and (ii) the modifications to the Transaction Documents would not have the effect of (a) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties (the entry into such new Transaction Document not being grounds which would constitute an increase in the obligations or duties of the Note Trustee and/or the Security Trustee, such determination being made based on the terms of that new Transaction Document), or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions.
- (c) The Issuer shall, in order to provide the certificate under paragraph (b) above to the Note Trustee and the Security Trustee, obtain the following confirmations: (i) the Basis Rate Swap Provider providing written confirmation to the Issuer consenting to such modification of those documents to which it is a party (such consent to be given at the Basis Rate Swap Provider's sole discretion); (ii) the Currency Swap Provider providing written confirmation to the Issuer consenting to such modification of those documents to which they are a party and to the Currency Swap Agreement (such consent to be given at the Currency Swap Provider's sole discretion); and (iii) the Issuer Cash Manager or (following the date on which the Seller ceases to be the Issuer Cash Manager) any successor Issuer Cash Manager providing certification to the Issuer, in writing, that such modifications are



required in order to accommodate the addition of a New Secured Creditor.

- 12.10 For the avoidance of doubt, should the proposed amendment under this Clause involve an amendment to the Priorities of Payment (as referenced in sub-paragraph (a)(i) above), this would be a Basic Terms Modification which would require the Note Trustee to secure the Noteholders' consent, **provided that** any change or amendment resulting in any change in the number of entities ranking *pari passu* with any existing Secured Creditor would not be a Basic Terms Modification.

### **13. PROTECTION OF THIRD PARTIES**

#### **No enquiry**

- 13.1 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 under this Deed of Charge has arisen or become exercisable, whether the Secured Obligations remain outstanding or have become payable, whether the Security Trustee or 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 and the position of such a purchaser or other person shall not be impeachable by reference to any of those matters and all the protection to purchasers contained in Sections 104 and 107 of the 1925 Act shall apply to any person purchasing from or dealing with the Security Trustee or any such Receiver.

#### **Receipts to third parties**

- 13.2 Upon any sale, calling in, collection, enforcement or other realisation of the Charged Property in accordance with the terms hereof and upon any other dealing or transaction under or pursuant to this Deed of Charge, the receipt of the Security Trustee or any Receiver shall be an absolute and a conclusive discharge to a purchaser or other person dealing with the Security Trustee or such Receiver and shall relieve it of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee or such Receiver.

### **14. SET-OFF**

The Security Trustee may at any time after the Issuer Security has become enforceable in accordance with Clause 7.2 (*Enforceable*) without notice and notwithstanding any settlement of account or other matter whatsoever combine or consolidate all or any existing accounts of the Issuer 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 on or at any time after the Issuer Security has become enforceable in accordance with Clause 7.2 (*Enforceable*) the Security Trustee may make such application notwithstanding any specified maturity of any deposits), but subject always to the Issuer Post-Acceleration Priority of Payments, 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 the Secured Obligations have been ascertained and fully repaid or discharged.

## 15. REPRESENTATIONS, WARRANTIES AND COVENANTS

### Representations and Warranties

15.1 The Issuer hereby represents and warrants to the Security Trustee on the date of this Deed that:

- (a) it is, as of the date hereof, the beneficial owner of all of the Charged Property free and clear of all liens, claims, charges or Security Interests except those specifically created by or pursuant to this Deed of Charge and the Issuer undertakes that the Charged Property shall be retained free and clear of all liens, claims, charges or Security Interests except those specifically created by or pursuant to this Deed of Charge;
- (b) it has taken or will take all necessary steps to enable it to create the Issuer Security in respect of the Charged Property in accordance with this Deed of Charge and has taken no action or steps and will take no action or steps which will or may prejudice its right, title and interest in, to and under the Charged Property;
- (c) that the floating charge granted by the Issuer pursuant to Clause 3.5 (*Floating Charge*) either by itself, or when taken together with other charges, relates as of the date hereof (and will relate at all relevant times), to the whole or substantially the whole of the Issuer's property and that any receiver appointed under this Deed of Charge would be a receiver of the whole (or substantially the whole) of the Issuer's property;
- (d) except for the Basis Rate Swap Agreements, the Class M Notes and Class Z Notes, the Issuer has entered into the Transaction Documents to which it is a party on arm's length commercial terms;
- (e) neither the securing of a "tax advantage" (as that term is defined in section 1139 of the CTA 2010) for any person nor a purpose which is not a business or other commercial purpose of the Issuer has been, is or will at any time be the main purpose or one of the main purposes of the Issuer in entering into (and remaining party to) the Transaction Documents to which it is a party;
- (f) in respect of each accounting period during which it is a "securitisation company" within the meaning of the TSC Regulations, the only

amounts retained by the Issuer from amounts received in that accounting period other than its profit of £3,900 on each Payment Date up to and including the Payment Date falling in November 2019 and £630 on each Payment Date thereafter until the **Aggregate Dividend Condition** has been met after which £300 on each Payment Date thereafter (which amounts would include amounts deposited by the Issuer in the Liquidity Reserve Fund and/or any Swap Excess Reserve Account (if applicable) and, in the circumstances specified in the respective Swap Agreements, Swap Collateral taken from the respective Swap Provider) have been and will be amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness (where the **Aggregate Dividend Condition** is met if the total aggregate dividends paid by the Issuer on its ordinary shares is sufficient to allow Holdings to repay the Holdings Loan);

- (g) the Issuer received the proceeds of its issue of its shares on 7 August 2018;
- (h) the Issuer first started to carry on a business when it received its certificate to trade on 9 August 2018;
- (i) its Centre of Main Interests (as defined in Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (the **EU Regulation**)) is in the United Kingdom;
- (j) the Issuer's functional currency for the purposes of section 17(4) of the CTA 2010 is Sterling and no election has been made under section 9A CTA 2010 for any other currency to be its designated currency;
- (k) it is not an insurance undertaking, credit institution, investment undertaking holding funds or securities for third parties or a collective investment undertaking for the purposes of Article 1(2) of the EU Regulation; and
- (l) the Issuer has not made any application to voluntarily become registered for VAT (or part of any VAT registration).

15.2 Each of the Issuer, Holdings, and the Mortgages Trustee hereby represents and warrants to the Security Trustee that:

- (a) is incorporated in England and Wales under the Companies Act 2006 (as amended);
- (b) it is not treated, has not been treated, and has not applied to be treated as a member of a VAT Group;
- (c) it is a company which is, has, since incorporation, been and will continue to be resident for United Kingdom tax purposes solely in the United Kingdom; and

- (d) it will not issue any further shares, and none of its shares will be the subject of any transactions other than the transactions provided for in the Transaction Documents.

### **Negative Covenants**

- 15.3 The Issuer hereby undertakes that from the date hereof and for so long as any Secured Obligation remains outstanding, the Issuer shall not, save to the extent contemplated or provided in the Transaction Documents or unless it has obtained the prior written consent of the Security Trustee:
- (a) open or maintain any bank account or deposit account with any bank, or any other financial institution, other than the Issuer Accounts and the VM Issuer Account or close the Issuer Accounts or the VM Issuer Account;
  - (b) sell, assign, transfer, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;
  - (c) amend, supplement or modify its memorandum of association and its articles of association;
  - (d) create or permit to subsist any mortgage, 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 undertakings, present or future;
  - (e) incur any indebtedness whatsoever other than under the Notes and other than under the Subordinated Loan Agreement or give any guarantee or indemnity in respect of any indebtedness or obligation of any person;
  - (f) pay any dividend or make any other distribution to its shareholders or issue any further shares or alter any rights attaching to its shares as at the date of this Deed of Charge, other than the dividend to be paid to Holdings to enable Holdings to repay the Holdings Loan;
  - (g) consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person except as permitted by the Transaction Documents;
  - (h) permit the validity or effectiveness of the Trust Deed or this Deed of Charge or any other Transaction Document or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

- (i) other than in accordance with the Conditions and the Transaction Documents do any act or thing the effect of which would be to make the Issuer resident in any jurisdiction other than the United Kingdom;
- (j) permit any person other than itself and the Security Trustee (as to itself and on behalf of the Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (k) carry on any business other than as described in the Prospectus and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;
- (l) have any employees or premises or subsidiaries;
- (m) purchase any Notes of any Class;
- (n) apply, or permit its directors to apply, to the court for an administration order under the Insolvency Act, or appoint, or permit its directors to appoint any administrator;
- (o) make any application to be treated as a member of any VAT Group or to voluntarily become registered for VAT (or part of any VAT registration) or apply to be treated as a member of a VAT Group.

