

SCHEDULE
to the
1992 ISDA Master Agreement
dated as of 21 September 2017
between
Virgin Money plc
(“Party A”)
and
Gosforth Funding 2017-1 plc
(“Party B”)

This Agreement is the Basis Rate Swap Agreement (Standard Variable Rate).

Part 1. Termination Provisions

- (a) **“Specified Entity”** means in relation to Party A and Party B for the purpose of:
- Section 5(a)(v), not applicable
- Section 5(a)(vi), not applicable
- Section 5(a)(vii), not applicable
- Section 5(b)(iv), not applicable
- (b) **“Specified Transaction”** will have the meaning specified in Section 14.
- (c) The **“Cross Default”** provisions of Section 5(a)(vi) will not apply to Party A or Party B.
- (d) The **“Tax Event”** provisions of Section 5(b)(ii) will apply to Party A and to Party B, provided that the words “(x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y)” will be deleted.
- (e) The **“Credit Event Upon Merger”** provisions of Section 5(b)(iv) will not apply to Party A and will not apply to Party B.
- (f) The **“Merger Without Assumption”** provisions of Section 5(a)(viii) will apply to Party A and will not apply to Party B.
- (g) The **“Automatic Early Termination”** provision of Section 6(a) will not apply to Party A and will not apply to Party B.

(h) ***Additional Termination Events***

Each of the following will constitute an Additional Termination Event:

- (i) **Acceleration of any Class A Notes:** A Note Acceleration Notice in relation to any Class A Notes has been served on Party B in accordance with the terms and conditions of the Notes. If this Additional Termination Event occurs, Party B will be the sole Affected Party and all Transactions will be Affected Transactions.
- (ii) **Redemption of any Class A Notes:** An irrevocable notice of redemption has been given under Condition 5(E) (*Optional Redemption in Full*) or Condition 5(F) (*Optional redemption for Tax and other Reasons*) in respect of the Class A Notes, in which event the Early Termination Date will not occur earlier than the scheduled redemption date of the Notes specified in such notice of redemption. If this Additional Termination Event occurs Party B will be the sole Affected Party and all Transactions will be Affected Transactions.
- (iii) **Amendments to Transaction Documents:** The making of an amendment to or waiver under the Transaction Documents that materially and adversely affects Party A without Party A's consent. If this Additional Termination Event occurs, Party B will be the sole Affected Party and all Transactions will be Affected Transactions.

(i) **Disapplication of certain Events of Default**

Section 5(a)(ii), Section 5(a)(iii), Section 5(a)(iv), Section 5(a)(v), Section 5(a)(vii)(2), (7) and (9) will not apply in respect of Party B.

Section 5(a)(v) will not apply to Party A.

Section 5(a)(vii)(3) will not apply to Party B to the extent that it relates to any general assignment, arrangement, or composition that is effected by or pursuant to the Transaction Documents.

Section 5(a)(vii)(4) will not apply to Party B to the extent that it refers to proceedings or petitions instituted or presented by Party A or any of its Affiliates.

Section 5(a)(vii)(6) will not apply to Party B to the extent that it refers to (i) any appointment that is contemplated or effected by any document to which Party B is, as of the date of this Agreement, a party in connection with the transactions contemplated by the Trust Deed or (ii) any such appointment to which Party B has not yet become subject to.

Section 5(a)(vii)(8) will only apply to Party B to the extent that it applies to Section 5(a)(vii)(1),(3),(4),(5) and (6), as amended.

(j) ***"Payments on Early Termination"*** for the purposes of Section 6(e) of this Agreement:

- (i) Market Quotation will apply.

- (ii) The Second Method will apply.
- (k) **“Termination Currency”** means GBP.
- (l) The **“Tax Event Upon Merger”** provisions of Section 5(b)(iii) will apply to Party A and will not apply to Party B.

Part 2. Tax Representations

- (a) **Payer Representations.** For the purposes of Section 3(e) of this Agreement, each party will make the following representation to the other:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Sections 2(e), 6(d)(ii) or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement of the other party contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement; and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, provided that it will not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

- (b) **Payee Representations.** For the purposes of Section 3(f) of this Agreement, Party A and Party B will make no representations.

Part 3. Agreement to Deliver Documents

For the purpose of Sections 4(a)(i) and (ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

- (a) Tax forms, documents or certificates to be delivered are:

Party A and Party B will promptly deliver to the other party (or as directed) any form or document accurately completed and in a manner reasonably satisfactory to the other party that may be required or reasonably requested in order to allow the other party to make a payment under a Transaction without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate, promptly upon reasonable demand by the other party.

