

## Scottish Declaration of Trust

### DECLARATION OF TRUST

Among:

- (1) **VIRGIN MONEY PLC**, incorporated under the Companies Acts in England (with company number 6952311) and having its registered office at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL (the *Seller*);
- (2) **GOSFORTH MORTGAGES TRUSTEE 2018-1 LIMITED**, incorporated under the Companies Acts in England (with company number 11444216) and having its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as trustee under and in terms of the mortgages trust deed and the mortgage sale agreement after mentioned (the *Mortgages Trustee*) and together with the Seller, each in its capacity as a beneficiary of the All Monies Mortgage Trust, (the *All Monies Mortgage Trust Beneficiaries*); and
- (3) **GOSFORTH FUNDING 2018-1 PLC**, incorporated under the Companies Acts in England (with company number 11444253) and having its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Issuer*, and together with the Seller, each in its capacity as a beneficiary of the Mortgages Trust, the *Beneficiaries*).

### WHEREAS:

- (A) Title to the Scottish Trust Property after mentioned is held by and vested in the Seller (having been either (i) originated by Landmark Mortgages Limited (formerly NRAM plc and Northern Rock (Asset Management) plc) and acquired by the Seller pursuant to the Northern Rock plc Transfer Order 2009 (SI 2009/3226), made under Section 8 of the Banking (Special Provisions) Act 2008) or (ii) originated by the Seller.
- (B) In terms of a mortgages trust deed entered into among, *inter alios*, the parties hereto dated 24 September 2018 (the *Mortgages Trust Deed*) and the Mortgages Trust constituted in terms thereof, the Mortgages Trustee holds the Trust Property on trust for the Beneficiaries.
- (C) In terms of a mortgage sale agreement entered into among, *inter alios*, the parties hereto dated 24 September 2018 (the *Mortgage Sale Agreement*) the Seller has agreed to sell *inter alia* the said Scottish Trust Property to the Mortgages Trustee to be held thereafter by the Mortgages Trustee under and in terms of the Mortgages Trust or (as applicable) the All Monies Mortgage Trust.
- (D) In implement of clause 4 (*Completion*) of the Mortgage Sale Agreement and pending the taking of legal title to the said Scottish Trust Property by the Mortgages Trustee, the Seller has undertaken to grant this deed.
- (E) Pursuant to clause 4.5 (*Completion*) of the Mortgage Sale Agreement, on any Transfer Date following the Closing Date, the Seller has undertaken to deliver to the Mortgages Trustee a duly executed Scottish Trust Supplement

(substantially in the form set out in the Annexure to this deed) in respect of any additional Scottish Mortgage Loans and Related Security sold by the Seller to the Mortgages Trustee and such Scottish Mortgage Loans and Related Security shall be held as Scottish Trust Property by the Seller as trustee under and in terms of this deed and also to be held thereafter by the Mortgages Trustee under and in terms of the Mortgages Trust or (as applicable) the All Monies Mortgage Trust.

**NOW THEREFORE** the parties **HEREBY AGREE** and **DECLARE** as follows:

## **1. Interpretation**

In this deed:

- (a) the master definitions and construction schedule signed by Clifford Chance LLP and Freshfields Bruckhaus Deringer LLP and dated on or about the date of this deed (as the same may be amended, varied or supplemented from time to time with the consent of the parties to this deed) (*the Master Definitions and Construction Schedule*) is expressly and specifically incorporated into this deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule (as so amended, varied or supplemented from time to time) 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; and
- (b) *Scottish Trust Property* shall mean the Scottish Mortgage Loans and their Related Security and the Scottish Mortgages pertaining thereto, brief details of which are specified in a form agreed between the Seller and the Mortgages Trustee and stored by the Seller in a password protected file on a secure drive accessible upon request by the Mortgages Trustee (as supplemented from time to time by any Scottish Mortgage Loans and their Related Security and the Scottish Mortgages pertaining thereto brief details of which will be specified in such form agreed between the Seller and the Mortgages Trustee and stored by the Seller in a password protected file on a secure drive accessible upon request by the Mortgages Trustee in respect of any Scottish Trust Supplement executed on any Transfer Date or otherwise following the Closing Date) and all principal sums, including any further advances and retentions, present or future, interest and expenses comprised therein and secured thereby, together with:
  - (i) the whole rights pertaining thereto specified in clause 2.3 (*Agreement for Sale and Purchase*) of the Mortgage Sale Agreement;
  - (ii) all monies, rights, interests, benefits and others pertaining thereto or deriving therefrom;