#### **Positive covenants**

15.4 The Issuer covenants and undertakes with the Security Trustee for the benefit of the Secured Creditors that it shall:

- (a) **Registration of Security:** file or procure the filing with the Registrar of Companies pursuant to Chapter 1 of Part 25 of the Companies Act 2006 a duly completed Form MR01 together with a certified copy of this executed Deed of Charge and the Scottish Supplemental Charge entered into pursuant hereto and the required fee within 21 days after the date of this Deed of Charge or, as applicable, the Scottish Supplemental Charge;
- (b) **Notice of Assignment:** on the date hereof give notice of the assignments by way of security and the security created under or pursuant to this Deed of Charge to the Security Trustee and each other party to any Transaction Document, other than the Collection Banks, not being a party to this Deed of Charge and on any date hereafter (to the extent only that such notice and acknowledgement is not given under or pursuant to this Deed of Charge) give notice of the assignments by way of security and the security created under or pursuant to this Deed of Charge to any party to a Transaction Document entered into by the Issuer after the date hereof, in each case in the form (or substantially in the form) set out in Schedule 2 (*Form of Notice of Assignment*) and the Issuer shall procure that such party to any Transaction Document or other person shall deliver to the Security Trustee an acknowledgement of such notice in the form of a copy of

such notice with the confirmation endorsed thereon duly countersigned;

- (c) **Further Assurances:** so far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Security Trustee to give effect to this Deed of Charge and the other Transaction Documents;
- (d) **Taxes:** duly and promptly 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;
- (e) **Basis Rate Swap Agreements:** in the event of termination of the Basis Rate Swap Agreements prior to the earlier of (i) repayment in full of the Notes or (ii) the service of a Note Acceleration Notice, notify the Security Trustee and the Rating Agencies and use its reasonable efforts to enter into a replacement Basis Rate Swap for the purpose of replacing the Basis Rate Swap upon terms acceptable to the Issuer and the Security Trustee, with a swap counterparty whom the Administrator has, in its opinion formed on the basis of due consideration, previously confirmed in writing to the Issuer and the Security Trustee will not cause the then current ratings of the Notes to be downgraded, withdrawn or qualified (taking into account the then current rating criteria of Fitch or Moody's, as applicable), provided that no other person is obliged to find a replacement Basis Rate Swap on behalf of the Issuer;
- (f) **Currency Swap Agreement:** in respect of the US\$ Notes and the Currency Swap Agreement, in the event of termination of the Currency Swap prior to the earlier of (i) repayment in full of the US\$ Notes or (ii) the service of a Note Acceleration Notice, or (iii) the scheduled termination date of the Currency Swap, notify the Security Trustee and the Rating Agencies and subject to the terms and termination provisions of the Currency Swap Agreement use its reasonable efforts to enter into a replacement Currency Swap Agreement upon terms acceptable to the Issuer and the Security Trustee with a Currency Swap Provider whom the Administrator has, in its opinion formed on the basis of due consideration, previously confirmed in writing to the Issuer and the Security Trustee will not cause the then-current ratings of the Notes to be downgraded, withdrawn or qualified (taking into account the then current rating criteria of Fitch or Moody's, as applicable), provided that no other person is obliged to find a replacement Currency Swap Agreement and/or Currency Swap Provider on behalf of the Issuer;
- (g) **Administration:** immediately on receipt or notice of the same supply the Security Trustee full details of any application to the court for an administration order under paragraph 10 of Schedule B1 of the Insolvency Act made in respect of the Issuer and (without prejudice to paragraph 12(2) of Schedule B1 to the Insolvency Act) of any actual or

proposed appointment of an administrator by the holder of a qualifying floating charge (within the meaning of paragraph 14 of Schedule B1 to the Insolvency Act) or (without prejudice to paragraph 26(1) of Schedule B1 to the Insolvency Act) by the Issuer or its directors;

- (h) **Limited Recourse and non-petition:** where any party which is not a Transaction Party wishes to become a party to any of the Transaction Documents, the Issuer shall procure that such party be required to accede to this Deed of Charge and otherwise agree to be bound by the provisions contained in Clauses 6.8 (*No Enforcement*) and 18 (*Limited Recourse*); and
- (i) **Centre of Main Interests:** for the purposes of the EU Regulation have its centre of main interests in the United Kingdom and it does not and will not have an Establishment (as defined in the EU Regulation) other than in the United Kingdom and it shall at all times conduct its affairs and business such that its Centre of Main Interests (as defined in the EU Regulation) shall be and remain in the United Kingdom.

15.5 The Issuer further covenants and undertakes for the benefit of each Swap Provider:

- (a) that any amendments, modifications, supplements or restatements in respect of any Transaction Document shall only have effect in that Swap Agreement to which that Swap Provider is a party (and upon any terms used in that Swap Agreement, including any Confirmations) with the prior written consent of that Swap Provider;
- (b) subject to Clause 15.7 below, that any modification which amounts to a Swap Provider Reserved Matter shall only be made with the prior written consent of the Affected Swap Provider; and
- (c) that if it provides any notice to the Note Trustee pursuant to Conditions 5(A) (*Final Redemption*), 5(B) (*Mandatory Redemption of the Notes in Part*), 5(E) (*Optional Redemption in Full*) or 5(F) (*Optional Redemption for Tax and Other Reasons*), it will provide that Swap Provider with a copy of any such notice at the same time.

For the purpose of this Clause 15.5, a **Swap Provider Reserved Matter** means a proposed modification to any of the Transaction Documents which, in the opinion of a Swap Provider (acting reasonably) (such Swap Provider being an **Affected Swap Provider**), would have the effect of:

- (a) reducing the amount of any payment that the Affected Swap Provider would have been entitled to receive from the Issuer if the modification were not made;
- (b) amending the timing of any payment or delivery to or from the Affected Swap Provider pursuant to the Deed of Charge, the Basis Rate Swap Agreements or the Currency Swap Agreement, as applicable;

- (c) amending the quantum of the Liquidity Reserve Fund or the mechanism by which such funds are released from the Issuer Transaction Account;
- (d) amending the treatment of swap collateral pursuant to the Basis Rate Swap Agreements or the Currency Swap Agreement;
- (e) amending the definitions of “VM Issuer Permitted Cash Amount” and “VM Mortgages Trustee Permitted Cash Amount”; or
- (f) amending the content of any information that an Affected Swap Provider would have been entitled to receive pursuant to the relevant Swap Agreement if the modification were not made.

Without prejudice to the rights of Noteholders in respect of any Basic Terms Modification, no Noteholder shall be an Affected Swap Provider and the prior written approval of Noteholders shall not be required in respect of any Swap Provider Reserved Matter for the purpose of this Clause 15.5.

- 15.6 Each of Holdings and the Mortgages Trustee hereby undertakes that from the date hereof and for so long as any Secured Obligation remains outstanding, it shall not, save to the extent contemplated or provided in the Transaction Documents or unless it has obtained the prior written consent of the Security Trustee, make any application to be treated as a member of any VAT Group or to voluntarily become registered for VAT (or part of any VAT registration) or apply to be treated as a member of a VAT Group.
- 15.7 In respect of a Swap Provider Reserved Matter referred to in Clause 15.5(c) or (e) above, the Affected Swap Provider’s consent shall not be required to effect the relevant modification if each of the Rating Agencies provides written or oral confirmation to the Issuer that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing any Class A Notes on rating watch negative (or equivalent) and, if relevant, the Issuer certifies that it has received such confirmation to the Affected Swap Provider and the Note Trustee.

## **16. SECURITY TRUSTEE PROVISIONS**

### **Supplement to Trustee Acts**

- 16.1 It is hereby agreed that clause 11 (*Supplement to Trustee Acts*) of the Trust Deed (other than paragraph (q) of clause 11.3) shall be incorporated in and shall apply, *mutatis mutandis*, to this Deed of Charge (and for that purpose references therein to “this Deed” shall be construed as references to this Deed of Charge, references therein to “Note Trustee” shall be construed as references to the Security Trustee, references in paragraphs (a), (g), (i), (o), (t) of clause 11.3 and 11.7 to “any Noteholder” or “the Noteholders” shall be construed as references to any Secured Creditor or the Secured Creditors and the reference in paragraph (n) of clause 11.3 to “the Noteholders or any Class of them” shall be construed as a reference to the Note Trustee or the other Secured Creditors (as applicable)).



### **Appointment, Removal and Retirement**

16.2 It is hereby agreed that clause 15 (*Appointment, Removal and Retirement of the Note Trustee*) of the Trust Deed shall be incorporated in and shall apply, *mutatis mutandis*, to this Deed of Charge (and for that purpose references therein to “this Deed” shall be construed as references to this Deed of Charge and references to “Note Trustee” shall be construed as references to the Security Trustee).

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

16.3 It is hereby agreed that clause 10 (*Remuneration and Indemnification of the Note Trustee*) of the Trust Deed shall be incorporated in and shall apply, *mutatis mutandis*, to this Deed of Charge (and for that purpose references therein to “this Deed” shall be construed as references to this Deed of Charge, references therein to “Note Trustee” shall be construed as references to the Security Trustee, references to “Noteholder” shall be construed as a reference to “Secured Creditor” and the final sentence of clause 10.1 (*Normal Remuneration*) of the Trust Deed shall be deleted and replaced with the following: “Such remuneration shall accrue from day to day and be payable up to and including the date when the Security Trustee has released, re-assigned and/or discharged the Charged Property from the Issuer Security as provided in this Deed of Charge”).