- (b) Other documents to be delivered are:

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) representation
Party A and	Evidence satisfactory to the other party as to the authority	Upon execution of this	Yes

Party B	of its signatories to this Agreement and the Confirmation including specimen signatures of such signatories.	Agreement	
Party B	A certified copy of a board resolution evidencing the capacity, power and authority of Party B to execute, and to perform its obligations under, this Agreement and the Confirmation and any Credit Support Documents to which it is a party.	Upon execution of this Agreement	Yes
Party B	A certified up-to-date copy of Party B’s Memorandum and Articles of Association.	Upon execution of this Agreement	Yes
Party B	A duly executed original of the Credit Support Documents listed in Part 4(f)	Upon execution of this Agreement	No

Part 4. Miscellaneous

(a) *Addresses for Notices*

For the purpose of Section 12(a) of this Agreement the address for notices or communications to Party A and Party B will be as follows:

All notices or communications to Party A under the Agreement will be sent to:

Address:

Virgin Money plc

Address: Virgin Money plc
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

Attention: The Company Secretary

Fax No.: +44 (0)191 279 4747

All notices or communications to Party B under the Agreement will be sent to:

Address: Gosforth Funding 2017-1 plc
Fifth Floor
100 Wood Street
London EC2V 7EX

Attention: The Directors

Fax No.: +44 (0)20 7606 0643

With a copy to the Security Trustee:-

Address: Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Attention: Agency and Trust
Fax No.: +44 (0)28 7500 5877

(b) ***Process Agent***

For the purpose of Section 13(c) of this Agreement:

- (i) Party A appoints as its Process Agent: none.
- (ii) Party B appoints as its Process Agent: none.

(c) ***Offices***

The provisions of Section 10(a) will not apply to this Agreement.

(d) ***Multibranch Party***

For the purpose of Section 10(c) of this Agreement:

- (i) Party A is not a Multibranch Party.
- (ii) Party B is not a Multibranch Party.

(e) ***Calculation Agent***

The Calculation Agent is Party A, provided that if Party A is a Defaulting Party, Party B may, by giving written notice to Party A, appoint a substitute Calculation Agent.

(f) ***Credit Support Document***

Party A: None
Party B: Deed of Charge.

(g) ***Credit Support Provider***

- (i) Credit Support Provider means in relation to Party A, none.
- (ii) Credit Support Provider means in relation to Party B, none.

(h) ***Governing Law***

This Agreement and all non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

Section 13(b) of this Agreement will be amended by the insertion of the following after the words “With respect to any suit, action or proceedings relating to this Agreement”:

“(including any suit, action or proceedings relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement)”.

(i) *Netting of Payments*

The provisions of Section 2(c)(ii) of this Agreement will apply.

(j) *Affiliate*

“*Affiliate*” will, in relation to Party A and Party B, have the meaning specified in Section 14 of this Agreement.

Part 5. Other Provisions

(a) *No Set-off*

(i) All payments under this Agreement will be made without set-off or counterclaim, except as expressly provided for in Section 2 and Section 6 (as amended by this Schedule).

(ii) The last sentence of the first paragraph in Section 6(e) shall be deleted and replaced with the words “Notwithstanding any other provision of this Section, if a Party (the “**Paying Party**”) would, but for this sentence, be required to pay an amount pursuant to this Section, it may, by giving written notice to the other Party, cause the amount so payable to be reduced by the lesser of (i) such amount and (ii) the aggregate amount payable to the Paying Party pursuant to any demands made under Section 11 on or before the Early Termination Date.”

(b) *Security Interest*

Notwithstanding anything to the contrary in this Agreement, Party A hereby:

(i) acknowledges and agrees that Party B has assigned its rights under this Agreement to the Security Trustee pursuant to the Deed of Charge, and therefore the provisions of this Agreement and any transaction hereunder will be subject to the provisions of the Deed of Charge, and that in the event of an Event of Default the Security Trustee will be entitled to exercise all rights and remedies of a secured party with respect to this Agreement. Notwithstanding the foregoing, all rights assigned and/or rights and remedies exercised shall be subject to any set-off and/or netting pursuant to Section 2 and Section 6 of this Agreement (as amended by this Schedule);

(ii) agrees that, if notified in writing by the Security Trustee, any and all amounts payable by Party A to Party B will be paid to the Security Trustee; and

(iii) agrees that notwithstanding the provisions of Section 6 of this Agreement, any notice given by Party A designating an Early Termination Date, will be given to the Security Trustee in respect of the Deed of Charge, with a copy to Party B. In the event that service of an Enforcement Notice occurs following the date of giving of such

notice but prior to the date which would otherwise have been the Early Termination Date, the effective date of such Enforcement Notice will be the Early Termination Date.