- (iii) all powers and remedies for enforcing the same; and
- (iv) all proceeds resulting from the enforcement of any of the said Scottish Mortgage Loans, Scottish Mortgages and any other Related Security relative thereto; and

in all cases, words importing the singular number include the plural and vice versa.

## 2. Declaration of Trust

The Seller hereby **DECLARES** that from and after the date hereof the Seller holds and, subject to Clause 8 (*Termination of Trust*) below, shall henceforth hold the Scottish Trust Property and its whole right, title and interest, present and future, therein and thereto in trust absolutely for the Mortgages Trustee and its assignees (whether absolutely or in security) whomsoever.

## 3. Intimation

The Seller hereby intimates to the Mortgages Trustee the coming into effect of the trust hereby declared and created and the Mortgages Trustee by its execution of this deed immediately subsequent to the execution hereof by the Seller acknowledges such intimation and confirms that it is aware of the details of the Scottish Trust Property.

## 4. Dealings with Scottish Trust Property and Negative Pledge

The Seller warrants and undertakes that:

- (a) as at the date hereof it holds, subject to any imperfected registration or recording in the Land Register of Scotland or the General Register of Sasines, legal title to the Scottish Trust Property unencumbered by any fixed or floating charge, diligence or other Security Interest;
- (b) it shall not create or agree to create any fixed or floating charge or other Security Interest over or which may attach to or affect the whole or any part of the Scottish Trust Property or otherwise dispose of the same at any time when such Scottish Trust Property or part thereof remains subject to the trust hereby created; and
- (c) it shall deal with the Scottish Trust Property (including without prejudice to said generality the calculation and setting of any interest rate applicable thereto) in accordance with the provisions of the Transaction Documents and the specific written instructions (if any) of the Mortgages Trustee or its foresaids and shall take, subject to Clause 8 (*Termination of Trust*) below, any such action as may be necessary (including for the avoidance of doubt the raising or defending of any proceedings in any court of law whether in Scotland or elsewhere) to secure or protect the title to the Scottish Trust Property but only in accordance with the specific written instructions (if any) of the Mortgages Trustee or its foresaids.

## 5. Transfer of Title

- (a) The Mortgages Trustee and its foresaids as beneficiary hereunder shall have the right to call upon the Seller to execute and deliver to the Mortgages Trustee, subject to the terms of clause 5 (*Further Assurance*) of the Mortgage Sale Agreement, valid assignments of the Scottish Trust Property or any part thereof, notwithstanding the winding up of the Seller, the making of any administration order or the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator in respect of the Seller or the appointment of a receiver to all or any part of the Scottish Trust Property.
- (b) The Seller undertakes to the Mortgages Trustee and binds and obliges itself that, upon the occurrence of any one of the events specified in clause 5 (*Further Assurance*) of the Mortgage Sale Agreement, it will provide such information as is necessary to enable the Mortgages Trustee to complete Scottish Transfers (including annexures thereto) in relation to the whole of the Scottish Trust Property.
- (c) For further assuring the said rights and powers specified in this Clause 5 (*Transfer of Title*), the Seller has granted a power of attorney in favour of the Mortgages Trustee substantially in the form set out in Schedule 3 (*Form of Seller Power of Attorney*) to the Mortgage Sale Agreement.