### **Noteholder as Absolute Owner**

16.4 It is hereby agreed that clause 13 (*Entitlement to treat Noteholder as Absolute Owner*) of the Trust Deed shall be incorporated in and shall apply, *mutatis mutandis*, to this Deed of Charge (and for that purpose references therein to “Note Trustee” shall be construed as references to the Security Trustee).

### **Acknowledgement**

16.5 Each of the parties to this Deed of Charge hereby acknowledges that it is bound by the provisions of the Trust Deed which are incorporated by reference into this Deed of Charge and confirms that it has received a copy of the Trust Deed.

### **Modification**

16.6 The Security Trustee shall concur with the Issuer or any other person in making any modification under any Transaction Document only if so directed in writing by (a) the Note Trustee, so long as there are any Notes outstanding or (b) all of the other Secured Creditors, if there are no Notes outstanding.

### **Authorisation or Waiver**

16.7 The Security Trustee shall waive or authorise (without prejudice to its rights in respect of any further or other breach) any breach or proposed breach by the Issuer or any other person or any of the covenants or provisions of any Transaction Document only if so directed in writing by (a) the Note Trustee, so long as there are any Notes outstanding, or (b) all of the other Secured Creditors, if there are no Notes outstanding.

### **Requests for Consent or Approval**

16.8 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 in connection with the Notes and/or any of the Transaction Documents then the Security Trustee shall give its consent or approval to that event, matter or thing only if so directed in writing by (a) the Note Trustee, so long as there are any Notes outstanding, or (b) all of the other Secured Creditors, if there are no Notes outstanding.

### **Binding on Secured Creditors**

16.9 Any modification, authorisation, waiver, consent or approval provided under this Clause 16 (*Security Trustee Provisions*) shall be binding on all of the Secured Creditors.

### **Additional Terms and Conditions**

16.10 Any modification, authorisation, waiver, consent or approval provided under this Clause 16 (*Security Trustee Provisions*) may be made or given on such terms and subject to such conditions (if any) as directed in writing by (a) the Note Trustee, so long as there are any Notes outstanding, or (b) all of the other Secured Creditors, if there are no Notes outstanding.

### **Notice to Secured Creditors**

16.11 If required by the Security Trustee, the Issuer will as soon as practicable notify:

- (a) the Noteholders in accordance with the Conditions; and
- (b) each of the other Secured Creditors in accordance with this Deed of Charge,

in each case, of any modification, authorisation, waiver, consent or approval made under this Clause.

## **17. MISCELLANEOUS PROVISIONS**

### **Evidence of Indebtedness**

17.1 In any action, proceedings or claim relating to this Deed of Charge or the charges contained in this Deed of Charge, 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.

### **Liability**

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

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

### **Secured Creditors**

17.3 Each Secured Creditor shall be bound by the provisions of this Deed of Charge 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 of Charge expressed to apply to the Secured Creditors.

## **18. LIMITED RECOURSE**

18.1 Notwithstanding any other provision of this Deed of Charge or any other Transaction Document (other than the Notes), each party to this Deed of Charge agrees and acknowledges:

- (a) with the Issuer and the Security Trustee that the only assets of the Issuer available to meet their respective claims (whether held for themselves or as trustee) against the Issuer under or in respect of the Transaction Documents (other than the Notes) will be the assets subject to the Issuer Security. Any claim remaining unsatisfied after the realisation of the Issuer Security and the application of the proceeds thereof in accordance with the applicable Priority of Payments shall be deemed to be discharged in full and thereafter they shall have no further claim against the Issuer; and
- (b) with the Mortgages Trustee and the Security Trustee that any amount payable by the Mortgages Trustee to any other party to any Transaction Document not being an amount payable out of the Trust Property in accordance with the terms of the Mortgages Trust Deed shall only be payable to the extent that on that date the Mortgages Trustee has sufficient funds to pay such amount out of fees paid to it under the Mortgages Trust Deed.

18.2 Save as otherwise provided for in this Deed of Charge, the obligations of the Issuer under this Deed of Charge and the other Transaction Documents will

not be obligations or responsibilities of, or guaranteed by, any other person or entity.

- 18.3 The Mortgages Trustee is entering into this Deed of Charge and each other Transaction Document solely in its capacity as the trustee of the Mortgages Trust and not in any personal or other capacity. Accordingly, no liability for any breach under this Deed of Charge or any other Transaction Document, nor any other liability whatsoever (except in the instance of fraud or breach of trust by the Mortgages Trustee), shall attach to the Mortgages Trustee in excess of the net assets of the Mortgages Trust from time to time and no other party to this Deed of Charge shall have any recourse to any asset of the Mortgages Trustee other than the net assets of the Mortgages Trust from time to time. The personal assets of the Mortgages Trustee (as distinct from the Trust Property) shall not be subject to any form of execution or attachment or other recourse whatsoever in respect of any liability of the Mortgages Trustee under this Deed of Charge or any other Transaction Document. If the realised net assets of the Mortgages Trust are not sufficient to make all payments which, but for the effect of this Clause 18 (*Limited Recourse*), would be due in connection with the Transaction Documents, the obligations of the Mortgages Trustee in connection with the Transaction Documents will be limited to such net assets and, in such circumstances, no other assets of the Mortgages Trustee will be available to pay such shortfall. No other party to this Deed of Charge shall be entitled to take any further action against the Mortgages Trustee or any of its officers, agents or directors to recover any such further sum and no debt shall be owed to any such other party by the Mortgages Trustee in respect of any shortfall. The shortfall in this Clause 18 (*Limited Recourse*) means the difference between the amount of the realised net assets of the Mortgages Trust and the payment which would but for this Clause 18 (*Limited Recourse*) have been due in respect of any Transaction Document.
- 18.4 Notwithstanding any other clause or provision in the Transaction Documents, no provision in any Transaction Document other than Condition 5G (*Limited Recourse*) of the Conditions, shall limit or in any way reduce the amount of interest that would otherwise be payable by the Issuer under any Note, if and to the extent that such limitation or reduction falls to any extent to be determined by reference to the results of any business or any part of the business or the value of any property.
- 18.5 The provisions of this Clause 18 (*Limited Recourse*) shall survive the termination of this Deed of Charge and each of the Transaction Documents.

## **19. WAIVERS**

The respective rights of the Security Trustee, the Secured Creditors and any Receiver under this Deed of Charge are cumulative and may be exercised as often as each considers appropriate and are in addition to their respective rights under general law. No failure on the part of the Security Trustee, the Secured Creditors or any Receiver 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 of Charge are cumulative and not exclusive of any remedies provided by law.

## **20. AMENDMENTS**

No amendment or waiver of any provision of this Deed of Charge 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.

## **21. ASSIGNMENT**

None of the Secured Creditors (other than the Security Trustee) may assign, encumber or transfer all or any part of its rights or benefits and/or transfer its obligations under this Deed of Charge without the prior written consent of the Security Trustee.

## **22. NOTICES**

Any notice or other communication or document to be given or delivered pursuant to this Deed of Charge to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, by hand or by facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched or (where delivered by hand) on the day of delivery if delivered before 5 p.m. on a Business Day or on the next Business Day if delivered thereafter or (in the case of first class post) when it would be received in the ordinary course of the post and shall be sent:

- (a) in the case of the Issuer, to Gosforth Funding 2018-1 plc, at Fifth Floor, 100 Wood Street, London EC2V 7EX (facsimile number +44 (0) 20 7606 0643) for the attention of Mark Filer/Virginia Duncan, with a copy to Virgin Money plc, at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4FL (facsimile number +44 (0) 191 279 4747) for the attention of the Company Secretary;
- (b) in the case of Holdings, to Gosforth Holdings 2018-1 Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX (facsimile number +44 (0) 20 7606 0643) for the attention of the Directors, with a copy to Virgin Money plc, at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL (facsimile number +44 (0) 191 279 4747) for the attention of the Company Secretary;
- (c) in the case of the Mortgages Trustee, to Gosforth Mortgages Trustee 2018-1 Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX (facsimile number +44(0) 20 7606 0643) for the attention of the Mark Filer/Virginia Duncan, with a copy to Virgin Money plc, at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4FL (facsimile number +44 (0) 191 279 4747) for the attention of the Company Secretary;