(c) ***Relationship between the parties***

Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction) in respect of itself:

- (i) ***Non-Reliance***. It is acting for its own account, and it has made its own independent decisions to enter into the Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction will not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of that Transaction.
- (ii) ***Assessment and Understanding***. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
- (iii) ***Status of Parties***. The other party is not acting as a fiduciary for, or an adviser to it, in respect of that Transaction.

(d) ***Modifications to Representations***

Section 3 is amended by the addition at the end thereof of the following additional representations:

- “(g) **No Agency**. It is entering into this Agreement and the Transaction as principal and not as agent of any person.
- (h) ***Pari Passu***. In the case of Party A only, its obligations under this Agreement rank pari passu with all of its other unsecured, unsubordinated obligations except those obligations preferred by operation of law.”

(e) ***Consent to recording***

Each party consents to recording of the telephone conversations of trading and marketing personnel of the parties and their Affiliates or agents in connection with this Agreement or any Transaction or any potential Transaction. Each party agrees to obtain any necessary consent of, or give notice of such recording to, such personnel of it and its Affiliates or agents as it may deem

necessary. Each party further agrees that such recordings and transcripts can be used to the extent permitted by law as evidence by either party in any dispute between them in connection with this Agreement.

(f) ***Limited recourse***

- (i) No sum will be due and payable by Party B under this Agreement except in accordance with the Priorities of Payments and any payment obligations of Party B under this Agreement may only be satisfied from the amounts received by it under or pursuant to the Transaction Documents.
- (ii) If the Security constituted by the Deed of Charge is enforced, and after payment of all other claims (if any) ranking in priority to or *pari passu* with each of the claims of the Secured Creditors under the Deed of Charge, the remaining proceeds of such enforcement are insufficient to pay in full all amounts whatsoever due to each of the Secured Creditors and all other claims ranking *pari passu* to the claims of each such party, then the claims of each such party against Party B will be limited to their respective shares of such remaining proceeds (as determined in accordance with the provisions of the Deed of Charge) and, after payment to each such party of its respective share of such remaining proceeds, the obligations of Party B to each such party will be discharged in full.

(g) ***Enforcement and non-petition***

Subject to the provisions of the Deed of Charge, only the Security Trustee may pursue the remedies available under the Transaction Documents to enforce the rights of the Secured Creditors. No party save for the Security Trustee will be entitled to petition or take any other step for the winding-up of Party B.

(h) ***Interpretation***

Reference in this Agreement to the parties hereto, Party A and Party B will (for the avoidance of doubt) include, where appropriate, any permitted successor or assign thereof.

(i) ***Rights of third parties***

No person other than a party to this Agreement will have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term, express or implied, of this Agreement.

(j) ***Tax***

Notwithstanding the definition of “Indemnifiable Tax” in Section 14 of the Agreement, in relation to payments by Party A, subject to Part 5(k) below, any Tax shall be an Indemnifiable Tax, and, in relation to payments by Party B, no Tax shall be an Indemnifiable Tax.

(k) **Withholding Tax imposed on payments to non-US counterparties under the United States Foreign Account Tax Compliance Act**

“Tax” as used in this Schedule and “Indemnifiable Tax” as defined in Section 14 of this Agreement shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a “**FATCA Withholding Tax**”). For the avoidance of doubt, a FATCA Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for the purposes of Section 2(d) of this Agreement.

Part 6. Transfer; Payments on Early Termination

(a) Amendment to Section 7 of the Agreement

(i) *Transfers by Party A*

Section 7 of this Agreement will not apply to Party A, who will be required to comply with, and will be bound by, the following:

Without prejudice to Section 6(b)(ii), Party A may transfer all its interest and obligations in and under this Agreement upon providing no less than ten Business Days’ prior written notice to the Security Trustee to any other entity (a “**Transferee**”) provided that:

- (1) as of the date of such transfer the Transferee will not, as a result of such transfer, be required to withhold or deduct any amount for or on account of Tax from any payments made under this Agreement (unless such Transferee agrees to pay additional amounts in respect of such Tax under Section 2(d) of this Agreement or its replacement (as applicable));
- (2) (judged as of the time of transfer) a Termination Event or an Event of Default will not immediately occur under this Agreement as a result of such transfer;
- (3) no additional amount will be payable by Party B to Party A or the Transferee on the next succeeding Payment Date as a result of such transfer;
- (4) the Transferee or Party A on its behalf agrees with Party B and the Security Trustee to pay all costs, expenses, fees and taxes (including stamp taxes) arising in respect of such transfer;
- (5) the Transferee accedes to the Transaction Documents to which Party A is a party in its capacity as Basis Rate Swap Provider;
- (6) the Transferee contracts with Party B on terms that:
 - (x) have the same effect as the terms of this Agreement in respect of any obligations (whether absolute or

contingent) to make payment or delivery after the effective date of such transfer; and

- (y) insofar as they do not relate to payment or delivery obligations, are, in all material respects, no less beneficial for Party B than the terms of this Agreement immediately before such transfer; and
- (7) unless such transfer is effected at a time when the Transferee contracts with Party B on terms that are identical to the terms of this Agreement (save for any amendments that are necessary to reflect, or are a natural consequence of, the fact that the Transferee is to be substituted for Party A), Party B has determined that the condition in Part 6(b)(i)(6)(y) above is satisfied and communicated such determination to Party A in writing.