## 6. Mortgages Trustee Declaration of Trust

The Mortgages Trustee by its said execution of this deed hereby **DECLARES** that its whole right, title and beneficial interest in and to the Scottish Trust Property in terms of this deed are and shall be held (to the extent not already so held) by the Mortgages Trustee and its foresaids under and in terms of the Mortgages Trust or (as applicable) the All Monies Mortgage Trust and all sums and amounts received or held by the Mortgages Trustee relating thereto or deriving therefrom have been or shall be added (to the extent aforesaid) to the Trust Property and held by the Mortgage Trustee under the Mortgages Trust Deed or (as applicable) to the All Monies Mortgage Trust Property and held by the All Monies Mortgage Trustee under the All Monies Mortgage Trust.

## 7. Trust Intimation

The Mortgages Trustee hereby intimates to the Beneficiaries and the All Monies Mortgage Trust Beneficiaries, the declaration of trust made in terms of Clause 6 (*Mortgages Trustee Declaration of Trust*) above and the Beneficiaries and the All Monies Mortgage Trust Beneficiaries respectively by executing this deed acknowledge such intimation.

## 8. Termination of Trust

If:

- (a) legal title to any part or parts of the Scottish Trust Property is taken by the Mortgages Trustee or its foresaids in accordance with the provisions of Clause 5 (*Transfer of Title*) above (which in the case of any Scottish Mortgage shall be constituted by the registration or recording of the title thereto in the Land Register of Scotland or the General Register of Sasines (as appropriate));
- (b) any part or parts of the Scottish Trust Property forms the subject of a repurchase in accordance with the terms of clause 6.7 (*Warranties, Repurchases and Undertakings*) of the Mortgage Sale Agreement, or
- (c) any Scottish Mortgage Loan and its Related Security comprised within the Scottish Trust Property is redeemed in full,

the trust hereby declared and created pursuant to Clauses 2 (*Declaration of Trust*) and 3 (*Intimation*) above shall (but only when any of the events or transactions before stated has been completed irrevocably, validly and in full) *ipso facto* fall and cease to be of effect in respect of such part or parts of the Scottish Trust Property but shall continue in full force and effect in respect of the whole remainder (if any) of the Scottish Trust Property.

## **9. Assignment**

The Issuer shall be entitled to assign (whether absolutely or in security) its rights and interests as a Beneficiary under this deed (subject to the terms of the Transaction Documents) and the trust hereby declared and created, and the Seller hereby undertakes, in the event of any such assignment being made by the Issuer, to execute and deliver all deeds and documents necessary for the purposes of receiving and acknowledging intimation of such assignment. The Seller may not assign or transfer its rights hereunder.

## **10. Change of Trustee**

Except with the prior consent of the Mortgages Trustee and (for so long as each retains any right or interest in the Scottish Trust Property) the Issuer and the Security Trustee, the Seller shall not be entitled to resign office as a trustee or assume a new trustee or trustees under this deed.

## **11. Variation**

This deed and the trusts hereby declared and created pursuant to Clauses 2 (*Declaration of Trust*) and 3 (*Intimation*) and Clauses 6 (*Mortgages Trustee Declaration of Trust*) and 7 (*Trust Intimation*) above shall not be varied (other than by the addition of Scottish Trust Property pursuant to a Scottish Trust Supplement) in any respect without the consent in writing of the Mortgages Trustee and (for so long as each retains any right or interest in the Scottish Trust Property) the Issuer and the Security Trustee.

## **12. Execution in Counterpart**

- (a) This deed may be executed in any number of counterparts and by each of the parties on separate counterparts.

- (b) Where executed in counterpart:
- (i) This deed will not take effect until each of the counterparts has been delivered;
  - (ii) Each counterpart will be held as undelivered until the parties agree a date on which the counterparts are to be treated as delivered; and
  - (iii) The date of delivery may be inserted in the testing clause in the space provided for the effective date of this deed.

### **13. Governing Law**

This deed shall be governed by and construed in accordance with the law of Scotland (except Clauses 6 (*Mortgages Trustee Declaration of Trust*) and 7 (*Trust Intimation*) which shall be governed by English law) and each of the parties hereby prorogates the non-exclusive jurisdiction of the Scottish courts so far as not already subject thereto and waives any right or plea of *forum non conveniens* in respect of such jurisdiction.