- (d) in the case of the Security Trustee and the Note Trustee, to Citicorp Trustee Company Limited at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, (facsimile number +44 (0) 28 7500 5877) for the attention of Agency and Trust;
- (e) in the case of the Principal Paying Agent, the Agent Bank, the Transfer Agent and the Registrar to Citibank, N.A., London Branch, at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (facsimile number +353 1 622 2210) for the attention of Agency and Trust;
- (f) in the case of the Corporate Services Provider or the Back Up Administrator Facilitator, to Law Debenture Corporate Services Limited, at Fifth Floor, 100 Wood Street, London EC2V 7EX (facsimile number +44 (0) 20 7606 0643) for the attention of Mark Filer/Virginia Duncan;
- (g) in the case of the Issuer Cash Manager, the Administrator, the Subordinated Loan Provider, the Seller, the Basis Rate Swap Provider, the VM Mortgages Trustee Account Bank, the VM Issuer Account Bank or Virgin Money plc as a Beneficiary, at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL (facsimile number +44 (0) 191 279 4747) for the attention of the Company Secretary;
- (h) in the case of the First Issuer Account Bank and the First Mortgages Trustee Account Bank, to Citibank, N.A., London Branch at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB (facsimile number +44 (0)20 7508 3883) for the attention of Agency and Trust;
- (i) in the case of the Second Issuer Account Bank and the Second Mortgages Trustee Account Bank, to Elavon Financial Services DAC, UK Branch, at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom (facsimile number +44(0)207 365 2577) for the attention of Structured Finance Relationship Management;
- (j) in the case of the Issuer Swap Collateral Account Bank to Elavon Financial Services DAC, UK Branch, at 125 Old Broad Street, Fifth Floor,, London, EC2N 1AR, United Kingdom] (facsimile number +44(0)207 365 2577) for the attention of Structured Finance Relationship Management;
- (k) in the case of the Basis Rate Swap Provider, to Virgin Money plc, at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL (facsimile number +44 (0) 191 279 4747) for the attention of the Company Secretary;
- (l) in the case of the Currency Swap Provider, to Lloyds Bank Corporate Markets plc at 25 Gresham Street, London, EC2V 7HN (email: [notices@lloydsbanking.com](mailto:notices@lloydsbanking.com)) for the attention of Head of Legal, Commercial Banking Legal-Traded Products;

- (m) in the case of Moody's, to Moody's Investors Service Limited, One Canada Square, London E14 5FA (facsimile number +44 (0) 20 7772 5400) for the attention of RMBS Monitoring; and
- (n) in the case of Fitch, to Fitch Ratings Limited, 30 North Colonnade, London E14 5GN (email: sf\_surveillance@fitchratings.com) for the attention of RMBS Surveillance,

or to such other address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by 15 days' prior written notice in accordance with the provisions of this Clause 22 (*Notices*).

### 23. CONFIDENTIALITY

Each party to this Deed agrees at all times, up to and including the secondary 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 23 (*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 or the Note Trustee, in connection with transferring or purporting to transfer its rights and obligations to a successor Security Trustee or Note 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;
- (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,

for the avoidance of doubt, the provisions of this Clause 23 (*Confidentiality*) shall prevail over any confidentiality provisions contained in the Mortgages Trustee Transaction Accounts Terms or Issuer Transaction Accounts Terms.

## **24. ENTIRE AGREEMENT**

This Deed of Charge and the schedules together constitute the entire agreement and understanding between the parties in relation to the subject matter of this Deed of Charge and cancel and replace any other agreement or understanding in relation to such subject matter.

24.1 Each party to this Deed of Charge agrees that:

- (a) it has not entered into this Deed of Charge in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Deed of Charge; 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.

24.2 This Clause 24 (*Entire Agreement*) shall not exclude any liability for fraudulent misrepresentation.



24.3 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 of Charge or breach of trust by such person.

## **25. 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 Issuer in his capacity as such, by any Proceedings or otherwise, in respect of any obligation, covenant, or agreement of the Issuer contained in this Deed of Charge.

## **26. CONFLICT OF LAW**

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 but not limited to the United States of America or any jurisdiction forming a part of it and 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.

## **27. 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 of Charge remain in force from the date on which they were expressed to take effect and thereafter until the Final Discharge Date.

## **28. THIRD PARTY RIGHTS**

A person who is not a party to this Deed of Charge 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.

## **29. COUNTERPARTS**

This Deed of Charge 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. For the purposes of Clauses 3.1 (*Interest in Trust Property*), 3.2 (*Security over Scottish Assets*) and 3.5 (*Floating Charge*) in so far as each relates to the Scottish Assets, this Deed of Charge shall be fully effective and binding on the Issuer upon at least one copy of this Deed of Charge having been executed and delivered by the Issuer notwithstanding that any other person expressed to be a party to this Deed of Charge has not then executed and delivered this Deed of Charge and notwithstanding whether any such other party has executed or

executes and has delivered or delivers a counterparty of this Deed of Charge. Delivery of a counterpart of this Deed of Charge by e-mail attachment or telecopy shall be an effective mode of delivery.

### **30. SEVERABILITY**

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

### **31. GOVERNING LAW**

This Deed of Charge and any non-contractual obligation arising out of or in relation to this Deed of Charge shall be governed by, and interpreted in accordance with, English law, **provided that**, any provisions hereof particular to Scottish law shall be construed in accordance with Scots law.

### **32. JURISDICTION**

#### **Submission to Jurisdiction**

32.1 Each party agrees that the English courts (except if otherwise set out in this Deed of Charge) shall have exclusive jurisdiction in relation to all disputes arising out of or in connection with this Deed of Charge (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 of Charge; and (b) any non-contractual obligation arising out of or in connection with this Deed of Charge. 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**

32.2 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 of Charge or any non-contractual obligation arising out of or in connection with this Deed of Charge; and
- (b) agrees that a judgment, declaration or order (whether interim or final) of an English court in connection with this Deed of Charge or any non-contractual obligation arising out of or in connection with this Deed of Charge is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

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

**Issuer**

**EXECUTED** as a **DEED** by )  
**GOSFORTH FUNDING 2018-1 PLC** )  
)  
)

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

)  
)  
)  
)

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director/secretary

**Mortgages Trustee**

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

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

)  
)  
)  
)

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director/secretary

**Holdings**

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

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

)  
)  
)  
)

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director/secretary

**Security Trustee and Note Trustee**

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

\_\_\_\_\_  
Signature of attorney

\_\_\_\_\_  
Name of attorney

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

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

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

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

**Principal Paying Agent, Agent Bank, Transfer Agent and Registrar**

**EXECUTED** as a **DEED** )  
for and on behalf of )  
**CITIBANK, N.A.,** )  
**LONDON BRANCH** )  
By its delegated signatory )

\_\_\_\_\_  
Signature of Delegated Signatory

\_\_\_\_\_  
Name of Delegated Signatory

**Issuer Cash Manager, Administrator, 17g-5 Information Provider, Subordinated  
Loan Provider, Basis Rate Swap Provider, VM Mortgages Trustee Account  
Bank, VM Issuer Account Bank, Collection Bank, Seller and Beneficiary**

**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

**Corporate Services Provider and Back-Up Administrator Facilitator**

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

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

)  
)  
)  
)

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director/secretary

**First Issuer Account Bank and First Mortgages Trustee Account Bank**

**EXECUTED** as a **DEED** )  
for and on behalf of )  
**CITIBANK, N.A., LONDON BRANCH** )  
By its delegated signatory )  
)

\_\_\_\_\_  
Signature of Delegated Signatory

\_\_\_\_\_  
Name of Delegated Signatory

**Second Issuer Account Bank and Second Mortgages Trustee Account Bank**

**EXECUTED** as a **DEED** by )  
**ELAVON FINANCIAL SERVICES** )  
**DAC, UK BRANCH** )  
acting by two duly authorised signatories )  
)

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

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

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

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

**Currency Swap Provider**  
**EXECUTED** as a **DEED** by )  
LLOYDS BANK CORPORATE )  
MARKETS PLC )  
)

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

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

in the presence of:

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

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

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

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



**Issuer Swap Collateral Account Bank**

**EXECUTED** as a **DEED** by )  
**ELAVON FINANCIAL SERVICES** )  
**DAC, UK BRANCH** )  
acting by two duly authorised signatories )  
)

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

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

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

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

## **Schedule 1**

### **Form of Security Trustee Power of Attorney**

**THIS POWER OF ATTORNEY** is made on 24 September 2018 by Gosforth Funding 2018-1 plc (registered number 11444253) a public limited company incorporated under the laws of England and Wales) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Principal*).

#### **WHEREAS**

- (1) By virtue of a Deed (the *Deed of Charge*) entered into on the date of this Power of Attorney between the Principal, Citicorp Trustee Company Limited as Security Trustee and others, 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 and the Master Definitions and Construction Schedule.