Following such transfer all references to Party A will be deemed to be references to the Transferee.

If Party B elects to determine whether or not a transfer satisfies the condition in Part 6(b)(i)(6)(y) above, it will do so in a commercially reasonable manner.

Save as provided above, or otherwise as provided for in this Agreement and notwithstanding Section 7, Party A will not be permitted to transfer (by way of security or otherwise) this Agreement nor any interest or obligation in or under this Agreement without the prior written consent of the Security Trustee.

(ii) ***Transfers by Party B***

Neither this Agreement nor any interest in or under this Agreement or any Transaction may be transferred by Party B to any other entity save with Party A's prior written consent except that such consent is not required in the case of a transfer, charge or assignment to the Security Trustee as contemplated in the Deed of Charge or Section 6(b)(ii) of this Agreement.

Any transfer by Party B will be subject to the consent of the Security Trustee except if such transfer is made pursuant to and in accordance with Section 6(b)(ii) of this Agreement.

(b) **Termination Amounts**

If an Early Termination Date is designated at a time when Party A is (A) the Affected Party in respect of an Additional Termination Event or a Tax Event Upon Merger or (B) the Defaulting Party in respect of any Event of Default, paragraphs (i) to (vi) below will apply:

- (i) The definition of "Market Quotation" will be deleted in its entirety and replaced with the following:

“**Market Quotation**” means, with respect to one or more Terminated Transactions, a Firm Offer which is:

- (1) made by an entity that could lawfully perform the obligations of Party A under this Agreement;
 - (2) for an amount that would be paid to Party B (expressed as a negative number) or by Party B (expressed as a positive number) in consideration of an agreement between Party B and such entity to enter into a transaction (the “**Replacement Transaction**”) that would have the effect of preserving for Party B the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under this Agreement in respect of such Terminated Transactions or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date;
 - (3) made on the basis that Unpaid Amounts in respect of the Terminated Transaction or group of Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included;
 - (4) made in respect of a Replacement Transaction with terms that are, in all material respects, no less beneficial for Party B than those of this Agreement (save for the exclusion of provisions relating to Transactions that are not Terminated Transactions), as determined by Party B; and
 - (5) obtained by or on behalf of Party A or Party B.”
- (ii) If Party B elects to determine whether or not a Firm Offer satisfies the condition in sub-paragraph (4) of Market Quotation, it will do so in a commercially reasonable manner.
- (iii) The definition of “Settlement Amount” will be deleted in its entirety and replaced with the following:

“**Settlement Amount**” means, with respect to any Early Termination Date:

- (1) if, on or prior to such Early Termination Date, a Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions is accepted by Party B so as to become legally binding, the Termination Currency Equivalent of the amount (whether positive or negative) of such Market Quotation;
- (2) if, on such Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated

Transactions has been accepted by Party B so as to become legally binding and one or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, the Termination Currency Equivalent of the amount (whether positive or negative) of the lowest of such Market Quotations (for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value); or

(3) if, on such Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions has been accepted by Party B so as to become legally binding and no Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B's Loss (whether positive or negative and without reference to any Unpaid Amounts) for the relevant Terminated Transaction or group of Terminated Transactions."

(iv) At any time on or before the Early Termination Date at which two or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B will be entitled to accept only the lowest of such Market Quotations (for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value).

(v) In the event a notice designating an Early Termination Date has been delivered, if Party B requests Party A in writing to obtain Market Quotations, Party A will use reasonable efforts to do so before the Early Termination Date.

(c) **Additional Definitions**

(i) **Definition of Master Definitions and Construction Schedule**

This Agreement incorporates the Master Definitions and Construction Schedule dated on or about the Closing Date and signed for identification by Clifford Chance LLP and Freshfields Bruckhaus Deringer LLP (the "**Master Definitions and Construction Schedule**") (as such Master Definitions and Construction Schedule may be replaced, extended, varied or supplemented from time to time, subject to that which follows) as though they were set out in full in this Agreement. Except where otherwise defined herein, or where the context otherwise requires, the terms defined in the Master Definitions

and Construction Schedule will have the same meanings where used in this Agreement and the Confirmation related hereto.