**14. Registration**

The parties hereto consent to the registration of these presents for preservation:

**IN WITNESS WHEREOF** these presents typewritten on this and the preceding six pages together with the Annexure annexed hereto are executed in counterpart for and on behalf of the Seller, the Mortgages Trustee and the Issuer as undernoted, with an effective date of 24 September 2018 and with the counterparts executed by the Seller, the Mortgages Trustee and the Issuer being treated as delivered on such date and in such order as follows:

SUBSCRIBED for and on behalf of the said  
**VIRGIN MONEY PLC**

at .....

on .....

by .....

and .....

SUBSCRIBED for and on behalf of the said  
**GOSFORTH MORTGAGES TRUSTEE 2018-1 LIMITED**

at .....

on .....

by .....

and .....

SUBSCRIBED for and on behalf of the said  
**GOSFORTH FUNDING 2018-1 PLC**

at .....

on .....

by .....

and .....

**Annexure  
Scottish Trust Supplement**

**SCOTTISH TRUST SUPPLEMENT**

Among

- (4) **VIRGIN MONEY PLC**, incorporated under the Companies Acts in England (with company number 6952311) and having its registered office at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL (the *Seller*);
- (5) **GOSFORTH MORTGAGES TRUSTEE 2018-1 LIMITED**, incorporated under the Companies Acts in England (with company number 11444216) and having its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as trustee under and in terms of the mortgages trust deed and the mortgage sale agreement after mentioned (the *Mortgages Trustee*) and together with the Seller, each in its capacity as a beneficiary of the All Monies Mortgage Trust, (the *All Monies Mortgage Trust Beneficiaries*); and
- (6) **GOSFORTH FUNDING 2018-1 PLC**, incorporated under the Companies Acts in England (with company number 11444253) and having its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Issuer*, and together with the Seller, each in its capacity as a beneficiary of the Mortgages Trust, the *Beneficiaries*).

**WHEREAS:**

- (A) Title to the Scottish Trust Property (as defined in the Scottish Declaration of Trust) is held by and vested in the Seller (having been either (i) originated by NRAM plc (formerly Northern Rock (Asset Management) plc) and acquired by the Seller pursuant to the Northern Rock plc Transfer Order 2009 (SI 2009/3226), made under Section 8 of the Banking (Special Provisions) Act 2008) or (ii) originated by the Seller.
- (B) In terms of a mortgages trust deed entered into among, *inter alios*, the parties hereto dated 24 September 2018 (the *Mortgages Trust Deed*) and the Mortgages Trust constituted in terms thereof, the Mortgages Trustee holds the Trust Property on trust for the Beneficiaries.
- (C) In terms of a mortgage sale agreement entered into among, *inter alios*, the parties hereto dated 24 September 2018 (the *Mortgage Sale Agreement*) the Seller has agreed to sell *inter alia* the Scottish Trust Property to the Mortgages Trustee to be held thereafter by the Mortgages Trustee under and in terms of the Mortgages Trust or (as applicable) the All Monies Mortgage Trust.
- (D) In implement of clause 4 (*Completion*) of the Mortgage Sale Agreement, the Seller granted a Scottish declaration of trust on the Closing Date in respect of Scottish Mortgage Loans (the *Scottish Declaration of Trust*).
- (E) Pursuant to clause 4.5 (*Completion*) of the Mortgage Sale Agreement, the Seller has undertaken to grant this deed in respect of any additional Scottish Mortgage Loans and Related Security sold by the Seller to the Mortgages

Trustee on or around the date of the relevant Transfer Date and such Scottish Mortgage Loans and Related Security shall be held as Scottish Trust Property by the Seller as trustee under and in terms of the Scottish Declaration of Trust (as supplemented by this Deed) and also to be held thereafter by the Mortgages Trustee under and in terms of the Mortgages Trust or (as applicable) the All Monies Mortgage Trust.

(F) This deed is supplemental to the Scottish Declaration of Trust.