#### **NOW THIS POWER OF ATTORNEY WITNESSETH**

1. The Principal hereby irrevocably (within the meaning of Section 4 of the Powers of Attorney Act 1971) and by way of security for the payment and performance of the Secured Obligations and the covenants, conditions, obligations and undertakings on the part of the Principal contained in the Deed of Charge and the other Transaction Documents to which the Principal is a party from time to time appoints Citicorp Trustee Company Limited 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 each and every person to whom the Security Trustee shall from time to time have delegated the exercise of the power of attorney conferred by this Power of Attorney (each a *Delegate*) 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 sign, seal, execute, deliver, perfect and do any assurance, act, matter or thing which the Attorney, Delegate, Receiver or Administrator considers in each case to be necessary for the protection or preservation of the Attorney's and the Secured Creditors' interests and rights (as described in the Deed of Charge) in and to the Charged Property or which ought to be done by the Principal under the covenants, undertakings and provisions contained in the Deed of Charge and the other Transaction Documents to which the Principal is a party from time to time and generally in its name and on its behalf to exercise all or any of the rights, powers, authorities or discretions conferred by or pursuant to the Deed of Charge on the Security Trustee and/or any Receiver whether on or at any time after the Issuer Security has become enforceable in accordance with Clause 7 (*Security Enforceable*) of the Deed of Charge or in any other circumstances where the Attorney has become entitled to take any of the steps referred to in the Deed of Charge including (without limitation) any or all of the following:

- (i) to do every act or thing which the Attorney, Delegate, Receiver or Administrator may in its absolute discretion consider appropriate in connection with the exercise of any of their powers under the Deed of Charge or the general law; and
  - (ii) 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 therefor.
2. This Power of Attorney is given pursuant to or in connection with or for the purpose of or ancillary to the Issuer Security created under or pursuant to the Deed of Charge for the purpose of facilitating the powers of the Security Trustee in relation thereto.
3. In favour of the Attorney, any Delegate, 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 properly done and documents executed or signed by the Attorney, a Delegate, a Receiver, an Administrator or a Substitute in the purported exercise of any power conferred by this Power of Attorney shall for all purposes be valid and binding on the Principal and its successors and assigns.
4. The Principal irrevocably and unconditionally undertakes to indemnify the Attorney and each Delegate, Receiver and/or Administrator and/or Substitute appointed from time to time by the Attorney and their respective estates (each an ***Indemnified Party***) against all actions, proceedings, claims, costs, expenses and liabilities of every description arising from the exercise, or the purported exercise, of any of the powers conferred by this Power of Attorney, save where the same arises as the result of the fraud, negligence or wilful default of the relevant indemnified Party.
5. The provisions of Clause 3 (*Issuer Security*) of the Deed of Charge shall continue in force after the revocation or termination, howsoever arising, of this Power of Attorney.
6. The Principal hereby agrees at all times hereafter to ratify and confirm whatsoever the said Attorney or its attorney or attorneys or any Delegate, Receiver or Administrator or Substitute shall properly and lawfully do or cause to be done in and concerning the Charged Property.
7. The laws of England and Wales shall apply to this Power of Attorney, and any non-contractual obligations arising out of or in relation to this Power of Attorney, and the interpretation thereof and to all acts of the Attorney and each Delegate, Receiver and/or Administrator and/or Substitute carried out or purported to be carried out under the terms hereof.

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

**EXECUTED** as a **DEED** by )  
**GOSFORTH FUNDING 2018-1 PLC** )  
acting by two directors )  
)

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

)  
)  
)  
)

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director/secretary

**Schedule 2**  
**Form of Notice of Assignment**

To: [Addressee(s)]

In respect of the [Description of Transaction Document or Charged Property]

[Date]

Dear Sirs,

1. Terms and expressions used in this letter are as defined in the Deed of Charge (the *Deed of Charge*) between Gosforth Funding 2018-1 plc (the *Issuer*), Citicorp Trustee Company Limited (the *Security Trustee*) and others dated on or about 24 September 2018.
2. We hereby give notice to each addressee of this letter that by assignments under or pursuant to the Deed of Charge, the Issuer has assigned absolutely, by way of security for the payment and performance of certain obligations of the Issuer described in the Deed of Charge (the *Secured Obligations*), to the Security Trustee all its right, title, benefit and interest under the [Agreements and Deeds] (the *Transaction Documents*) including its right, title interest and benefit in relation to [describe property] and including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder, all payments received by the Issuer thereunder, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain relief in respect thereof and the proceeds of any of the foregoing (hereinafter called *Relevant Issuer Property*).
3. By signing the enclosed copy of this notice you acknowledge and consent to the assignments and agree that you have not, at the date of this notice, received notice that any third party has or will have any right or interest whatsoever in the Relevant Issuer Property.
4. Notwithstanding the assignments made by the Issuer and referred to in this notice, the Security Trustee hereby confirms and you further acknowledge that:
  - (i) you may continue to make all payments becoming due to the Issuer in respect of the Relevant Issuer Property in the manner envisaged by the relevant Transaction Documents; and
  - (ii) the Issuer shall be entitled to exercise its rights, powers and discretions in relation to the Relevant Issuer Property and under the Transaction Documents in accordance with the provisions of the Transaction Documents,

but only until such time as you receive notice from the Security Trustee to the contrary or to the effect that the Issuer Security created under the Deed of Charge has become enforceable, in which event from receipt of such notice you agree that you will pay all monies becoming due and payable to the Issuer

only in accordance with any instructions received from the Security Trustee and that only the Security Trustee or any person specified by the Security Trustee shall be entitled to exercise the rights, powers and discretions of the Issuer in relation to the Relevant Issuer Property.

This letter is governed by and shall be construed in accordance with English law.

Please acknowledge receipt of this notice by executing and returning the copy of this letter attached hereto.

Yours faithfully,

**SIGNED** by )  
a duly authorised representative of )  
**GOSFORTH FUNDING 2018-1 PLC** )  
)

\_\_\_\_\_  
Signature of authorised  
representative

\_\_\_\_\_  
Name of authorised  
representative

**SIGNED** by )  
a duly authorised attorney of )  
**CITICORP TRUSTEE** )  
**COMPANY LIMITED** )

\_\_\_\_\_  
Signature of authorised  
attorney

\_\_\_\_\_  
Name of authorised  
attorney

We acknowledge receipt of the above notice and the terms of the assignment created by you in respect of the Relevant Issuer Property,

In respect of the [*Agreement*]:  
For and on behalf of )  
[*Party to Transaction Document*] )  
by: )

.....  
Director/Secretary

### Schedule 3 Priorities of Payments

#### Part A Issuer Pre-Acceleration Revenue Priority of Payments

Prior to the service of a Note Acceleration Notice, on (a) each Payment Date or (b) the date when due in respect of amounts provided for on the preceding Payment Date under items (i), (ii), (iv) or (v) below or amounts due to third parties under item (iii) below, the Issuer Cash Manager will apply Issuer Available Revenue Receipts in the following order of priority (the *Issuer Pre-Acceleration Revenue Priority of Payments*):

- (i) *first, pari passu and pro rata* according to the respective amounts thereof, in or towards payment of amounts due to the Note Trustee and/or the Security Trustee and/or any Appointee of the Note Trustee in accordance with the Trust Deed and/or the Security Trustee in accordance with the Deed of Charge, in either case, under or in connection with the Transaction Documents, together with interest on those amounts, and to provide for any amounts due or to become due during the following Interest Period to the Note Trustee and the Security Trustee or any such Appointee, under the Trust Deed, the Deed of Charge or any other Transaction Document;
- (ii) *second, pari passu and pro rata* according to the respective amounts thereof, in or towards payment of amounts due to the Paying Agents, the Agent Bank, the Transfer Agent and the Registrar together with interest on those amounts, and to provide for any costs, charges, liabilities and expenses due or to become due during the following Interest Period to the Paying Agents, the Agent Bank, the Transfer Agent and the Registrar under the Paying Agent and Agent Bank Agreement;
- (iii) *third, pari passu and pro rata* according to the respective amounts thereof, in or towards payment of amounts due to any third party creditor of the Issuer (other than those referred to elsewhere in this Issuer Pre-Acceleration Revenue Priority of Payments or in the Issuer Pre-Acceleration Principal Priority of Payments), of which the Issuer Cash Manager has notice prior to the relevant Payment Date, which amounts have been incurred without breach by the Issuer of the Transaction Documents to which it is a party and for which payment has not been provided elsewhere and to provide for any such amounts expected to become due and payable during the following Interest Period by the Issuer;
- (iv) *fourth, pari passu and pro rata* according to the respective amounts thereof, in or towards payment to the Issuer of an amount equal to the Issuer's liability or possible liability to account to (a) HMRC for VAT or corporation tax; and (b) any relevant authority for any other Tax including financial transaction tax (which cannot be met out of

amounts previously retained by the Issuer as profit under item (xii) below);

- (v) *fifth, pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment of amounts due to the Issuer Cash Manager under the Issuer Cash Management Agreement and in respect of any fees and expenses of Holdings, the Corporate Services Provider under the Corporate Services Agreement, the Issuer Account Banks under the Account Bank Agreements or in relation to any Swap Excess Reserve Account, the Issuer Cash Swap Collateral Account Bank under the Swap Collateral Account Bank Agreement, the Issuer Securities Swap Collateral Account Bank under the Swap Collateral Account Bank Agreement, and to provide for any amounts due, or to become due in the immediately succeeding Interest Period, to the Issuer Cash Manager under the Issuer Cash Management Agreement or in respect of any fees and expenses of Holdings, to the Corporate Services Provider under the Corporate Services Agreement, to the Issuer Account Banks under the Account Bank Agreements or in relation to any Swap Excess Reserve Account, to the Issuer Cash Collateral Account Bank under the Swap Collateral Account Bank Agreement, to the Issuer Securities Collateral Account Bank under the Swap Collateral Account Bank Agreement and to the Mortgages Trustee under the Mortgages Trust Deed;
- (vi) *sixth*, in or towards payment of amounts due and payable to the Basis Rate Swap Provider (other than amounts due under item (xvi) below);
- (vii) *seventh, pari passu* and *pro rata* according to the respective GBP Equivalent amounts thereof in or towards payment of amounts of interest due and payable on:
  - (a) the Class A1 Notes to the holders of the Class A1 Notes;
  - (b) the Class A2 Notes to the holders of the Class A2 Notes; and
  - (c) the Class A3 Notes to the holders of the Class A3 Notes,

provided that for the purposes of making such payments in respect of the Class A1 Notes:

- (I) the Issuer Cash Manager (on behalf of the Issuer) shall transfer to the Currency Swap Provider the relevant floating rate amount due under the Currency Swap Agreement and the Currency Swap Provider shall transfer the corresponding floating rate amount in US Dollars to the Principal Paying Agent for the account of the holders of the Class A1 Notes; or
- (II) if there is no Currency Swap Agreement in force, the Issuer Cash Manager (on behalf of the Issuer) shall



convert an amount equal to the applicable *pro rata* share of the Issuer Available Revenue Receipts into US Dollars at the applicable Spot Rate (booked for conversion for value on that Payment Date) and the Issuer Cash Manager (on behalf of the Issuer) shall transfer the amounts received following such conversion to the Principal Paying Agent for the account of the holders of the Class A1 Notes; and

- (d) in or towards payment of amounts due and payable to the Currency Swap Provider under the Currency Swap Agreement (other than amounts described under item (I) above or due under item (xv) below or in accordance with the Issuer Pre-Acceleration Principal Priority of Payments);
- (viii) *eighth*, in or towards a credit to the Principal Deficiency Sub-Ledger for the Class A Notes in an amount necessary to eliminate any debit on that ledger;
- (ix) *ninth*, in or towards payment of amounts of interest due and payable (including deferred interest) on the Class M Notes to the holders of the Class M Notes;
- (x) *tenth*, in replenishment of the Liquidity Reserve Fund up to the Liquidity Reserve Required Amount;
- (xi) *eleventh*, in or towards a credit to the Principal Deficiency Sub-Ledger for the Class M Notes in an amount necessary to eliminate any debit on that ledger;
- (xii) *twelfth*, in or towards payment to the Issuer of an amount equal to £3,900 on each Payment Date up to and including the Payment Date falling in November 2019 and £630 on each Payment Date thereafter until the Aggregate Dividend Condition has been met after which £300 on each Payment Date thereafter in each case to be credited to the Issuer Transaction Accounts and to be retained by the Issuer as profit in respect of the business of the Issuer (where the **Aggregate Dividend Condition** is met if the total aggregate dividends paid by the Issuer on its ordinary shares is sufficient to allow Holdings to repay the Holdings Loan);
- (xiii) *thirteenth*, in or towards payment of amounts of interest due and payable (including deferred interest) on the Class Z Notes;
- (xiv) *fourteenth*, in or towards a credit to the Principal Deficiency Sub-Ledger for the Class Z Notes in an amount necessary to eliminate any debit on that ledger;
- (xv) *fifteenth*, in or towards payment of any termination payment to the Currency Swap Provider following a Currency Swap Provider Default or a Currency Swap Provider Downgrade Event;

- (xvi) *sixteenth*, in or towards payment of any termination payment to the Basis Rate Swap Provider following a Basis Rate Swap Provider Default or a Basis Rate Swap Provider Downgrade Event;
- (xvii) *seventeenth*, in or towards payment to the Subordinated Loan Provider of amounts due under the Subordinated Loan Agreement other than principal;
- (xviii) *eighteenth*, in or towards payment to the Subordinated Loan Provider of principal under the Subordinated Loan Agreement; and
- (xix) *nineteenth*, the remainder, if any, in payment of the Deferred Contribution due to the Mortgages Trustee pursuant to the terms of the Mortgages Trust Deed.

**Part B**  
**Issuer Pre-Acceleration Principal Priority of Payments**

Prior to the service of a Note Acceleration Notice, the Issuer, or the Issuer Cash Manager on its behalf, will apply any Issuer Available Principal Receipts on each Payment Date in the following manner (the *Issuer Pre-Acceleration Principal Priority of Payments*):

- (i) *first*, to the extent that Issuer Available Revenue Receipts are insufficient to pay items (i) to (vii) and item (ix) of the Issuer Pre-Acceleration Revenue Priority of Payments, in or towards the amount of any Revenue Shortfall on such Payment Date to be included in Issuer Available Revenue Receipts and applied in accordance with the Issuer Pre-Acceleration Revenue Priority of Payments;
- (ii) *second*,
  - (a) prior to a Pass-Through Trigger Event, to redeem the Class A1 Notes in an amount equal to the lower of (A) the product of (I) 0.625 and (II) the Issuer Available Principal Receipts available after the payment of item (i) of the Issuer Pre-Acceleration Principal Priority of Payments and (B) the Class A1 Target Amortisation Amount; and
  - (b) following a Pass-Through Trigger Event, to redeem the Class A1 Notes until the Sterling Equivalent Principal Amount Outstanding of the Class A1 Notes is zero,

provided that for the purposes of making such payments in respect of the Class A1 Notes:

- (A) the Issuer Cash Manager (on behalf of the Issuer) shall transfer to the Currency Swap Provider the relevant principal exchange amount due under the Currency Swap Agreement and the Currency Swap Provider shall transfer the corresponding principal exchange amount in US Dollars to the Principal Paying Agent for the account of the holders of the Class A1 Notes; or
- (B) if there is no Currency Swap Agreement in force, the Issuer Cash Manager (on behalf of the Issuer) shall convert an amount equal to the applicable share of the Issuer Available Principal Receipts into US Dollars at the applicable Spot Rate (booked for conversion for value on that Payment Date) and the Issuer Cash Manager (on behalf of the Issuer) shall transfer the amounts received following such conversion to the Principal Paying Agent for the account of the holders of the Class A1 Notes;

- (iii) *third*,
  - (a) prior to a Pass-Through Trigger Event, to redeem the Class A2 Notes in an amount equal to the lower of i) the Issuer Available Principal Receipts available after the payment of item (ii) of the Issuer Pre-Acceleration Principal Priority of Payments and ii) the Class A2 Target Amortisation Amount; and
  - (b) following a Pass-Through Trigger Event, to redeem the Class A2 Notes until the Class A2 Notes have been redeemed in full;
- (iv) *fourth*, on or following the Class A2 Redemption Date, to redeem the Class A3 Notes until the Class A3 Notes have been redeemed in full;
- (v) *fifth*, following a Pass-Through Trigger Event, to redeem the Class M Notes until the Class M Notes have been redeemed in full;
- (vi) *sixth*, if any Class A1 Notes remain outstanding following the Class A1 Sterling Equivalent Redemption Date, after the application of any Principal Excess Amounts, to redeem the Class A1 Notes until the Class A1 Notes have been redeemed in full, provided that for the purposes of making such payments:
  - (e) the Issuer Cash Manager (on behalf of the Issuer) shall transfer to the Currency Swap Provider the relevant principal exchange amount due under the Currency Swap Agreement and the Currency Swap Provider shall transfer the corresponding principal exchange amount in US Dollars to the Principal Paying Agent for the account of the holders of the Class A1 Notes; or
  - (f) if there is no Currency Swap Agreement in force, the Issuer Cash Manager (on behalf of the Issuer) shall convert an amount equal to the applicable share of the Issuer Available Principal Receipts into US Dollars at the prevailing Spot Rate (booked for conversion for value on that Payment Date) and the Issuer Cash Manager (on behalf of the Issuer) shall transfer the amounts received following such conversion to the Principal Paying Agent for the account of the holders of the Class A1 Notes;
- (vii) *seventh*, following a Pass-Through Trigger Event, to redeem the Class Z Notes until the Class Z Notes have been redeemed in full; and
- (viii) *eighth*, following a Pass-Through Trigger Event, the remainder, if any, in payment of Deferred Contribution due to the Mortgages Trustee pursuant to the terms of the Mortgages Trust Deed.