(ii) **Incorporation of Principles of Interpretation and Construction**

This Agreement incorporates the Principles of Interpretation and Construction set out in the Master Definitions and Construction Schedule as though they were set out in full in this Agreement. Except where otherwise defined herein, or where the context otherwise requires, the terms defined in the Master Definitions and Construction Schedule will have the same meanings where used in this Agreement and the Confirmation related hereto.

Any amendments, modifications, supplements or restatements in respect of any Transaction Document shall only have effect in this Agreement (and upon on any terms used in this Agreement, including the Confirmation) with the prior written consent of Party A.

(iii) **2006 ISDA Definitions**

This Agreement, (unless indicated otherwise in the relevant Confirmation) each Confirmation and each Transaction hereunder are subject to the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the “**Definitions**”), and will be governed in all respects by the provisions set forth in the Definitions without regard to any amendments subsequent to the date of this Agreement. Unless indicated otherwise, the provisions of the Definitions are incorporated by reference in, and will be deemed to be part of, this Agreement and the Relevant Confirmations as if set forth in full herein (or therein).

(iv) **Inconsistencies between definitions**

In the event of any inconsistency between any of the following, the first listed will govern: (i) the relevant Confirmation, (ii) this Schedule, (iii) the Master Definitions and Construction Schedule, (iv) the Definitions and (v) the printed form of the ISDA Master Agreement.

(d) **Amounts received from or due to a Transferee**

In respect of any transfer by Party A in accordance with paragraph (a)(i) of Part 6, any amounts to be paid by Party A to any Transferee or by any Transferee to Party A shall be paid directly between Party A and the Transferee and no amount shall be required to be paid to Party B.

For the avoidance of doubt, any amounts received directly by Party A in consideration of it transferring its interests and obligations in and under this Agreement to a Transferee in accordance with paragraph (a)(i) of Part 6 will not form part of Issuer Available Revenue Receipts.

(e) **Partial Termination**

In the event the Mortgages Trustee sells Mortgage Loans (the “**Relevant Mortgage Loans**”) from the Mortgage Portfolio during the Enforcement

Period, the terms of any relevant Transaction shall be amended so that, with effect from the date of the relevant sale, the outstanding principal balance of the Relevant Mortgage Loans being sold shall be excluded from the definition of Standard Variable Rate Mortgage Loan Balance and a Mark-to-Market Close-out Payment shall be payable from the Relevant Party to the other party, where:

“**Enforcement Period**” means the period (if any) from service of an Enforcement Notice to (but excluding) the Termination Date of all Transactions hereunder.

“**Mark-to-Market Close-out Payment**” shall mean an amount representing the absolute value of the difference between the MTM Value of the Transaction immediately before the Relevant Mortgage Loans are excluded from the definition of Standard Variable Rate Mortgage Loan Balance and the MTM Value of such Transaction immediately after the Relevant Mortgage Loans are excluded from the definition of Standard Variable Rate Mortgage Loan Balance.

“**MTM Value**” means at any time an amount (which may be positive or negative) as determined by the Calculation Agent which would be payable to Party A (expressed as a negative if an amount would be payable by Party A) and calculated in accordance with Section 6(e) of this Agreement as though an Early Termination Date had been designated as a result of a Termination Event under the Agreement for which Party B was the sole Affected Party and the only Affected Transaction was the Transaction in respect of which the sale of the Relevant Mortgage Loans is being effected, provided that the MTM Value shall be calculated on the basis of a Termination Date for the Agreement that is no earlier than the latest maturity date of the Relevant Mortgage Loans.

“**Relevant Party**” means:

- (i) Party B if the MTM Value immediately before the sale of the Relevant Mortgage Loans is higher than the MTM Value immediately after such sale; or
- (ii) Party A if the MTM Value immediately before the sale of the Relevant Mortgage Loans is lower than the MTM Value immediately after such sale.

(f) **Expenses**

Section 11 shall be deleted in its entirety and replaced by the following: “A Defaulting Party or an Affected Party (if such Affected Party is Party A) will, on demand, indemnify and hold harmless the other party for and against the Termination Currency Equivalent of all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which such Defaulting Party or Affected Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection and costs incurred in connection with

procuring a replacement for this Agreement (other than any amount paid or payable to a replacement counterparty). If, following the making of one or more demands under this Section 11, a reduction is effected pursuant to the last sentence of the first paragraph in Section 6(e), the aggregate amount payable in respect of such demands shall be deemed to be discharged to the extent of the amount of such reduction.”