**NOW THEREFORE** the parties **HEREBY AGREE** and **DECLARE** as follows:

### **1. Interpretation**

The master definitions and construction schedule signed by Clifford Chance LLP and Freshfields Bruckhaus Deringer LLP and dated on or about the date of this deed (as the same may be amended, varied or supplemented from time to time with the consent of the parties to this deed) (the *Master Definitions and Construction Schedule*) is expressly and specifically incorporated into this deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule (as so amended, varied or supplemented from time to time) 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.

### **2. Declaration of Trust**

The Seller hereby **DECLARES** that from and after the date hereof the Scottish Mortgage Loans and their Related Security and the Scottish Mortgages pertaining thereto, brief details of which are specified in a form agreed between the Seller and the Mortgages Trustee and stored by the Seller in a password protected file on a secure drive accessible upon request by the Mortgages Trustee and its whole right, title and interest, present and future, therein and thereto (the *Supplemental Scottish Trust Property*) shall constitute Scottish Trust Property for the purpose of the trust established pursuant to the Scottish Declaration of Trust and accordingly the Seller holds and, subject to clause 8 (*Termination of Trust*) of the Scottish Declaration of Trust, shall henceforth hold the Supplemental Scottish Trust Property in trust absolutely for the Mortgages Trustee and its assignees (whether absolutely or in security) whomsoever subject to and in accordance with the Scottish Declaration of Trust (including with respect to the warranties and undertakings given therein with respect to the Scottish Trust Property).

### **3. Transfer Date warranties and undertakings**

The Seller warrants and undertakes that, as at the date hereof it holds, subject to any imperfect registration or recording in the Land Register of Scotland or the General Register of Sasines, legal title to the Supplemental Scottish Trust Property unencumbered by any fixed or floating charge, diligence or other Security Interest.

#### 4. Mortgages Trustee Declaration of Trust

The Mortgages Trustee by its said execution of this deed hereby **DECLARES** that its whole right, title and beneficial interest in and to the Supplemental Scottish Trust Property in terms of this deed are and shall be held (to the extent not already so held) by the Mortgages Trustee and its foresaids under and in terms of the Mortgages Trust or (as applicable) the All Monies Mortgage Trust and all sums and amounts received or held by the Mortgages Trustee relating thereto or deriving therefrom have been or shall be added (to the extent aforesaid) to the Trust Property and held by the Mortgage Trustee under the Mortgages Trust Deed or (as applicable) to the All Monies Mortgage Trust Property and held by the All Monies Mortgage Trustee under the All Monies Mortgage Trust.

#### 5. Execution in Counterpart

- (a) This deed may be executed in any number of counterparts and by each of the parties on separate counterparts.
- (b) Where executed in counterpart:
  - (i) This deed will not take effect until each of the counterparts has been delivered;
  - (ii) Each counterpart will be held as undelivered until the parties agree a date on which the counterparts are to be treated as delivered; and
  - (iii) The date of delivery may be inserted in the testing clause in the space provided for the effective date of this deed.

#### 6. Governing Law

This deed shall be governed by and construed in accordance with the law of Scotland (except Clause 4 (*Mortgages Trustee Declaration of Trust*) which shall be governed by English law) and each of the parties hereby prorogates the non-exclusive jurisdiction of the Scottish courts so far as not already subject thereto and waives any right or plea of *forum non conveniens* in respect of such jurisdiction.

**7. Registration**

The parties hereto consent to the registration of these presents for preservation:

**IN WITNESS WHEREOF** these presents typewritten on this and the preceding three pages are executed in counterpart for and on behalf of the Seller, the Mortgages Trustee and the Issuer as undernoted, with an effective date of 24 September 2018 and with the counterparts executed by the Seller, the Mortgages Trustee and the Issuer being treated as delivered on such date and in such order as follows:

SUBSCRIBED for and on behalf of the said  
**VIRGIN MONEY PLC**

at .....

on .....

by .....

and .....

SUBSCRIBED for and on behalf of the said  
**GOSFORTH MORTGAGES TRUSTEE 2018-1 LIMITED**

at .....

on .....

by .....

and .....

SUBSCRIBED for and on behalf of the said  
**GOSFORTH FUNDING 2018-1 PLC**

at .....

on .....

by .....

and .....