## **Part C**

### **Issuer Post-Acceleration Priority of Payments**

Following the service of a Note Acceleration Notice, the Issuer (or the Issuer Cash Manager on its behalf) or, following the service of an Enforcement Notice, the Security Trustee (or a receiver of the Issuer appointed by the Security Trustee pursuant to the Deed of Charge), will apply all amounts received or recovered by it (other than any amount standing to the credit of any Issuer Swap Collateral Account which is payable to a Swap Provider in accordance with the applicable Swap Agreement) on each Distribution Date in the following manner (the ***Issuer Post-Acceleration Priority of Payments*** and, together with the Issuer Pre-Acceleration Revenue Priority of Payments and the Issuer Pre-Acceleration Principal Priority of Payments, each a ***Priority of Payments***):

- (i) *first, pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment of amounts due to the Note Trustee and/or the Security Trustee and/or any Appointee of the Note Trustee in accordance with the Trust Deed and/or the Security Trustee in accordance with the Deed of Charge, in either case under or in connection with the Transaction Documents together with interest and on those amounts and to provide for any amounts then due or to become due and payable to the Note Trustee and/or the Security Trustee and/or any such Appointee under the provisions of the Trust Deed, the Deed of Charge and any other Transaction Document;
- (ii) *second, pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment of amounts due to the Paying Agents, the Registrar, the Transfer Agent and the Agent Bank together with interest on those amounts, and to provide for any costs, charges, liabilities and expenses then due or to become due and payable to the Paying Agents, the Registrar, the Transfer Agent and the Agent Bank under the Paying Agent and Agent Bank Agreement;
- (iii) *third*, in or towards payment of amounts due and payable to the Corporate Services Provider under the Corporate Services Agreement;
- (iv) *fourth, pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment of amounts due and payable to the Issuer Cash Manager under the Issuer Cash Management Agreement and in respect of any fees and expenses of Holdings, and to the Issuer Account Banks under the Account Bank Agreements or in relation to any Swap Excess Reserve Account, to the Issuer Cash Swap Collateral Account Bank under the Swap Collateral Account Bank Agreement and to the Issuer Securities Swap Collateral Account Bank under the Swap Collateral Account Bank Agreement;

- (v) *fifth*, in or towards payment of amounts due and payable to the Basis Rate Swap Provider (other than amounts due and payable under item (x) below);
- (vi) *sixth, pari passu* and *pro rata* according to the respective GBP Equivalent amounts thereof:
  - (a) in or towards payment of amounts of interest due and payable on the Class A1 Notes and to repay the Principal Amount Outstanding on the Class A1 Notes to the holders of the Class A1 Notes until the Class A1 Notes have been repaid in full (provided that for the purposes of making such payments, the Issuer Cash Manager (on behalf of the Issuer) shall convert the relevant amount into US Dollars either pursuant to the Currency Swap Agreement, or if the Currency Swap Agreement has been terminated, at the prevailing Spot Rate (booked for conversion for value on that Distribution Date) and the Issuer Cash Manager shall transfer the amounts received following such conversion to the Principal Paying Agent for the account of the holders of the Class A1 Notes);
  - (b) in or towards payment of amounts of interest due and payable on the Class A2 Notes and to repay the Principal Amount Outstanding on the Class A2 Notes to the holders of the Class A2 Notes until the Class A2 Notes have been repaid in full;
  - (c) in or towards payment of amounts of interest due and payable on the Class A3 Notes and to repay the Principal Amount Outstanding on the Class A3 Notes to the holders of the Class A3 Notes until the Class A3 Notes have been repaid in full; and
  - (d) in or towards payment of amounts due and payable to a Currency Swap Provider under a Currency Swap Agreement (other than amounts due under item (ix) below);
- (vii) *seventh*, in or towards payment of amounts of interest due and payable (including deferred interest) and to repay principal on the Class M Notes to the holders of the Class M Notes until the Class M Notes have been repaid in full;
- (viii) *eighth*, in or towards payment of amounts of interest due and payable (including deferred interest) and to repay principal on the Class Z Notes to the holders of the Class Z Notes until the Class Z Notes have been repaid in full;
- (ix) *ninth*, in or towards payment of any termination payment to the Currency Swap Provider following a Currency Swap Provider Default or a Currency Swap Provider Downgrade Event;
- (x) *tenth*, in or towards payment of any termination payment to the Basis Rate Swap Provider following a Basis Rate Swap Provider Default or a Basis Rate Swap Provider Downgrade Event;

- (xi) *eleventh*, in or towards payment to the Subordinated Loan Provider of amounts due under the Subordinated Loan Agreement other than principal;
- (xii) *twelfth*, in or towards payment to the Subordinated Loan Provider of principal under the Subordinated Loan Agreement;
- (xiii) *thirteenth*, in or towards payment to the Issuer of an amount equal to £3,900 on each Payment Date up to and including the Payment Date falling in November 2019 and £630 on each Payment Date thereafter until the Aggregate Dividend Condition has been met after which £300 on each Payment Date thereafter in each case to be credited to the Issuer Transaction Accounts and to be retained by the Issuer as profit in respect of the business of the Issuer (where the **Aggregate Dividend Condition** is met if the total aggregate dividends paid by the Issuer on its ordinary shares is sufficient to allow Holdings to repay the Holdings Loan);
- (xiv) *fourteenth*, in or towards payment of amounts due to any third party creditor of the Issuer of which the Issuer Cash Manager has notice prior to the relevant date on which amounts are paid out under this Issuer Post-Acceleration Priority of Payments;
- (xv) *fifteenth*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment to (a) HMRC of an amount equal to the Issuer's liability to account to HMRC for VAT or corporation tax; and (b) any relevant authority for any other Tax including financial transaction tax (which cannot be met out of amounts previously retained by the Issuer as profit under item (xiii) above); and
- (xvi) *sixteenth*, the remainder, if any, in payment of any Deferred Contribution due to the Mortgages Trustee pursuant to the terms of the Mortgages Trust Deed.

**Schedule 4**  
**Form of Accession Undertaking**

**THIS DEED** is made on [•] 2018

**BETWEEN**

- (1) **GOSFORTH FUNDING 2018-1 PLC** a public limited company incorporated under the laws of England and Wales (registered number 11444253) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Issuer*) and in its capacity as a beneficiary under the Mortgages Trust (the *Beneficiary*);
- (2) **CITICORP TRUSTEE COMPANY LIMITED** a private limited company incorporated in England and Wales with limited liability (registered number 00235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, in its capacity as security trustee under this Deed of Charge (the *Security Trustee*, which expression shall include such person and all other persons for the time being acting as the security trustee pursuant to this Deed of Charge); and in its capacity as note trustee under the Trust Deed (the *Note Trustee*, which expression shall include such person and all other persons for the time being acting as the note trustee pursuant to the Trust Deed);
- (3) **GOSFORTH HOLDINGS 2018-1 LIMITED** a private limited company incorporated in England and Wales with limited liability (registered number 11444180) whose registered office is at Fifth Floor, 100 Wood Street London EC2V 7EX (*Holdings*);
- (4) **GOSFORTH MORTGAGES TRUSTEE 2018-1 LIMITED** a private limited company incorporated in England and Wales with limited liability (registered number 11444216) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Mortgages Trustee*);
- (5) **CITIBANK, N.A., LONDON BRANCH**, acting through its office at Citigroup Centre, Canada Square, Canary Wharf London E14 5LB in its capacity as principal paying agent, agent bank, transfer agent and registrar pursuant to the Paying Agent and Agent Bank Agreement (the *Principal Paying Agent*, the *Agent Bank*, the *Transfer Agent* and the *Registrar* respectively, which expressions shall include such person and all other persons for the time being acting as principal paying agent, agent bank, transfer agent and registrar pursuant to the Paying Agent and Agent Bank Agreement);
- (6) **LAW DEBENTURE CORPORATE SERVICES LIMITED** a private limited company incorporated in England and Wales with limited liability (registered number 3388362) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Corporate Services Provider* which expression shall include such person and all other persons for the time being acting as the corporate services provider or corporate services providers pursuant to the Corporate Services Agreement); and in its capacity as Back-Up Administrator Facilitator (the *Back-Up Administrator Facilitator*, which expression shall include such person and all other persons for the time being



acting as the back-up administrator facilitator pursuant to the Administration Agreement);

- (7) **LLOYDS BANK CORPORATE MARKETS PLC**, a public limited liability company incorporated in England and Wales under number 10399850 with offices at 25 Gresham Street, London, EC2V 7HN (the ***Currency Swap Provider***, which expression shall include such person and all other persons for the time being acting as the currency swap provider pursuant to the Currency Swap Agreement);
- (8) **ELAVON FINANCIAL SERVICES DAC, UK BRANCH**, acting through its UK Branch (registered number BR009373) from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom (the ***Issuer Swap Collateral Account Bank***, which expression shall include such person and all other persons for the time being acting as the Issuer Swap Collateral Account Bank pursuant to the Swap Collateral Account Bank Agreement);
- (9) **CITIBANK, N.A., LONDON BRANCH**, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the ***First Issuer Account Bank*** which expression shall include such person and all other persons for the time being acting as First Issuer Account Bank pursuant to the First Account Bank Agreement) and in its capacity as First Mortgages Trustee Account Bank under the First Account Bank Agreement (the ***First Mortgages Trustee Account Bank*** which expression shall include such person and all other persons for the time being acting as the First Mortgages Trustee Account Bank under the First Account Bank Agreement);
- (10) **ELAVON FINANCIAL SERVICES DAC, UK BRANCH**, acting through its UK Branch (registered number BR009373) from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom (the ***Second Issuer Account Bank*** which expression shall include such person and all other persons for the time being acting as Second Issuer Account Bank pursuant to the Second Account Bank Agreement) and in its capacity as Second Mortgages Trustee Account Bank under the Second Account Bank Agreement (the ***Second Mortgages Trustee Account Bank*** which expression shall include such person and all other persons for the time being acting as the Second Mortgages Trustee Account Bank under the Second Account Bank Agreement) (and together with the First Issuer Account Bank and the First Mortgages Trustee Account Bank, the ***Issuer Account Banks*** and the ***Mortgages Trustee Account Banks***);
- (11) **VIRGIN MONEY PLC** (registered number 6952311) a public limited company incorporated under the laws of England and Wales whose registered office is at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL, in its capacity as Issuer cash manager under the Issuer Cash Management Agreement (the ***Issuer Cash Manager***, which expression shall include such person and all other persons for the time being acting as the Issuer cash manager or Issuer cash managers pursuant to the Issuer Cash Management Agreement); in its capacity as administrator under the Administration Agreement (the ***Administrator*** which expression shall include such person and all other persons for the time being acting as the administrator under the