Part 7. EMIR

(a) For the purposes of this Part 7:

“**Agent**” means any agent from time to time appointed by Party B to perform portfolio reconciliation services, and notified to Party A, the first Agent being Virgin Money plc in its capacity as Issuer Cash Manager under an Issuer Cash Management Agreement dated 25 September 2017 between Virgin Money plc, Gosforth Funding 2017-1 plc and Citicorp Trustee Limited.

“**Agreed Process**” means any process agreed between the parties in respect of a Dispute other than the Dispute Resolution Procedure including, without limitation, the process in (a) Section 13 of this Agreement or (b) Paragraph 4 of an ISDA Credit Support Annex (Bilateral Form - Transfer), in each case as may be amended between the parties, if applicable.

“**Common Data**” means, with respect to a Relevant Transaction, the trade details and format of information listed in each of the tables headed Table 2 (Common Data) in the Reporting Annexes to the extent required to be reported under EMIR.

“**Counterparty Data**” means, with respect to a Relevant Transaction and a party, the information and format of information listed in each of the tables headed Table 1 (Counterparty Data) of the Reporting Annexes to the extent required to be reported under EMIR.

“**Dispute**” means any dispute between the parties:

- (a) which, in the sole opinion of the party delivering the relevant Dispute Notice, is required to be subject to the procedure for resolving disputes set out in Part 7(c) pursuant to the Dispute Resolution Risk Mitigation Techniques; and
- (b) in respect of which a Dispute Notice has been effectively delivered.

“**Dispute Date**” means, with respect to a Dispute, the date on which a Dispute Notice is effectively delivered by one party to the other party save that if, with respect to a Dispute, both parties deliver a Dispute Notice, the date on which the first in time of such notices is effectively delivered will be the Dispute Date. Each Dispute Notice will be effectively delivered if delivered in the manner agreed between the parties for the giving of notices in respect of this Agreement.

“**Dispute Notice**” means a notice in writing which states that it is a dispute notice and which sets out in reasonable detail the issue in dispute (including, without limitation, the Transaction(s) to which the issue relates).

“**Dispute Resolution Procedure**” means the identification and resolution procedure set out in Part 7(c).

“**Dispute Resolution Risk Mitigation Techniques**” means the dispute resolution risk mitigation techniques for OTC derivative transactions set out in Article 11(1)(b) of EMIR as supplemented by Article 15 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 supplementing EMIR with regard to indirect clearing, the clearing obligation, the public register, access to a trading venue, non-financial counterparties, and risk mitigation techniques for OTC derivatives not cleared by a CCP.

“**EMIR**” means Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

“**EMIR Reporting Technical Standards**” means Commission Delegated Regulation 148/2013 supplementing EMIR with regard to regulatory technical standards on the minimum details of the data to be reported to trade repositories.

“**ESMA**” means the European Securities and Markets Authority established by Regulation 1095/2010.

“**Joint Business Day**” means a day that is a Local Business Day in respect of each Party.

“**Key Terms**” means, with respect to a Relevant Transaction and a party, the valuation of such Relevant Transaction and such other details the relevant party deems relevant from time to time which may include the effective date, the scheduled maturity date, any payment or settlement dates, the notional value of the contract and currency of the Relevant Transaction, the underlying instrument, the position of the counterparties, the business day convention and any relevant fixed or floating rates of the Relevant Transaction. For the avoidance of doubt, “Key Terms” does not include details of the calculations or methodologies underlying any term.

“**Portfolio Data**” means, in respect of a party providing or required to provide such data, the Key Terms in relation to all outstanding Relevant Transactions between the parties in a form and standard that is capable of being reconciled, with a scope and level of detail that would be reasonable to the Portfolio Data Sending Entity if it were the receiving party. Unless otherwise agreed between the parties, the information comprising the Portfolio Data to be provided by a party on a Data Delivery Date will be prepared as at the close of business on the immediately preceding Local Business Day of, and as specified in writing by, the party providing the Portfolio Data.

“**Portfolio Data Receiving Entity**” means Party B. “Portfolio Data Sending Entity” means Party A.

“**Portfolio Reconciliation Requirements**” means the requirements one or both parties are subject to in accordance with the Portfolio Reconciliation Risk Mitigation Techniques.

“**Portfolio Reconciliation Risk Mitigation Techniques**” means the portfolio reconciliation risk mitigation techniques for OTC derivative transactions set out in Article 11(1)(b) of EMIR as supplemented by Article 13 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 and published on 23 February 2013 in the Official Journal of the European Union.

“**PR Due Date**” means each date agreed as such between the parties provided that the PR Due Date will be the PR Fallback Date where either (a) no date is agreed or (b) the agreed date occurs after the PR Fallback Date.