Administration Agreement); in its capacity as 17g-5 information provider under the Administration Agreement (the **17g-5 Information Provider** which expression shall include such person and all other persons for the time being acting as the 17g-5 Information Provider under the Administration Agreement); in its capacity as subordinated loan provider under the Subordinated Loan Agreement (the **Subordinated Loan Provider** which expression shall include such person and all other persons for the time being acting as the subordinated loan provider pursuant to the Subordinated Loan Agreement); in its capacity as basis rate swap provider under the Basis Rate Swap Agreements (the **Basis Rate Swap Provider**, which expressions shall include such person and all other persons for the time being acting as the basis rate swap provider pursuant to the Basis Rate Swap Agreements); in its capacity as VM Mortgages Trustee Account Bank under the VM Mortgages Trustee Account Bank Agreement (the **VM Mortgages Trustee Account Bank**); in its capacity as VM Issuer Account Bank under the VM Issuer Account Bank Agreement (the **VM Issuer Account Bank**); in its capacity as Collection Bank under the Collection Account Declaration of Trust (**Collection Bank**); in its capacity as seller of the Mortgage Portfolio (the **Seller**); and in its capacity as a beneficiary under the Mortgages Trust (the **Beneficiary**);<sup>1</sup> and

(12) [●] (in its capacity as [●], the **New Secured Creditor**).

**NOW THIS DEED WITNESSES** as follows

**WHEREAS:**

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

---

<sup>1</sup> To be included if there are amendments to the Priorities of Payments and provided that consents which are required to amend the Priorities of Payments (and including, without limitation, any consents required pursuant to Clause 12.6 of the Trust Deed) have been otherwise obtained.

## 1. Interpretation

The Master Definitions and Construction Schedule signed for the purposes of identification by Clifford Chance LLP and Freshfields Bruckhaus Deringer LLP on 24 September 2018 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.

## 2. Representations and Warranties

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

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

## 3. Accession

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

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

## 4. Scope of the Deed of Charge

The Issuer, the New Secured Creditor and the Security Trustee hereby agree that for the relevant purposes under the Deed of Charge, the New Secured Creditor shall be treated as a Secured Creditor.

**5. [Amendment to the Priorities of Payment**

The Secured Creditors agree to amend and restate the Priorities of Payment set out in the Deed of Charge such that the amended and restated Priorities of Payment shall have effect from the date of such amendment and restatement but shall not apply retrospectively.]<sup>2</sup>

**6. Application**

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

**7. Notices and Demands**

Any notice or communication under or in connection with this Deed or the Deed of Charge shall be given in the manner and at the times set out in Clause 22 (*Notices*) of the Deed of Charge to the addresses given in this Clause 7 (*Notices and demands*) or at such other address as the recipient may have notified to the other parties hereto and/or thereto in writing.

The address referred to in this Clause 7 (*Notices and demands*) for the New Secured Creditor is:

[       ]

For the attention of: [       ]

Telephone:            [       ]

Facsimile:            [       ],

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

**8. Choice of Law and Jurisdiction**

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with English law, and the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed.

---

<sup>2</sup> To be included if there are amendments to the Priorities of Payments and provided that consents which are required to amend the Priorities of Payments (and including, without limitation, any consents required pursuant to Clause 12.6 of the Trust Deed) have been otherwise obtained.

**DULY EXECUTED AND DELIVERED** as a deed by each of the parties hereto or on its behalf on the date appearing on page 1.<sup>3</sup>

**New Secured Creditor**

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

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

**Issuer**

**EXECUTED** as a **DEED** by )  
**GOSFORTH FUNDING 2018-1 PLC** )  
acting by two directors/a director )  
and the secretary )

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

<sup>3</sup> Execution blocks for additional parties to be included if there are amendments to the Priorities of Payments and provided that consents which are required to amend the Priorities of Payments (and including, without limitation, any consents required pursuant to Clause 12.6 of the Trust Deed) have been otherwise obtained.

**Security Trustee and Note Trustee**

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

\_\_\_\_\_  
Signature of attorney

\_\_\_\_\_  
Name of attorney

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

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

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

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

**Schedule 5**  
**Form of Scottish Supplemental Charge**

**BETWEEN**

- (1) **GOSFORTH FUNDING 2018-1 PLC**, a public limited company incorporated under the laws of England and Wales (with company number 11444253) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Issuer*); and
- (2) **GOSFORTH MORTGAGES TRUSTEE 2018-1 LIMITED**, a private limited company incorporated under the laws of England and Wales (with company number 11444216) and having its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX, as trustee of the Mortgages Trust (the *Mortgages Trustee*).

**WHEREAS:**

- (A) This deed is supplemental to a Deed of Charge dated Closing Date] (the *Deed of Charge*) made between, *inter alios*, the Issuer and Citicorp Trustee Company Limited, a company incorporated under the Companies Acts in England (with company number 00235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the *Security Trustee* which expression shall include such person and all other persons for the time being acting as the trustee pursuant to the Deed of Charge and the Trust Deed) and others.
- (B) In terms of the Deed of Charge the Security Trustee holds the security constituted or to be constituted by or pursuant to the Deed of Charge on trust for the Secured Creditors.
- (C) A Scottish declaration of trust dated 24 September 2018 (the *Scottish Declaration of Trust*) has been entered into among Virgin Money plc (*Virgin Money*), the Mortgages Trustee and the Issuer and delivered, in terms of which the Scottish Trust Property (as defined in the Scottish Declaration of Trust) is held in trust by Virgin Money for the Mortgages Trustee, the beneficial interest in and under such Scottish Trust Property being in turn held by the Mortgages Trustee in trust for, *inter alia*, the Issuer under and in terms of the Mortgages Trust.
- (D) This deed is made by the Issuer in accordance with and pursuant to clause 3.2 (*Security over Scottish Assets*) 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 signed solely for the purposes of identification by Freshfields Bruckhaus Deringer LLP and Clifford Chance LLP on 24 September 2018 (the *Master Definitions and Construction Schedule*) is expressly and specifically incorporated into this deed *mutatis mutandis* except insofar as inconsistent herewith 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, and this deed shall be construed in accordance with the interpretation provisions set out in clause 2 (*Principles of Interpretation and Construction*) of the Master Definitions and Construction Schedule. Without prejudice to the generality of the foregoing, the Issuer and the Security Trustee agree that references to (a) the Scottish Declaration of Trust shall be to that deed as supplemented or amended by any Scottish Trust Supplement entered into from time to time and (b) Scottish Trust Property shall include any additional Scottish Trust Property which is added to the trust created by the Scottish Declaration of Trust by any Scottish Trust Supplement entered into from time to time.

2. The Issuer covenants with and undertakes to the Security Trustee for itself and on trust for the Secured Creditors and binds and obliges itself that it will duly and punctually pay or discharge the Secured Obligations in accordance with the terms of clause 2 (*Covenant to Pay and Perform*) of the Deed of Charge.
3. The Issuer as holder of the beneficial interest therein and subject to the proviso for redemption contained in clause 4 (*Redemption and Release of Charged Property*) of the Deed of Charge **HEREBY ASSIGNS** to and in favour of the Security Trustee (on trust for itself and the Secured Creditors) in security for the discharge and payment of the Secured Obligations (to the extent not already so assigned pursuant to the Deed of Charge) the Issuer's whole right, title and interest in and to the beneficial interest in the Scottish Trust Property held under and in terms of the Mortgages Trust (including without limitation all rights to receive payment of any amount which may become payable to the Issuer thereunder and all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof, and all rights to receive damages or obtain relief in respect thereof and the proceeds of any of the foregoing) 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 intimates to the Mortgages Trustee as trustee under the Mortgages Trust the assignation in security made in terms of Clause 3 hereof and the Mortgages Trustee (in its capacity aforesaid) by its execution hereof immediately subsequent to the execution of this deed by the Issuer 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 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 (*Issuer Security*) of the Deed of Charge shall be deemed to be repeated herein *mutatis mutandis* 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 insofar 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 shall be governed by and construed in accordance with the laws of Scotland.

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

**Issuer**

**EXECUTED as a DEED by** )  
**GOSFORTH FUNDING 2018-1 PLC** )

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

)  
)  
)  
)

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director/secretary

**Mortgages Trustee**

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

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

)  
)  
)  
)

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director/secretary