“**PR Fallback Date**” means: (a) in respect of the PR Period starting on the PR Requirement Start Date, the last Joint Business Day in such PR Period; and, otherwise, (b) the last Joint Business Day in the PR Period starting on the calendar day immediately following the last calendar day of the immediately preceding PR Period. If there is no Joint Business Day in a PR Period, the PR Due Date will be the first Joint Business Day following the end of the PR Period.

“**PR Period**” means, with respect to the parties:

- (a) if the Portfolio Reconciliation Requirements require Data Reconciliation to occur each business day, one Joint Business Day;
- (b) if the Portfolio Reconciliation Requirements require Data Reconciliation to occur once per week, one calendar week;
- (c) if the Portfolio Reconciliation Requirements require Data Reconciliation to occur once per quarter, three calendar months; or
- (d) if the Portfolio Reconciliation Requirements require Data Reconciliation to occur once per year, one calendar year.

“**PR Requirement Start Date**” means the first calendar day on which the Portfolio Reconciliation Requirements apply to one or both of the parties and Part 7(d) applies to the parties.

“**Relevant Trade Repository**” means, in respect of a Transaction that is subject to the Reporting Requirements, the Trade Repository selected by Party A from time to time for such type or class of such Transaction.

“**Relevant Transaction**” means any Transaction that is subject to the Portfolio Reconciliation Risk Mitigation Techniques and/or the Dispute Resolution Risk Mitigation Techniques.

“**Reporting Annexes**” means the Annexes to the EMIR Reporting Technical Standards.

“**Reporting Deadline**” means: (a) in respect of Transactions entered into before the reporting of such transactions is mandated under Article 9 of EMIR and/or the EMIR Reporting Technical Standards, the date such reporting obligation takes effect or (b) in respect of all other Transactions the end of the Business Day following the conclusion, modification or termination of the Relevant Transaction.

“**Reporting Requirements**” has the meaning set out in Part 7(b).

“**Trade Repository**” means any entity registered as a trade repository in accordance with Article 55 of EMIR or recognised as a trade repository in accordance with Article 77 of EMIR.”

(b) **Reporting**

- (i) **Reporting Roles.** Party A will report (A) the Counterparty Data in relation to each of Party A and Party B and (B) the Common Data, in each case, by the Reporting Deadline to the Relevant Trade Repository. For the avoidance of doubt, notwithstanding the foregoing, Party B remains liable for its reporting obligation. Party B hereby authorises Party A to report: (A) the Counterparty Data in relation to Party B and (B) the Common Data to the Relevant Trade Repository on behalf of Party B.
- (ii) **Liability.** Party A shall not be liable to Party B for any expense, loss or damage suffered by or occasioned to it as a result of the performance or nonperformance of Party A’s obligation under Part 7(b)(i).
- (iii) **Confidentiality Waiver.** Notwithstanding anything to the contrary in this Agreement or any non-disclosure, confidentiality or other agreements entered into between the parties from time to time, each party hereby consents to the Disclosure of information (the “Reporting Consent”):
 - (A) to the extent required by, or necessary in order to comply with, any applicable law, rule or regulation which mandates Disclosure of transaction and similar information or to the extent required by, or necessary in order to comply with, any order, request or directive regarding Disclosure of a transaction and similar information issued by any relevant authority or body or agency (“**Reporting Requirements**”); or
 - (B) to and between the other party’s head office, branches or Affiliates; to any person, agent, third party or entity who provides services to such other party or its head office, branches or Affiliates; to an exchange; or to any trade data repository or any systems or services operated by any trade repository or exchange, in each case, in connection with such Reporting Requirements.

“**Disclosure**” means disclosure, reporting, retention, or any action similar or analogous to any of the aforementioned.

Disclosures made pursuant to this Reporting Consent may include, without limitation, Disclosure of information relating to disputes over transactions between the parties, a party’s identity, and certain transaction and pricing data and may result in such information becoming available to the public or recipients in a jurisdiction which may have a different level of protection for personal data from that of the relevant party’s home jurisdiction.

This Reporting Consent shall be deemed to constitute an agreement between the parties with respect to Disclosure and shall survive the termination of this Agreement. No amendment to or termination of this Reporting Consent shall be effective unless such amendment or termination is made in writing between the parties and specifically refers to this Reporting Consent.

(c) **Dispute Identification and Resolution Procedure**

- (i) The Parties agree that the following procedure shall be used to identify and resolve Disputes between them with respect to a Transaction:
 - (A) either party may identify a Dispute by sending a Dispute Notice to the other party;
 - (B) on or following the Dispute Date, the parties will consult in good faith in an attempt to resolve the Dispute in a timely manner, including, without limitation, exchanging any relevant information and by identifying and using any Agreed Process which can be applied to the subject of the Dispute or, where no such Agreed Process exists or the parties agree that such Agreed Process would be unsuitable, determining and applying a resolution method for the Dispute; and
 - (C) with respect to any Dispute that is not resolved within five Joint Business Days of the Dispute Date, the parties shall refer issues internally to appropriately senior members of staff in addition to actions under (B) immediately above.
- (ii) Each of Party A and Party B agrees that, to the extent the Dispute Resolution Risk Mitigation Techniques apply to it, it will have internal procedures and processes in place to record and monitor any Dispute for as long as the Dispute remains outstanding.

(d) **Portfolio Reconciliation**

- (i) The parties agree to reconcile Portfolio Data in accordance with Part I(1) of the attachment to the 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol published on 19 July 2013 by the International Swaps and Derivatives Association, Inc. (the “**Protocol**”) as though such Part and associated definitions were set out in this Agreement. For these purposes:
 - (A) Party A is a Portfolio Data Sending Entity and Party B is a Portfolio Data Receiving Entity.
 - (B) Party B has appointed the Agent to perform portfolio reconciliation services on behalf of Party B.
 - (C) The Local Business Day for such purposes in relation to Party A and Party B is London.
 - (D) The following are the applicable email addresses:

Portfolio Data:

Party A: treasurymiddleoffice@virginmoney.com

Party B: treasurymiddleoffice@virginmoney.com or to such other address as otherwise agreed between the parties

Agent: treasurymiddleoffice@virginmoney.com

Notice of discrepancy:

Party A: treasurymiddleoffice@virginmoney.com

Party B: treasurymiddleoffice@virginmoney.com or to such other address as otherwise agreed between the parties

Agent: treasurymiddleoffice@virginmoney.com

(e) **Change of Status**

If a party believes, acting reasonably and in good faith, that the parties are required to perform Data Reconciliation at a greater or lesser frequency than that being used by the parties at such time, it will notify the other party of such in writing, providing evidence on request. From the date such notice is effectively delivered, such greater or lesser frequency will apply and the first following PR Due Date will be the earlier of the date agreed between the parties and the last Joint Business Day in the PR Period starting on the date on which the immediately preceding Data Reconciliation occurred (or, if no Joint Business Day occurs which is within such PR Period and is on or following the date such notice is effective, the first Joint Business Day following the later of the end of such PR Period and the date such notice is effective).

(f) **NFC Status Representation**

Party B represents to Party A on each date and at each time on which it enters a Transaction (which representation shall be, unless Party B notifies Party A to the contrary in writing, deemed to be repeated by Party B at all times while such Transaction remains outstanding) that:

- (i) it is a non-financial counterparty (as such term is defined in EMIR); and
- (ii) it is not subject to a clearing obligation pursuant to article 10 of EMIR.

(g) **Relationship to other portfolio reconciliation and dispute resolution processes**

Parts 7(c), (d) and (e) and any action or inaction of either party in respect of it are without prejudice to any rights or obligations the parties may possess in respect of each other under any Agreed Process or other contractual agreement, by operation of law or otherwise. Action or inaction by a party in respect of Part 7(c), (d) or (e) will not be presumed to operate as an exercise or waiver, in whole or part, of any right, power or privilege such party may possess in respect of each other under any Agreed Process or other contractual agreement, by operation of law or otherwise. In particular, but without limitation: (a) any valuation in respect of one or more Relevant Transactions

for the purposes of Part 7(d) will be without prejudice to any other valuation with respect to such Relevant Transaction(s) made for collateral, close out, dispute or other purpose; (b) the parties may seek to identify and resolve issues and discrepancies between themselves before either party delivers a Dispute Notice; and (c) nothing in Part 7(c) obliges a party to deliver a Dispute Notice following the identification of any such issue or discrepancy (notwithstanding that such issue or discrepancy may remain unresolved) or limits the rights of the parties to serve a Dispute Notice, to commence or continue an Agreed Process (whether or not any action under Part 7(c) has occurred) or otherwise to pursue any dispute resolution process in respect of any such issue or discrepancy (whether or not any action under Part 7(c) has occurred).

(h) **Remedies for Breach**

Without prejudice to the rights, powers, remedies and privileges provided by law, neither any failure by Party A or Party B to comply with Part 7(b)(i), 7(c), 7(d) or 7(e) nor any misrepresentation by Party B under Part 7(1) shall constitute a Potential Event of Default, an Event of Default or a Termination Event or any other event which permits either party to terminate any Relevant Transaction or other transaction under the 1992 Master Agreement.

VIRGIN MONEY PLC

GOSFORTH FUNDING 2017-1 PLC

LEI number:

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By:

By:

Name:

Name:

Title:

Title: