

**25 September 2017**

**GOSFORTH FUNDING 2017-1 PLC**  
(as *Issuer*)

**VIRGIN MONEY PLC**  
(as *Issuer Cash Manager, Administrator, Seller and Basis Rate Swap Provider*)

**BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH**  
(as *Issuer Cash Swap Collateral Account Bank and Issuer Securities Swap Collateral Account Bank*)

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

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**SWAP COLLATERAL ACCOUNT BANK  
AGREEMENT**

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**Freshfields Bruckhaus Deringer**

Freshfields Bruckhaus Deringer LLP  
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London EC4Y 1HS

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**THIS AGREEMENT** is made on 25 September 2017

**BETWEEN:**

- (1) **GOSFORTH FUNDING 2017-1 PLC**, a public limited company incorporated under the laws of England and Wales (registered number 10887005) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Issuer*);
- (2) **VIRGIN MONEY PLC**, a public limited company incorporated under the laws of England and Wales (registered number 6952311) whose registered office is at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL (*Virgin Money*), in its capacity as Issuer Cash Manager to the Issuer pursuant to the Issuer Cash Management Agreement (the *Issuer Cash Manager*), in its capacity as administrator of the Mortgage Loans pursuant to the Administration Agreement (the *Administrator*), in its capacity as Seller pursuant to the Mortgages Sale Agreement (the *Seller*) and 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);
- (3) **BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH**, a bank incorporated and organised under the laws of France as a *société en commandite par actions*, having its registered office at 3, Rue d'Antin, 75002, Paris, France, acting through its London branch at 10 Harewood Avenue, London NW1 6AA, (the *Issuer Cash Swap Collateral Account Bank* and the *Issuer Securities Swap Collateral Account Bank* and together with the Issuer Cash Swap Collateral Account Bank, the *Issuer Swap Collateral Account Banks*); and
- (4) **CITICORP TRUSTEE COMPANY LIMITED**, a private limited company incorporated in England and Wales (registered number 00235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as the *Security Trustee*, which expression shall include the security trustee or security trustees for the time being under the Deed of Charge.

**RECITALS:**

- (A) The Issuer has opened the Custody Account and the Cash Accounts (the *Swap Collateral Accounts*) with the Issuer Swap Collateral Account Banks, and the Issuer has agreed to maintain the Issuer Swap Collateral Accounts with the Issuer Swap Collateral Account Banks subject to and in accordance with the terms of this Agreement.
- (B) Pursuant to the Deed of Charge, the Issuer has granted certain security interests over its assets (including the Issuer Swap Collateral Accounts held with the Issuer Swap Collateral Account Banks) in favour of the Security Trustee as trustee for the Secured Creditors. The Issuer represents that no other security over the Issuer Swap Collateral Accounts has been granted other than under the Deed of Charge.

- (C) The Issuer Swap Collateral Account Banks have agreed to be the bank at which the Issuer Swap Collateral Accounts are maintained and to act as custodian in respect of any Collateral Securities held by the Issuer from time to time.
- (D) The Issuer Swap Collateral Account Banks have agreed to operate the Issuer Swap Collateral Accounts held with them on the terms and subject to the conditions contained in this Agreement.

**IT IS HEREBY AGREED** as follows:

## **1. DEFINITIONS, INCORPORATION AND INTERPRETATION**

### 1.1 Definitions

- (a) 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 Agreement (as the same may be amended, varied or supplemented from time to time with the consent of the parties hereto, **provided that**, in the case of the Issuer Swap Collateral Account Banks, their consent to amend, vary or supplement the Master Definitions and Construction Schedule will only be required, if a definition used in this Agreement is to be amended, varied or supplemented in the Master Definitions and Construction Schedule) is expressly and specifically incorporated into this Agreement 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 Agreement, including the recitals hereto, and this Agreement 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 Agreement, this Agreement shall prevail.
- (b) In the event of a conflict between any definition set out in the Master Definitions Schedule and the Standard Custody Terms and Conditions as used in this Agreement, unless contrary intention appears, the definition in the Standard Custody Terms and Conditions shall prevail.

### 1.2 Incorporation

- (a) Subject to paragraphs (b) and (c) below, the Standard Custody Terms and Conditions are expressly and specifically incorporated in and will apply, *mutatis mutandis*, to this Agreement.
- (b) Subject to Clause 1.1(b), in the event of a conflict between the terms of this Agreement and the Standard Custody Terms and Conditions, the terms of this Agreement shall prevail.
- (c) Standard Conditions 14 (*Indemnity*), 20 (*Assignment*) and 21 (*Variation*) shall not apply to this Agreement.

## **2. APPOINTMENT OF ISSUER SWAP COLLATERAL ACCOUNT BANKS**

### **Appointment**

- 2.1 The Issuer hereby appoints BNP Paribas Securities Services, London Branch to be the Issuer Cash Swap Collateral Account Bank.
- 2.2 The Issuer hereby appoints BNP Paribas Securities Services, London Branch to be the Issuer Securities Swap Collateral Account Bank.
- 2.3 The Issuer Swap Collateral Account Banks shall be entitled to deal with money paid to it by the Issuer for the purposes of this Agreement in the same manner as other money paid to a banker by its customers except: (a) subject to Clause 12 (*Lien and Rights of Set-off*) that it shall not exercise any right of set-off, combination, lien or similar claim in respect of the money; and (b) subject to Clause 9 (*Interest*) that it shall not be liable to account to the Issuer for any interest or other amounts in respect of the money.

### **Acceptance of appointment**

- 2.4 The Issuer Swap Collateral Account Banks accept such appointments.

### **Duration of appointment**

- 2.5 The appointment of the Issuer Swap Collateral Account Banks under this Agreement will continue until termination under Clause 14 (*Termination*).

### **Swap Collateral Account Mandate**

- 2.6 The Issuer hereby confirms that it has delivered to the Issuer Swap Collateral Account Banks the Swap Collateral Account Mandate.
- 2.7 Each Issuer Swap Collateral Account Bank hereby confirms to the Issuer:
  - (a) that it has received the Swap Collateral Account Mandate;
  - (b) that the Swap Collateral Account Mandate is operative and supersedes any previous mandates or arrangements relating to any Issuer Swap Collateral Account but will be subject to the terms of this Agreement; and
  - (c) the Issuer Swap Collateral Accounts have been opened in its books in the name of the Issuer
- 2.8 The Swap Collateral Account Mandate may not be amended without the prior written consent of the Issuer or the Issuer Cash Manager on the Issuer's behalf.

### **Swap Collateral Ledger**

- 2.9 The Issuer Cash Manager confirms that it has established the Issuer Swap Collateral Accounts in the books of the Issuer.

## **FCA Regulation**

- 2.10 The Issuer Swap Collateral Account Banks are authorised by the PRA and regulated by the FCA and PRA. Nothing in this Agreement shall require the Issuer Swap Collateral Account Banks to carry on an activity of the kind specified by any provision of Part II (other than article 5 (accepting deposits)) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or to lend money to the Issuer.
- 2.11 If the Issuer Swap Collateral Account Banks agrees to carry on an activity of the kind specified by articles 14 (dealing in investments as principal), 21 (dealing in investments as agent) or 40 (safeguarding and administering investments) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, it will do so in accordance with the Standard Custody Terms and Conditions, which shall have effect subject to any contrary provisions in this Agreement.

## **3. DEBIT FROM OR CREDIT TO SWAP COLLATERAL ACCOUNTS**

- 3.1 Any debit from or credit to a Cash Account shall be made by the Issuer Cash Swap Collateral Account Bank in accordance with its usual practice and, in the case of credits made in anticipation of the receipt of funds, subject to receipt of such immediately available funds. In the event that such funds are not received or payment is reversed, the Issuer Cash Swap Collateral Account Bank may debit the relevant Cash Account with an amount representing (i) funds which are not actually received for value at such later date or (ii) the reversed payment.

## **4. DIRECTIONS FOR OPERATION OF SWAP COLLATERAL ACCOUNTS**

- 4.1 The Issuer Swap Collateral Account Banks will promptly upon receipt of a Swap Collateral Instruction from the Issuer, the Issuer Cash Manager or (following the delivery of an Enforcement Notice) the Security Trustee (each an *Authorised Party*), give effect to all Swap Collateral Instructions on the date specified in that Swap Collateral Instruction, but only if the relevant Swap Collateral Instruction:
- (a) is in writing or, in the case of a transfer of funds by electronic transmission (including through SWIFT), evidenced in accordance with normal banking practice for such transfers;
  - (b) complies with the Swap Collateral Account Mandate; and
  - (c) certifies that the payment specified in the relevant instructions is permitted to be made pursuant to the Transaction Documents.
- 4.2 However, notwithstanding Clause 4.1 above, if any such Swap Collateral Instruction relating to transfer of Cash is received by the Issuer Cash Swap Collateral Account Bank:
- (a) on a day which is not a Business Day; or

- (b) after 2.30 pm (London time) on a Business Day (save where such instruction requires manual repair to affect it, after 1 p.m. (London time)),

then the Issuer Cash Swap Collateral Account Bank shall effect the relevant transfer on the first Business Day after receipt by it of the relevant notice, direction or communication, to the extent that there is a cleared balance standing to the credit of the relevant Issuer Swap Collateral Account at close of business on the previous Business Day.

- 4.3 No Authorised Party shall be permitted to make any withdrawal or transfer from any Issuer Swap Collateral Accounts held with the Issuer Swap Collateral Account Banks to the extent that such withdrawal or transfer causes or will cause such Issuer Swap Collateral Accounts to become overdrawn. The Issuer Swap Collateral Account Banks are not obliged to comply with any Swap Collateral Instruction which would cause any Issuer Swap Collateral Account to become overdrawn and shall incur no liability resulting from compliance or non-compliance with any such Swap Collateral Instruction.
- 4.4 Where any withdrawal or transfer requested under this Agreement cannot by virtue of Clause 4.3 above be made in its entirety, the Issuer Swap Collateral Account Banks shall promptly notify each of the Issuer and the Security Trustee of that fact and provide details of the payment or transfer not made, the date on which it should have been made and (in the case of payments of Cash) the amount of the unpaid amount.
- 4.5 Prior to the service of an Enforcement Notice by the Security Trustee on the Issuer, the Issuer Cash Manager shall give the Issuer Swap Collateral Account Banks Swap Collateral Instructions for the payment or transfer out of the Cash or Securities (as applicable) standing to the credit of the Issuer Swap Collateral Accounts held with the Issuer Swap Collateral Account Banks.
- 4.6 The Issuer, the Issuer Cash Manager and (following service of an Enforcement Notice) the Security Trustee agree to provide the Issuer Swap Collateral Account Banks with all the information that it may require in sufficient time to allow the Issuer Swap Collateral Account Banks to perform its duties and the Issuer Swap Collateral Account Banks are hereby authorised to rely and act upon such Swap Collateral Instructions or information as it shall receive.
- 4.7 Notwithstanding anything to the contrary contained herein, if an Issuer Swap Collateral Account Bank receives notice from the Issuer or the Security Trustee that the security created under the Deed of Charge has become enforceable or that an Enforcement Notice has been served then, until further notice from the Security Trustee:
  - (a) all right, authority and power of the Issuer and the Issuer Cash Manager in respect of the control of the Issuer Swap Collateral Accounts held with the Issuer Swap Collateral Account Banks shall be terminated and of no further effect; and
  - (b) the Issuer Swap Collateral Account Banks shall, with immediate effect, comply with, and be entitled to rely upon, any Swap Collateral



Instruction given by the Security Trustee or any person appointed by the Security Trustee in respect of the Issuer Swap Collateral Accounts held with the Issuer Swap Collateral Account Banks.

- 4.8 In making any transfer or payment from the Issuer Swap Collateral Accounts held with it, the Issuer Swap Collateral Account Banks shall be entitled to rely as to the amount of such payment or transfer on the Authorised Party's Swap Collateral Instructions (and shall have no duty to ensure that any such Swap Collateral Instruction is accurate, correct, or in accordance with this Agreement), and the Issuer Swap Collateral Account Banks shall have no liability to the Issuer, the Security Trustee or any other person for so acting (except in the case of the Issuer Swap Collateral Account Banks' gross negligence, fraud or wilful default in acting in its capacity as Issuer Swap Collateral Account Banks hereunder) nor shall the Issuer Swap Collateral Account Banks have any duty to ensure that withdrawn funds are applied for the purpose for which they were withdrawn.
- 4.9 In making any transfer or payment from the Issuer Swap Collateral Accounts held with it, the Issuer Swap Collateral Account Banks may use (and its performance will be subject to the rules of) any communications, clearing or payment system or other system.
- 4.10 The parties to this Agreement unconditionally agree to the use of any form of telephonic or electronic monitoring or recording by the Issuer Swap Collateral Account Banks as the Issuer Swap Collateral Account Banks deem appropriate for security and service purposes and such recording may be produced as evidence in any proceedings brought in connection with this Agreement.
- 4.11 The Issuer Swap Collateral Account Bank may refuse any Swap Collateral Instruction to hold a particular asset if the Issuer Swap Collateral Account Bank determines, in its sole discretion, that it is prevented from holding the asset by reason of law, regulation, operational disruption or internal policy.
- 4.12 The Issuer or the Security Trustee shall as soon as reasonably practicable following service of an Enforcement Notice notify the Issuer Swap Collateral Account Banks in writing in the event that an Enforcement Notice is served on the Issuer.
- 4.13 Notwithstanding any other provision of this Agreement, the Issuer Swap Collateral Account Banks shall be entitled to make a deduction or withholding from any payment which it makes under this Agreement for or on account of any present or future taxes, duties, assessments or government charges if and to the extent so required by FATCA or applicable law, in which event the Issuer Swap Collateral Account Banks shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted.
- 4.14 The Issuer agrees to provide to the Issuer Swap Collateral Account Banks, and consents to the collection and processing by the Issuer Swap Collateral Account Banks of, any authorisations, waivers, forms, documentation and other information, relating to its status or otherwise required to be reported, under FATCA (*FATCA Information*). The Issuer further consents to the

disclosure, transfer and reporting of such FATCA Information to any relevant government or taxing authority, any member of the Issuer Swap Collateral Account Banks' Group, any sub-contractors, agents, service providers or associates of the Issuer Swap Collateral Account Banks' Group, and any person making payments to the Issuer Swap Collateral Account Banks or a member of the Issuer Swap Collateral Account Banks' Group, to the extent that the Issuer Swap Collateral Account Banks reasonably determine that such disclosure, transfer or reporting is necessary to facilitate compliance with FATCA. The Issuer agrees to inform the Issuer Swap Collateral Account Banks promptly, and in any event, within 30 calendar days in writing if there are any changes to the FATCA Information supplied to the Issuer Swap Collateral Account Banks from time to time.

## **5. AUTHORISED REPRESENTATIVES**

- 5.1 Each Authorised Party shall provide the Issuer Swap Collateral Account Banks with a list of its Authorised Representatives on or prior to the execution of this Agreement. Each Authorised Party undertakes to give the Issuer Swap Collateral Account Banks five Business Days' notice in writing in accordance with Clause 17 (*Notices*) of any amendment to their Authorised Representatives. Any amendment of the Authorised Representatives shall take effect upon the expiry of five Business Days' notice (or such shorter period as agreed by the Issuer Swap Collateral Account Banks in their absolute discretion).
- 5.2 The Issuer Swap Collateral Account Banks shall not be obliged to make any payment or otherwise to act on any Swap Collateral Instruction notified to it under this Agreement if it is unable to verify any signature pursuant to any Swap Collateral Instruction against the specimen signature provided for the relevant Authorised Representative.

## **6. COLLATERAL SECURITIES AND CUSTODY ACCOUNTS**

The Issuer authorises the Issuer Swap Collateral Account Banks to establish on its books, pursuant to the terms of this Agreement one or more Custody Accounts in the name of the Issuer for the receipt, safekeeping and maintenance of Collateral Securities.

## **7. DUTIES OF THE ISSUER CASH SWAP COLLATERAL ACCOUNT BANK**

- 7.1 The Issuer Cash Swap Collateral Account Bank will exercise all reasonable care in the performance of its duties under this Agreement.
- 7.2 The only duties of the Issuer Cash Swap Collateral Account Bank shall be those duties set out in this Agreement and the Issuer Cash Swap Collateral Account Bank and/or any of its Affiliates do not accept responsibilities more extensive than those set out in this Agreement. The Issuer must enter into further documentation with the Issuer Cash Swap Collateral Account Bank in relation to any additional duties or functions which the Issuer wishes the Issuer Cash Swap Collateral Account Bank to perform on behalf of the Issuer.

- 7.3 If the Issuer Cash Swap Collateral Account Bank receives Cash into a Cash Account in a currency other than a currency in which the applicable Cash Account is denominated then, unless the Issuer Cash Swap Collateral Account Bank has received Swap Collateral Instructions to the contrary, the Issuer Cash Swap Collateral Account Bank shall convert the amount received into the currency of such Cash Account at the prevailing rates on the date of receipt (as may be determined by the Issuer Cash Swap Collateral Account Bank in its absolute discretion) for a spot foreign exchange transaction of the relevant type and shall credit the applicable Cash Account with the conversion proceeds.
- 7.4 All Cash held by the Issuer Cash Swap Collateral Account Bank will be held by the Issuer Cash Swap Collateral Account Bank as banker and not as trustee. As a result, Cash shall not be held in accordance with the FCA Client Money Rules.

## **8. LIABILITY OF THE ISSUER SWAP COLLATERAL ACCOUNT BANKS**

- 8.1 Subject to Clause 8.2 below, the Issuer Swap Collateral Account Banks will only be liable to the Issuer and/or the Security Trustee for losses, liabilities, costs, expenses and demands arising directly from the performance of its obligations under this Agreement suffered by or occasioned to the Issuer and/or the Security Trustee (*Liabilities*) to the extent that the Issuer Swap Collateral Account Banks have been negligent, fraudulent or in wilful default in respect of its obligations under this Agreement. The Issuer Swap Collateral Account Banks shall not otherwise be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in connection with this Agreement.
- 8.2 The Liabilities arising under Clause 8.1 do not include any Liabilities arising from the performance by the Issuer Swap Collateral Account Banks of its obligations under this Agreement in respect of the Custody Accounts (the *Custody Account Liabilities*). Standard Condition 13 (*Custodian's Liability*) shall apply to the Custody Account Liabilities as if such Standard Condition has been set out in full under this Clause 8.
- 8.3 Liabilities arising under Clause 8.1 shall be limited to the amount of the Issuer's and/or the Security Trustee's actual loss. Such actual loss shall be determined (i) as at the date of default of the Issuer Swap Collateral Account Banks or, if later, the date on which the loss arises as a result of such default and (ii) without reference to any special conditions or circumstances known to the Issuer Swap Collateral Account Banks at the time of entering into the Agreement, or at the time of accepting any relevant instructions, which increase the amount of the loss. In no event shall the Issuer Swap Collateral Account Banks be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive or consequential damages, whether or not the Issuer Swap Collateral Account Banks have been advised of the possibility of such loss or damages.

- 8.4 The liability of the Issuer Swap Collateral Account Banks under Clause 8.1 will not extend to any Liabilities arising through any acts, events or circumstances not reasonably within its control, or resulting from the general risks of investment in or the holding of assets in any jurisdiction, including, but not limited to, Liabilities arising from: nationalisation, expropriation or other governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules or practice, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God, war, terrorism, insurrection or revolution; and strikes or industrial action.
- 8.5 The Issuer Swap Collateral Account Banks may in connection with its acting as such under this Agreement:
- (a) engage and (at, provided that any such fees are reasonably incurred and documented, the expense of the Issuer) pay for lawyers selected by it, or consult with lawyers to any other party to this Agreement, and it shall be protected and shall incur no liability for action taken or suffered to be taken or omitted to be taken in good faith and in accordance with the opinion or advice of such lawyers save where the same results from the gross negligence, wilful misconduct or fraud of the Issuer Swap Collateral Account Banks in engaging any such banker, banking company, lawyer, accountant or other professional adviser or expert as aforesaid. The Issuer Swap Collateral Account Banks may also engage and (at, provided that any such fees are reasonably incurred and documented, the expense of the Issuer) pay for the advice or services of any banker, banking company, lawyer, accountant or any other professional advisers or experts whose advice or services may to it seem necessary, expedient or desirable and rely and act upon any advice so obtained for the performance of their respective duties and services hereunder and shall not be responsible for any loss occasioned by so acting save where the same results from the gross negligence, wilful misconduct or fraud of the Issuer Swap Collateral Account Banks in engaging any such banker, banking company, lawyer, accountant or other professional adviser or expert as aforesaid;
  - (b) rely on any communication or document reasonably believed by it to be genuine;
  - (c) assume that no Enforcement Notice has been given and that no other party to this Agreement is in breach of or default under its obligations hereunder, unless it has actual notice to the contrary;
  - (d) assume that all conditions for the making of any payment out of the amount standing to the credit of the Issuer Swap Collateral Accounts held with it which are specified in any Swap Collateral Instruction from the Issuer, the Issuer Cash Manager or (as applicable) the

Security Trustee have been satisfied, unless it has actual notice to the contrary; and

- (e) rely on any communication or document of any kind prima facie properly executed and submitted by any person whom the Issuer Swap Collateral Account Banks have reasonable grounds to believe is entitled to execute and submit such document in relation to any matter arising under or in connection with this Agreement, including (but not limited to) any document sent by any means requiring manual intervention.

8.6 Notwithstanding anything to the contrary express or implied herein, the Issuer Swap Collateral Account Banks shall not:

- (a) be bound to enquire as to the occurrence or otherwise of an Event of Default, the service of an Enforcement Notice or the performance by any other party to this Agreement or the other Transaction Documents of its obligations hereunder or thereunder or be affected by notice of any of the same;
- (b) be bound to account to any other party hereto for any sum or the profit element of any sum received by it for its own account;
- (c) save as provided in this Agreement, be bound to disclose to any other person any information relating to any other party hereto;
- (d) have any responsibility to ensure that the information set out and any instruction received by it hereunder is correct or to check or to enquire as to or otherwise be affected by whether any condition has been or will be met or fulfilled or any Swap Collateral Instruction is properly given on behalf of the person from whom it purports to be given or any instruction is given properly other than to exercise the banker's duty of care; or
- (e) have any responsibility to any party if any instruction which should be given by the Issuer, the Issuer Cash Manager or the Security Trustee to the Issuer Swap Collateral Account Banks under and in connection with this Agreement is for any reason not received by the Issuer Swap Collateral Account Banks or is not made at the time it should be made.

8.7 No printed or other matter in any language which mentions an Issuer Swap Collateral Account Bank's name or the rights, powers, or duties of the Issuer Swap Collateral Account Bank shall be publicly issued by any party on its behalf unless the relevant Issuer Swap Collateral Account Bank shall first have given its express written consent thereto.

8.8 Each Issuer Swap Collateral Account Bank shall be obliged to perform such duties and only such duties as are set out in this Agreement and the Standard Custody Terms and Conditions and no implied duties or obligations shall be read into this Agreement or the Standard Custody Terms and Conditions against the Issuer Swap Collateral Account Bank other than the duty to act honestly and in good faith and to exercise the diligence of a reasonably prudent agent in comparable circumstances.

- 8.9 Each of the parties to this Agreement agrees that it will not assert or seek to assert against any director, officer or employee of any other party to this Agreement any claim it might have against that party in respect of this Agreement.
- 8.10 The Issuer Swap Collateral Account Banks shall not be under any duty to give the amounts held by it hereunder any greater degree of care than it gives to amounts held for its general banking customers.
- 8.11 Nothing in this Agreement shall require the Issuer Swap Collateral Account Banks to assume an obligation of the Issuer arising under any provision of the listing, prospectus, disclosure or transparency rules (or equivalent rules of any other competent authority besides the Financial Conduct Authority).
- 8.12 Any of the Issuer Swap Collateral Account Banks, its officers, directors and employees may become the owner of, and/or acquire any interest in, any Notes with the same rights that it or he would have had if the Issuer Swap Collateral Account Banks were not appointed under this Agreement, and may engage or be interested in any financial or other transaction with the Issuer, and may act on, or as depository, trustee or agent for, any committee or body of holders of Notes or other obligations of the Issuer, as freely as if the Issuer Swap Collateral Account Banks were not appointed under this Agreement without regard to the interests of the Issuer and shall be entitled to retain and shall not in any way be liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.
- 8.13 The Issuer Swap Collateral Account Banks shall have no duty in respect of or responsibility for any default by the Issuer in the performance of its obligations under the Transaction Documents or the Conditions.
- 8.14 The Issuer Swap Collateral Account Banks shall not be under any obligation to take any action under this Agreement which it expects will result in any expense or liability accruing to it, the payment of which within a reasonable time is not, in its opinion, assured to it.
- 8.15 The Issuer Swap Collateral Account Banks shall be entitled to take any action or to refuse to take any action, and shall have no liability for any liability or loss resulting from taking or refusing to take action, which the Issuer Swap Collateral Account Banks regards as necessary for the Issuer Swap Collateral Account Banks to comply with any applicable law, regulation or requirement (whether or not having the force of law) of any central bank or governmental or other regulatory authority affecting it, or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system.
- 8.16 In acting under this Agreement and in connection with the Notes, the Issuer Swap Collateral Account Banks shall act solely as a banker of the Issuer and/or (as applicable) the Security Trustee and will not assume any obligation or responsibility towards or relationship of agency or trust for or with any of the owners or holders of the Notes or any other third party.

- 8.17 The obligations of the Issuer Swap Collateral Account Banks and the Issuer Cash Manager under this Agreement are several and not joint.

## **9. INTEREST**

- 9.1 The Cash Accounts maintained by the Issuer Cash Swap Collateral Account Bank shall bear interest at the rate as agreed from time to time between the Issuer and the Issuer Cash Swap Collateral Account Bank provided that the Issuer Cash Swap Collateral Account Bank may, at any time, apply a new rate of interest to each of the Cash Accounts, which new rate shall be effective on a date no less than 30 Business Days after the Issuer Cash Swap Collateral Account Bank has given written notice to the Issuer and the Issuer Cash Manager of the same.
- 9.2 Interest shall be credited to the relevant Issuer Swap Collateral Account in accordance with the Issuer Swap Collateral Account Banks' usual procedures for crediting interest to such account.

## **10. ADDITIONAL REPRESENTATION AND WARRANTY OF THE ISSUER SWAP COLLATERAL ACCOUNT BANKS**

In addition to the representations and warranties provided under Standard Condition 12 (*Custodian's Representations and Warranties*), each Issuer Swap Collateral Account Bank represents and warrants to the other parties to this Agreement on a continuing basis that it is a bank for the purposes of Section 991 of the Income Tax Act 2007, is entering into this Agreement in the ordinary course of its business, will pay interest pursuant hereto in the ordinary course of such business, will bring into account payments (other than deposits) made under this Agreement in computing its income for United Kingdom Tax purposes and undertakes that it will not cease to be so or to do so otherwise than as a result of the introduction of, change in, or change in the interpretation, administration or application of, any law or regulation or any practice or concession of the United Kingdom Inland Revenue occurring after the date of this Agreement.

## **11. ADDITIONAL UNDERTAKINGS BY THE ISSUER SWAP COLLATERAL ACCOUNT BANKS**

- 11.1 In the event that the Issuer Securities Swap Collateral Account Bank delegates the safe custody of Property to a Sub-Custodian pursuant to Standard Condition 3 (*Sub-Custodians*), each Issuer Swap Collateral Account Bank undertakes to provide the Basis Rate Swap Provider, the Issuer, the Issuer Cash Manager and the Security Trustee in a timely manner such information regarding the relevant Sub-Custodian as the Basis Rate Swap Provider, the Issuer, the Issuer Cash Manager or the Security Trustee may request.
- 11.2 The Issuer Securities Swap Collateral Account Bank covenants to the Issuer that it will only exercise its right to delegate pursuant to Standard Condition 3 (*Sub-Custodians*) (i) where it is only able to provide a particular Service to the Issuer through a Delegate or (ii) with the prior written consent of the Issuer (or the Issuer Cash Manager on the Issuer's behalf) and the Security Trustee.

- 11.3 The Issuer Cash Swap Collateral Account Bank covenants to the Issuer that it will not exercise its right to delegate pursuant to Standard Condition 3 (*Sub-Custodians*).

## 12. LIEN AND RIGHTS OF SET-OFF

- 12.1 The Issuer Swap Collateral Account Banks hereby:
- (a) waives any right it has or may hereafter acquire to combine, consolidate or merge any Issuer Swap Collateral Account with any other account of the Issuer Cash Manager, the Issuer, any Seller, the Security Trustee or any other person or any liabilities of the Issuer Cash Manager, the Issuer, any Seller, the Security Trustee or any other person owing to it;
  - (b) agrees that it will not exercise any lien over any Securities held in any Custody Account or, to the extent permitted by law, any set-off or transfer any sum standing to the credit of or to be credited to any Cash Account in or towards satisfaction of any liabilities of the Issuer Cash Manager, the Issuer, the Seller, the Security Trustee or any other person owing to it other than as permitted herein;
  - (c) acknowledges and agrees that any obligations of the Issuer to the Issuer Swap Collateral Account Banks in respect of amounts owing to the Issuer Swap Collateral Account Banks pursuant to this Agreement are subject to the Priorities of Payment; and
  - (d) acknowledges that the Issuer has, pursuant to clause 3.4 of the Deed of Charge, *inter alia*, assigned by way of security and/or charged all its rights, title, interest and benefit, present and future, in and to, all sums from time to time standing to the credit of the Cash Accounts and all Securities from time to time credited to the Custody Accounts to the Security Trustee.
- 12.2 Where a depositary is involved in relation to Issuer assets, such depositary may have a security interest or lien over, or a right of set-off in relation to, the relevant Issuer assets.

## 13. REMUNERATION AND INDEMNITY

- 13.1 The Issuer shall pay to each Issuer Swap Collateral Account Bank for its services under this Agreement such fees, costs and expenses in respect of its services as shall be agreed in writing between the Issuer and the relevant Issuer Swap Collateral Account Banks from time to time (the ***Issuer Swap Collateral Account Banks' Fees***) in accordance with the Priorities of Payments.
- 13.2 Subject to and in accordance with the provisions of this Agreement, the Issuer will promptly reimburse each Issuer Swap Collateral Account Bank for all reasonable out-of pocket expenses incurred by the relevant Issuer Swap Collateral Account Bank in performance of its role under this Agreement (including, but not limited to, all legal fees, stamp and other documentary



duties or taxes and expenses incurred in connection with the preparation and negotiation of this Agreement).

- 13.3 The fees, commissions and expenses payable to each Issuer Swap Collateral Account Bank for services rendered and the performance of its obligations under this Agreement shall not be abated by any remuneration or other amounts or profits receivable by the relevant Issuer Swap Collateral Account Bank (or to its knowledge by any of its associates) in connection with any transaction effected by such Issuer Swap Collateral Account Bank with or for the Issuer or the Basis Rate Swap Provider.
- 13.4 The Issuer will indemnify each Issuer Swap Collateral Account Bank against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all reasonable costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) which it may incur or which may be made against it arising out of or in relation to or in connection with its appointment or the exercise of its functions, except such as may result from its own wilful default, negligence or fraud or that of its officers or employees. Notwithstanding any other provision of this Agreement, the Issuer shall indemnify each Issuer Swap Collateral Account Bank against any liability or loss howsoever incurred in connection with the Issuer's obligation to withhold or deduct an amount of tax, except such as may result from its own wilful default, negligence or fraud or that of its officers or employees. This indemnity shall survive termination of this Agreement or the resignation or replacement of the Issuer Swap Collateral Account Banks.

## **14. TERMINATION**

- 14.1 The Issuer or the Issuer Cash Manager on its behalf:
- (a) shall terminate this Agreement with respect of the relevant Issuer Swap Collateral Account Bank and close the relevant Swap Collateral Accounts in the event any of the matters specified in paragraphs (b)(ii) to (b)(vi) below occur in relation to a particular Issuer Swap Collateral Account Bank; and
  - (b) may (with the prior written consent of the Security Trustee) terminate this Agreement with respect of the relevant Issuer Swap Collateral Account Bank and close the relevant Issuer Swap Collateral Accounts in the event any of the matters specified in paragraphs (b)(i), (b)(vii) and (b)(viii) below occur in relation to a particular Issuer Swap Collateral Account Bank, in each case, by serving a written notice of termination on the relevant Issuer Swap Collateral Account Bank in the following circumstances:
    - (i) if a deduction or withholding for or on account of any Tax is imposed or it appears likely that such a deduction will be imposed, in respect of the interest payable on any of the Cash Accounts or Collateral Accounts; or (ii) if a deduction or withholding is required pursuant to FATCA or it appears likely that such a deduction or withholding will be imposed, in respect

of any amount payable or receivable by a Swap Collateral Account Bank pursuant to this Agreement; or

- (ii) in respect of an Issuer Swap Collateral Account Bank the rating of the relevant Issuer Swap Collateral Account Bank falls below the Account Bank Required Rating and one of the following events has not occurred within 30 calendar days of such downgrade:
  - (A) the relevant Issuer Swap Collateral Account has been closed and a replacement account opened with a bank which has the Account Bank Required Rating (the Issuer, or the Issuer Cash Manager on its behalf, will use reasonable endeavours to ensure that any such bank shall enter into an agreement in form and substance similar to this Agreement); or
  - (B) such other action has been taken in relation to the relevant Account that the Administrator confirmed will not, in its opinion formed on the basis of due consideration (with reference to the then current rating criteria of Fitch or Moody's (as applicable)), result in the then current ratings of any class of the Notes being downgraded, withdrawn or qualified by the Rating Agencies; or
  - (C) such other action has been taken in relation to the relevant Account as is directed by an Extraordinary Resolution of the Class A Noteholders, or if there are no Class A Notes outstanding, the Class M Noteholders, or if there are no Class M Notes outstanding, the Class Z Noteholders (in accordance with the Conditions and the Transaction Documents).

For the avoidance of doubt, the relevant Issuer Swap Collateral Account Bank has no responsibility for taking any of the steps described in (A) to (C) above. The Issuer or the Issuer Cash Manager on its behalf will inform the Rating Agencies of any action described in (A) to (C) above; or

- (iii) if an Issuer Swap Collateral Account Bank, otherwise than for the purposes of such solvent amalgamation or reconstruction as is referred to in paragraph (iv) below, ceases or, through an authorised action of the board of directors of an Issuer Swap Collateral Account Bank, threatens to cease to carry on all or substantially all of its business or is deemed unable to pay its debts as and when they fall due within the meaning of section 123(1)(a) of the Insolvency Act (on the basis that the reference in such section to £750 was read as a reference to £10 million), section 123(1)(c) (on the basis that the words 'for a sum exceeding £10 million' were inserted after the words 'extract

registered bond' and 'extract registered protest') and section 123(2) of the Insolvency Act or ceases to be an authorised institution under FSMA; or

- (iv) if an order is made or an effective resolution is passed for the winding-up of an Issuer Swap Collateral Account Bank except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction the terms of which have previously been approved in writing by the Security Trustee and subject to Clause 21 (*Merger*); or
- (v) if proceedings are initiated against an Issuer Swap Collateral Account Bank under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation (other than a reorganisation where an Issuer Swap Collateral Account Bank are solvent) or other similar laws (including, but not limited to, presentation of a petition for an administration order, 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) and (except in the case of presentation of petition for an administration order, 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) such proceedings are not, in the opinion of the Security Trustee, being disputed in good faith with a reasonable prospect of success or an administration order is granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official is appointed in relation to an Issuer Swap Collateral Account Bank or in relation to the whole or any substantial part of the undertaking or assets of an Issuer Swap Collateral Account Bank, or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of an Issuer Swap Collateral Account Bank, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of an Issuer Swap Collateral Account Bank and such possession or process (as the case may be) is not discharged or otherwise ceases to apply within 30 calendar days of its commencement, or an Issuer Swap Collateral Account Bank initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness; or
- (vi) if a default is made by an Issuer Swap Collateral Account Bank in the payment, on the due date, of any payment due and

payable by it under this Agreement and such default continues unremedied for a period of five Business Days after the earlier of an Issuer Swap Collateral Account Bank becoming aware of such default and receipt by an Issuer Swap Collateral Account Bank of written notice from the Issuer, the Issuer Cash Manager and/or (following service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or

- (vii) if a default is made by an Issuer Swap Collateral Account Bank in the performance or observance of any of its other covenants and obligations under this Agreement, which (A) in the opinion of the Note Trustee is materially prejudicial to the interests of the Noteholders or (B) if no Notes are then outstanding, the other Secured Creditors confirm in writing to the Security Trustee is materially prejudicial to their interests and such default continues unremedied for a period of twenty Business Days after the earlier of an Issuer Swap Collateral Account Bank becoming aware of such default and receipt by an Issuer Swap Collateral Account Bank of written notice from the Issuer, the Issuer Cash Manager and/or (following service of an Enforcement Notice) the Security Trustee requiring the same to be remedied; or
- (viii) if an Early Termination Event is designated in respect of all outstanding transactions under the Basis Rate Swap Agreements and payment of all amounts determined pursuant to Section 6(e) of the Basis Rate Swap Agreements has been made in full,

**provided that:**

- (a) such termination shall not be effective until (x) a replacement financial institution or institutions (in each case, which has the Account Bank Required Rating) chosen by the Issuer Cash Manager (with the prior written consent of the Security Trustee) shall have entered into an agreement on terms substantially similar to those set out in this Agreement and (y) all amounts standing to the credit of the Swap Collateral Accounts shall have been transferred to equivalent accounts in the name of the Issuer at such replacement institution, **provided that** (i) where the Issuer (or the Issuer Cash Manager on behalf of the Issuer) determines that it is not practicable, taking into account the then prevailing market conditions, to agree terms substantially similar to those set out in this Agreement, the Issuer (or the Issuer Cash Manager on behalf of the Issuer) shall have certified in writing to the Security Trustee that, to the extent the terms are not substantially similar as aforementioned, such terms are fair and commercial terms taking into account the then prevailing current market conditions, which certificate shall be conclusive and binding on all parties and the Secured Creditors, (ii) the Security Trustee shall not be obliged to enter into any such arrangements if to do so would, in the sole opinion of the Security

Trustee, have the effect of increasing the obligations or duties, or decreasing the protections, of the Security Trustee in the Transaction Documents and/or the Conditions and (iii) the Administrator has confirmed in writing that, in its opinion, formed on the basis of due consideration (with reference to the then current rating criteria of Fitch or Moody's (as applicable)), the then current rating of the Notes will not be downgraded, qualified or withdrawn by the Rating Agencies as a result of such termination; and

- (b) the Issuer Cash Manager and the Issuer shall use reasonable endeavours to agree such terms with such a replacement financial institution or institutions within 30 calendar days of the date of the termination notice referred to above. In the event of such termination the relevant Issuer Swap Collateral Account Bank shall use reasonable endeavours to assist the other parties hereto to effect an orderly transition of the banking arrangements documented hereby and shall transfer all Cash and Securities standing to the credit of the Issuer Swap Collateral Accounts to the accounts with the replacement financial institution notified to it by the Issuer or the Issuer Cash Manager.
- 14.2 The Issuer shall reimburse the relevant Issuer Swap Collateral Account Bank for its reasonable costs and any amount in respect of Irrecoverable VAT thereon (including reasonable costs and expenses) incurred during the period of, and until completion of, the transfer, except in circumstances where the transfer has occurred in the case of the Issuer Swap Collateral Account Bank, due to the termination of its appointment pursuant to paragraph 14.1(b)(ii) to 14.1(b)(viii) of Clause 14.1.
- 14.3 Following the service of an Enforcement Notice, the Security Trustee may serve a notice of termination at any time on an Issuer Swap Collateral Account Bank (with a copy to all the parties to this Agreement) and neither an Issuer Swap Collateral Account Bank nor the Security Trustee shall be responsible for any costs or expenses occasioned by such termination and cessation.
- 14.4 An Issuer Swap Collateral Account Bank may terminate this Agreement and cease to operate the Issuer Swap Collateral Accounts at any time on giving not less than 30 calendar days' prior written notice thereof ending on any Business Day which does not fall on either an Interest Payment Date or a date less than ten Business Days before an Interest Payment Date to each of the other parties hereto without assigning any reason therefor, provided that such termination shall not take effect until (i) a replacement financial institution or institutions (in each case, which has the Account Bank Required Rating) chosen by the Issuer Cash Manager (with, unless such replacement financial institution has the Account Bank Required Rating, the prior written consent of the Security Trustee and the Seller) shall have entered into an agreement on terms substantially similar to those set out in this Agreement and (ii) all amounts standing to the credit of the Issuer Swap Collateral Accounts shall have been transferred to equivalent accounts in the name of the Issuer at such replacement institution, provided that (a) where the Issuer (or the Issuer Cash Manager on behalf of the Issuer) determines that it is not practicable, taking

into account the then prevailing market conditions, to agree terms substantially similar to those set out in this Agreement, the Issuer (or the Issuer Cash Manager on behalf of the Issuer) shall have certified in writing to the Security Trustee that, to the extent the terms are not substantially similar as aforementioned, such terms are fair and commercial terms taking into account the then prevailing current market conditions, which certificate shall be conclusive and binding on all parties and the Secured Creditors, (b) the Security Trustee shall not be obliged to enter into any such arrangements if to do so would, in the sole opinion of the Security Trustee, have the effect of increasing the obligations or duties, or decreasing the protections, of the Security Trustee in the Transaction Documents and/or the Conditions. In the event of such termination and cessation the relevant Issuer Swap Collateral Account Bank shall use reasonable endeavours to assist the other parties hereto to effect an orderly transition of the banking arrangements documented hereby and (c) the Administrator has confirmed in writing that, in its opinion, formed on the basis of due consideration (with reference to the then current rating criteria of Fitch or Moody's (as applicable)), the then current rating of the Notes will not be downgraded, qualified or withdrawn by the Rating Agencies as a result of such termination.

- 14.5 If an Issuer Swap Collateral Account Bank gives notice of its resignation in accordance with Clause 14.4 and by the tenth day before the expiry of such notice a successor has not been duly chosen by the Issuer (with, as applicable, the consent of the Security Trustee and the Seller) in accordance with this Agreement, an Issuer Swap Collateral Account Bank may itself, following such consultation with the Issuer as is practicable in the circumstances and with the prior written consent of the Security Trustee, the Seller and the Issuer, appoint as its successor any reputable and experienced financial institution which has the Account Bank Required Rating.
- 14.6 Upon termination of the appointment of an Issuer Swap Collateral Account Bank under this Agreement, the relevant Issuer Swap Collateral Account Bank shall in accordance with all applicable laws immediately deliver to the Issuer or as the Issuer shall direct (and in the meantime shall hold as banker for, and to the order of, the Issuer) or, if an Enforcement Notice has been served on the Issuer, deliver to, or to the order of, the Security Trustee or as the Security Trustee shall direct (and in the meantime shall hold as banker for, and to the order of, the Security Trustee):
- (a) all moneys and other assets then held by that Issuer Swap Collateral Account Bank for the account of such parties; and
  - (b) all statements in its possession or under its control relating to the affairs of or belonging to the Issuer, and shall take such further action as the Issuer (or, if an Enforcement Notice has been served on the Issuer, the Security Trustee) may reasonably direct, provided that such Issuer Swap Collateral Account Bank shall be entitled to take such copies of the foregoing (at its expense) as are required for taxation, regulatory and/or audit purposes or as otherwise required by law.

## 15. FURTHER ASSURANCE

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

## 16. CONFIDENTIALITY

Each party to this Agreement agrees at all times, up to and including the second anniversary of the Final Discharge Date, that it shall keep confidential and will not disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any party to the Transaction Documents, which it may have obtained as a result of the execution or performance of any Transaction Document, **provided however that** the provisions of this Clause 16 (*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; and
- (k) to the extent that the recipient needs to disclose the same for the exercise, protection or enforcement of any of its rights under any of the Transaction Documents,

## **17. NOTICES**

- 17.1 The provisions of clause 22 (*Notices*) of the Deed of Charge shall apply to this Agreement in respect of the parties hereto as if set out in this Agreement in full, mutatis mutandis.
- 17.2 Notwithstanding the provisions of Clause 17.1 above, irrevocable instructions to an Issuer Swap Collateral Account Bank to effect payment on any date will not be deemed to have been received unless and until actual receipt of such instructions in legible form by the relevant Issuer Swap Collateral Account Bank.
- 17.3 Each Issuer Swap Collateral Account Bank covenants and undertakes that, upon receipt of any such payment instructions in an illegible form, it will immediately notify the party from whom such payment instructions were received.

## **18. WITHHOLDING**

- 18.1 Each Issuer Swap Collateral Account Bank shall make all payments of interest (in respect of interest payable on credit balances on each Cash Account) under this Agreement in full without any deduction or withholding (whether in respect of set-off, counterclaim, duties, Taxes, charges or otherwise whatsoever) unless a deduction or withholding is required by law, in which event the relevant Issuer Swap Collateral Account Bank shall:
  - (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;
  - (b) pay to the relevant taxation or other authorities within the period for payment permitted by applicable law the full amount of the deduction or withholding;
  - (c) furnish to the Issuer within the period for payment permitted by the relevant law, either:



- (i) an official receipt of the relevant taxation authorities involved in respect of all amounts so deducted or withheld; or
  - (ii) if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and
- (d) in the case of an Issuer Swap Collateral Account Bank, account to the Issuer in full by credit to the Issuer Swap Collateral Account of an amount equal to the applicable amount of any rebate, repayment or reimbursement of any deduction or withholding which that Issuer Swap Collateral Account Bank has made pursuant to this Clause 18 (*Withholding*) and which is subsequently received by that Issuer Swap Collateral Account Bank.

## **19. ASSIGNMENT**

- 19.1 Except as stated in Clauses 19.2, 19.3, 19.4 and 19.5 below, no party to this Agreement is permitted to assign or transfer any of its rights and obligations under this Agreement without the prior written consent of the other parties to this Agreement.
- 19.2 The Security Trustee may assign its rights under this Agreement to any additional or successor trustee or trustees under the Deed of Charge.
- 19.3 The Basis Rate Swap Provider may assign its rights under this Agreement to any successor or transferee Basis Rate Swap Provider under the Basis Rate Swap Agreements.
- 19.4 The Issuer hereby consents to the assignment or transfer of the benefit and burden of this Agreement by the Issuer Swap Collateral Account Banks to an Affiliate of the Issuer Swap Collateral Account Banks subject to:
- (a) the Issuer Swap Collateral Account Banks giving the Issuer and the Issuer Cash Manager not less than twenty Business Days' notice unless it is impracticable in the circumstances to do so of such assignment or transfer;
  - (b) the Affiliate having the Account Bank Required Rating; and
  - (c) all burdens assumed by the Affiliate following such transfer being guaranteed by the Issuer Swap Collateral Account Banks.
- 19.5 The Issuer may assign its rights under this Agreement pursuant to the Deed of Charge.
- 19.6 For the avoidance of doubt, neither this Clause 19 (*Assignment*) nor any other provision of this Agreement shall be without prejudice to any entitlement of the Beneficiaries under the operation of the law as generally applicable to trusts to join in calling for the transfer to them or vesting in them jointly (or at their direction) of the legal estate in or full ownership of all or any part of the Trust Property.

## **20. BASIS RATE SWAP PROVIDER**

In the event that there is any change in the identity of the Basis Rate Swap Provider in accordance with the Basis Rate Swap Agreements, the outgoing Basis Rate Swap Provider, the Issuer Cash Manager, the Issuer Swap Collateral Account Banks and the Issuer shall execute such documents and take such actions as are reasonably required for the purpose of vesting in such new swap provider the rights of that outgoing Basis Rate Swap Provider under this Agreement and releasing the retiring Basis Rate Swap Provider from further obligations hereunder.

## **21. MERGER**

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

## **22. ENTIRE AGREEMENT**

22.1 Each party to this Agreement agrees that:

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

22.2 This Clause 22 (*Entire Agreement*) shall not exclude any liability for fraudulent misrepresentation.

22.3 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 Agreement or breach of trust by such person.

## **23. OBLIGATIONS AS CORPORATE OBLIGATIONS**

23.1 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 Agreement.

## **24. 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 Agreement remain in force after the date on which they were expressed to take effect until the Final Discharge Date.

## **25. AMENDMENTS**

No amendment or waiver of any provision of this Agreement 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.

## **26. WAIVERS**

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

## **27. THE SECURITY TRUSTEE**

The Security Trustee has agreed to become a party to this Agreement for the purpose of taking the benefit of, and assuming obligations under, the provisions of this Agreement expressly stated to be for the benefit of or to be assumed by the Security Trustee, for the avoidance of doubt, (including, all future rights and obligations created pursuant to this Agreement) and for the better preservation and enforcement of its rights and the rights of the Secured Creditors under the Deed of Charge and hereunder but shall have no responsibility for any of the obligations of nor assume any liabilities to, any other party to this Agreement. The parties to this Agreement acknowledge that the rights and obligations of the Security Trustee under this Agreement are

governed by the Deed of Charge and the provisions for indemnifying the Security Trustee contained therein shall apply *mutatis mutandis* to this Agreement.

## **28. THIRD PARTY RIGHTS**

A person who is not a party to this Agreement 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. SEVERABILITY**

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

## **30. COUNTERPARTS**

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

## **31. NOTICE AND ACKNOWLEDGEMENT**

31.1 The Issuer hereby gives notice to the Issuer Swap Collateral Account Banks and the Issuer Swap Collateral Account Banks hereby acknowledge that pursuant to the Deed of Charge, 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*) of the Deed of Charge assigned to the Security Trustee, all of its rights, titles, benefits and interests, present and future, in, to and under this 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.

31.2 Notwithstanding the assignments, charges and security interests granted under or pursuant to the Deed of Charge, each of the Issuer Swap Collateral Account Banks acknowledge that:

- (a) each Issuer Swap Collateral Account Bank and each other party to any Transaction Document may continue to make all payments becoming due to the Issuer under this Agreement (if any) until the receipt of

written notice from the Security Trustee or any Receiver requiring payments to be made otherwise; and

- (b) until the Issuer Security becomes enforceable in accordance with the Deed of Charge, the Issuer shall be entitled to exercise its rights, powers and discretions and perform its obligations in relation to this Agreement.

### **32. GOVERNING LAW**

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

### **33. JURISDICTION**

#### **Submission to Jurisdiction**

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

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

**Schedule 1**  
**Authorised Representatives**

**Issuer Cash Manager**

## Schedule 2 Standard Custody Terms and Conditions

### 1. INTERPRETATION

1.1 Whenever used in these Terms and Conditions, the following words will have the meaning set out below:

“**Account**” means the Issuer Securities Swap Collateral Account and the Issuer Cash Swap Collateral Account;

“**Additional Damages**” will have the meaning set out in clause 13.1.3;

“**Affiliate**” means a parent company, its parent companies and any of its or their Subsidiaries or Subsidiary Undertakings;

“**Agreement**” means these Terms and Conditions (including its Appendixs) as each may be amended from time to time;

“**Applicable Law**” as the context may require is a reference to the laws, rules, regulations, guidance and market practice applicable in any Local Jurisdiction;

“**Assets**” means Securities and Cash;

“**Authorised Persons**” will have the meaning set out in clause 4.1;

“**Business Day**” means, in relation to anything done or to be done in the United Kingdom or which is not related to any particular market, any day other than a Saturday, a Sunday or a public holiday in the United Kingdom and, in relation to anything done or to be done by reference to a market outside the United Kingdom, any day on which that market is normally open for business;

“**Business Hours**” means hours during which the Custodian or the relevant Sub-Custodian or a Depository (as the case may be) is open for business on any Business Day;

“**Cash**” means any cash held in the Issuer Cash Swap Collateral Account;

“**Confidential Information**” will have the meaning set out in clause 19;

“**Corporate Actions**” will have the meaning set out in clause 8.1;

“**Depository**” means any central securities depository, any securities settlement system, any clearing house, any book-entry securities system or any similar depository, system or facility including, without limitation, *CREST*, *Clearstream*, *Euroclear* and *the Depository Trust Company*;

“**Disaster**” will have the meaning set out in clause 15;

“**Income**” means all income of whatsoever nature (including without limitation dividends, interest and tax credits) and other payments with respect to the Assets to which the Issuer is entitled;

“**Information**” includes any information, reports or other data;

“**Instructions**” will have the meaning set out in clause 4.2;

“**Internet**” shall have the meaning set out in clause 4.5.1;

“**Internet Site**” means the secure internet site through which the Custodian will provide the Neolink Service to the Issuer;

“**Issuer Cash Swap Collateral Account**” will have the meaning set out in clause 5.1;

“**Issuer Securities Swap Collateral Account**” has the meaning set out in clause 5.2;



“**Legislation**” will have the meaning set out in clause 16;

“**Liabilities**” means the Issuer's obligation to repay or redeliver to the Custodian all Cash or Securities that may be advanced from time to time to the Issuer for any purpose, including any overdraft, together with any other liability that the Issuer incurs to the Custodian or the Custodian incurs on behalf of the Issuer in connection with these Terms and Conditions, and includes all liabilities present and future, prospective or contingent and whether the amount is fixed or liquidated, unascertained or unliquidated or arises under general law or by statute or regulation or the law in any jurisdiction;

“**Local Jurisdiction**” means the jurisdiction in which the Securities or any of them (as the case may be) are held;

“**Losses**” means any and all claims, losses, liabilities, damages, judgements, costs, fees and expenses (including reasonable legal fees and expenses) suffered or incurred by the Custodian or the Issuer (as the case may be);

“**Manager**” means any person or entity appointed by the Issuer from time to time to manage the Assets and notified in writing in the agreed form to the Custodian by two Authorised Persons;

“**Neolink Accounts**” shall mean (i) in respect of the Issuer itself (or any of those Authorised Persons designated by the Issuer, save the Managers) all the Issuer's Issuer Securities Swap Collateral Accounts and Issuer Cash Swap Collateral Accounts and (ii) in respect of each of the Managers, Property in the Issuer's Issuer Securities Swap Collateral Accounts and Issuer Cash Swap Collateral Accounts managed by that particular Manager;

“**Neolink Instruction**” means any message received by the Custodian from a Neolink User through the Neolink Service. Any Neolink Instruction shall be deemed to be an Instruction;

“**Neolink Service**” means (i) secured access on the Internet Site to give Neolink Instructions with a SecurID Card and (ii) secured access on the Internet Site to check Neolink Accounts with a Password;

“**Neolink Users**” means (i) the Issuer and (ii) such other Authorised Persons to whom the Issuer may, from time to time (in accordance with clause 4 of the Agreement) direct the Custodian to provide Neolink Services;

“**Nominee**” means a nominee company;

“**Non-UK Securities**” means Securities held outside the United Kingdom;

“**Parties**” means the parties to these Terms and Conditions and “**Party**” will be construed accordingly;

“**Password**” means a confidential code provided by the Custodian to the Issuer and/or the Neolink Users to secure its access to the Internet Site to use the Neolink Service;

“**Regulations**” has the meaning set out in clause 16;

“**Secure ID Card**” means a card to be given by the Custodian to the Issuer and/or the Neolink Users which allows the Neolink Users to be identified on the Internet Site and to provide secure access to the Neolink Service;

“**Securities**” means any securities and custody assets, including without limitation shares, stocks, derivatives, bonds, units in collective investment schemes, depositary receipts or other similar property (including evidence of securities or title thereto and all rights in respect thereof), held for the Issuer pursuant to these Terms and Conditions;

“**Security Interest**” means any mortgage, charge, pledge, lien, right of set-off, security interest, encumbrance or claim of whatsoever nature in favour of a third party;

“**Services**” means the services to be provided by the Custodian to the Issuer during the term of these Terms and Conditions in accordance with the provisions of these Terms and Conditions, as such services may be enhanced, reduced, removed, modified or otherwise altered from time to time in accordance with these Terms and Conditions

“**Specified Sub-Custodian**” means any sub-custodian appointed by the Custodian in accordance with clause 3.1 for the safekeeping, administration of any Securities and identified in Appendix 1 (Specified Sub-Custodians) (as the same may be amended from time to time by the Custodian in accordance with these Terms and Conditions);

“**Sub-Custodian**” means any sub-custodian appointed by the Custodian in accordance with clause 3.1 for the safekeeping, administration, clearing and settlement of any Securities, including without limitation any Specified Sub-Custodian;

“**Subsidiary**” has the meaning ascribed thereto by section 1159 of the Companies Act 2006;

“**Subsidiary Undertaking**” has the meaning set out in section 1162 Companies Act 2006;

“**Technical Means**” means all security devices and procedures (including, but not limited to, the SecurID card, user identifications and Passwords) necessary for the Issuer and/or Neolink Users to access the Neolink Service;

“**Technical Specifications**” the technical requirements necessary for the Issuer to use the Neolink Service as notified to the Issuer and/or Neolink Users from time to time;

“**UK Securities**” means Securities held in the United Kingdom; and

“**Verification**” has the meaning given to it in clause 4.13.3;

- 1.2 As used in these Terms and Conditions, each gender includes each other gender and the singular includes the plural and *vice versa*.
- 1.3 A reference to any statute, enactment, order, regulation or other similar instrument will be construed as a reference to the statute, enactment, order, regulation or instrument as amended by any subsequent statute, enactment, order, regulation or instrument or as contained in any subsequent re-enactment thereof.
- 1.4 Headings are included in these Terms and Conditions for ease of reference only and will not affect the interpretation of these Terms and Conditions.
- 1.5 References to clauses and Appendixs are, unless otherwise provided, references to clauses of and Appendixs to these Terms and Conditions.
- 1.6 In the event and to the extent only of any conflict between the clauses of these Terms and Conditions and the Appendixs, the clauses of these Terms and Conditions will prevail.
- 1.7 References to any person in these Terms and Conditions shall include its successors in title and its permitted assigns.
- 1.8 References to these Terms and Conditions are to these Terms and Conditions as amended, supplemented, novated, amended and restated or otherwise modified from time to time.
- 1.9 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

## **2. APPOINTMENT**

- 2.1 The Issuer hereby appoints the Custodian to provide the Services with effect from the date of these Terms and Conditions and the Custodian hereby accepts such appointment on the terms of these Terms and Conditions.
- 2.2 The appointment will have effect in relation to any Assets on or after the date of these Terms and Conditions only when the Custodian receives:

- (a) any information it may require from time to time in relation to the Issuer, the Manager and/or any Authorised Persons and the Issuer's business and such Assets; and
  - (b) the relevant Assets in the Securities and/or Issuer Cash Swap Collateral Accounts.
- 2.3 The Custodian will not be required to perform any duties or provide any services that are contrary to any Applicable Law.
- 2.4 In providing the Services, the Custodian will (without prejudice to any specific obligations of the Custodian set out in these Terms and Conditions) perform its duties with the skill and care that would be expected from a prudent professional custodian engaged in similar activities.
- 2.5 To enable the Custodian to assume and continue to perform its duties under these Terms and Conditions, the Issuer agrees (at its own cost) to complete such transfers, mandates or other documents and do such acts and things (in each case as shall be within its power) as are required by the Custodian from time to time to bring the Assets under its control and to deal with it as custodian at the commencement of or at any time during the continuance of these Terms and Conditions.
- 2.6 To enable the Custodian to perform its duties under these Terms and Conditions, the Issuer will ensure that all notices, information and Instructions required by the Custodian will be provided to the Custodian in accordance with any relevant time constraints specified in these Terms and Conditions or, if no such constraints are specified, promptly. The Issuer accepts that the Custodian will not be in breach of its obligations under these Terms and Conditions if such notices, information and Instructions are not provided within such time constraints or promptly (as the case may be).
- 2.7 The Custodian is authorized by the Autorité de Contrôle Prudentiel et de Résolution and the Autorité des Marchés Financiers and is regulated by the FCA and the Prudential Regulation Authority (further information on the French client asset regime can be found in Appendix 4).
- 2.8 The Custodian is not acting under these Terms and Conditions as manager or investment adviser to the Issuer, and responsibility for the selection, acquisition and disposal of the Assets will at all times remain with the Issuer.

### **3. SUB-CUSTODIANS**

- 3.1 The Issuer expressly agrees that the Custodian is authorised to appoint such agents as the Custodian may in its discretion think fit including, without limitation, any Sub-Custodian (which may be an Affiliate of the Custodian) on the basis that:
- (a) a Sub-Custodian may hold the Assets and otherwise perform the Services on such terms as the Sub-Custodian may require, subject to any applicable laws, regulations and usages in the jurisdiction where the Sub-Custodian is located;
  - (b) a Sub-Custodian may be permitted to appoint other agents to perform ancillary services and the Custodian may have no directly enforceable rights against the ultimate appointee; and
  - (c) the rights of the Custodian against any Sub-Custodian may consist only of a contractual claim.
- 3.2 The Custodian will exercise reasonable care in the selection, use and monitoring of Sub-Custodians.
- 3.3 The Custodian will notify the Issuer in writing as soon as is reasonably practicable of any change of any Sub-Custodian.

- 3.4 The Issuer acknowledges and agrees that where the Services relate to Non-UK Securities, the settlement, legal and regulatory requirements and usages in the relevant jurisdictions may be different from those applying in the United Kingdom and there may be different practices for the separate identification of such Securities and that at all times any Sub-Custodian may be required to hold the Assets subject to any Applicable Law.
- 3.5 The Custodian reserves the right to decline to accept Securities in Local Jurisdictions other than those listed in Appendix 2 (Local Jurisdictions) as such Appendix may be amended from time to time by the Custodian in accordance with these Terms and Conditions), PROVIDED THAT where any Securities are held in any Local Jurisdiction that is to be removed from Appendix 2 (Local Jurisdictions), the Custodian will use its reasonable endeavours to notify the Issuer prior to any such amendment taking effect and to continue to hold and service the Issuer's Securities in the Local Jurisdiction concerned until the Issuer disposes of the Securities or makes alternative arrangements with respect to the custody of the Securities within a reasonable period of time.
- 3.6 Countries that are not listed as Local Jurisdictions in Appendix 2 (Local Jurisdictions) may be added to such Appendix on the Issuer's reasonable request but subject to the prior written agreement of the Custodian.

#### 4. AUTHORITY TO ACT AND AUTHORISED PERSONS

- 4.1 For the purposes of these Terms and Conditions "**Authorised Persons**" will mean (a) the Manager and/or (b) any individual purporting or reasonably believed by the Custodian to have been designated by the Issuer or the Manager in writing as authorised to instruct the Custodian on behalf of the Issuer under these Terms and Conditions. Unless and until the Custodian is notified in writing by the Issuer that an Authorised Person is no longer authorised to communicate with and instruct the Custodian as agent on the Issuer's behalf under these Terms and Conditions, the Custodian will be entitled to act on Instructions given on behalf of the Issuer by an Authorised Person and may, at its absolute discretion, communicate with the Issuer solely through the agency of any Authorised Person. The Issuer confirms that each Authorised Person will be authorised to give any Instructions in accordance with these Terms and Conditions.
- 4.2 For the purposes of these Terms and Conditions, "**Instructions**" means instructions received by the Custodian by one of the following methods:
- (a) in writing (including for the avoidance of doubt by fax to such fax number as the Custodian may from time to time notify and subject to such other requirements as to form and content as the Custodian may notify to the Issuer from time to time);
  - (b) via SWIFT or other teleprocess or electronic instructions or trade information system acceptable to the Custodian which are transmitted with proper testing or authentication; or
  - (c) (in an emergency and subject as provided in clause 4.3) by telephone,

which instructions, in each case, the Custodian believes in good faith to have been given by an Authorised Person. The Issuer hereby authorises the Custodian to act on all Instructions received. Where it has acted in good faith on Instructions received in accordance with this clause, the Custodian will have no responsibility for any Losses suffered or incurred by the Issuer howsoever arising and will be entitled to rely on the indemnity contained in clause 14.1 (*Indemnity*) in respect of any Losses the Custodian may suffer or incur as a result of acting on such Instructions (including, for the avoidance of doubt, any instructions given, by the Custodian, to the Provider in accordance with the terms of these Terms and Conditions). The Custodian will be under no duty to challenge or make any enquiries concerning any valid or apparently valid communication.

- 4.3 Any Instructions given by telephone must be confirmed by an Authorised Person in writing or electronically by 5.00 p.m. on the following Business Day in the United Kingdom. The Custodian is authorised to act on telephone Instructions without waiting for confirmation, and/or notwithstanding that the same are not confirmed in accordance with this clause or that

subsequent Instructions may conflict with or be inconsistent with such telephone Instructions, but is not obliged to do so.

- 4.4 All Instructions given by any means will be given at the sole risk of the Issuer, and the Custodian will not be held liable for any Losses which the Issuer may suffer or incur directly or indirectly as a result of the Custodian complying or not complying with, or misunderstanding, such Instructions.
- 4.5 **Transmission of information via the Internet**
- 4.5.1 The Issuer acknowledges the risks inherent in the use of electronic mail and any system for sending and receiving messages electronically over a computer network (“**Internet**”), and that such system may not be a reliable transmission medium. Accordingly acknowledges notwithstanding any terms of the Agreement to the contrary, the Custodian shall not have any liability, whether to the Issuer or any other person for any consequences which may arise from the sending Information via the Internet including, but not limited to, any losses resulting from (i) any technical failure including loss, damage or corruption of data (ii) errors and delays during transmission (iii) failure of transmission and (iv) misuse, fraudulent use or access by unauthorised persons.
- 4.5.2 The Issuer accepts that from time to time sending Information via the Internet may be unavailable, interrupted or restricted whether due to circumstances beyond the reasonable control of the Custodian including, by way of illustration, a lack of availability or interruption of the Internet or other telecommunication service or otherwise.
- 4.5.3 The Custodian assumes no liability for any consequences which may arise from the use of the procedure for the transmission of Information via the Internet, including by reason of a technical failure, an error during transmission or receipt, incomplete or inaccurate Information, or misuse or fraudulent use, save to the extent that the Custodian, its officers, employees or agents have acted negligently or fraudulently or are wilfully in default.
- 4.6 The Custodian has no obligation to act in the absence of Instructions but is hereby authorised, in the absence of Instructions, to do anything that may in its reasonable opinion be necessary as principal or agent in order to give effect to these Terms and Conditions or any duty or obligation arising under its terms.
- 4.7 For the purposes of these Terms and Conditions, or of compliance with any law, rule or regulation, the Issuer will irrevocably execute any power of attorney, transfer, mandate or other document or do such acts and things (in each case as shall be within the Issuer's power) as the Custodian may require from time to time and promptly provide the Custodian with all appropriate notices, information and Instructions.
- 4.8 The Custodian may electronically record all telephone conversations between the Custodian and the Issuer, the Manager or any Authorised Person.
- 4.9 Unless otherwise expressly provided, all Instructions will continue in full force and effect until cancelled or superseded
- 4.9 Notwithstanding anything to the contrary in this clause 4, the Custodian, without any liability on its part, will not be required to act in accordance with any Instructions where:
- (a) the Instructions were received from a person or entity whom the Custodian in its reasonable opinion believes not to be an Authorised Person;
  - (b) the Instructions were not received in time for the required action to be taken;
  - (c) the Custodian reasonably considers that complying with the Instructions may not be practicable or might be unlawful or contrary to Applicable Law;
  - (d) the Custodian reasonably considers that complying with the Instructions may not be in the best interests of the Issuer;

- (e) the Custodian reasonably considers that the Instructions (i) are incomplete, unclear or ambiguous and/or in conflict with other Instructions received from an Authorised Person, (ii) are not in the form customarily used by the Authorised Person purporting to give the Instructions, (iii) have been inaccurately transmitted or (iv) are not authentic; or
  - (f) the Custodian does not have all the necessary information, documentation, funds or Securities to implement the Instructions.
- 4.10 The Custodian will (where it deems to do so would not be contrary to Applicable Law and/or regulations) as soon as is reasonably practicable inform either the Issuer or the Manager where it is unable or unwilling to act for any of the reasons set out in clause 4.9.
- 4.11 The Custodian will normally acknowledge receipt of Instructions by acting on them except to the extent that Instructions are sent by SWIFT or some other agreed electronic medium where receipt is acknowledged electronically by the medium used.
- 4.12 The Custodian will not be responsible for the accuracy of information provided to it by either the Issuer or the Manager and is entitled to act in good faith in accordance with any Instructions.
- 4.13 **Neolink Instructions**
- 4.13.1 The Custodian will provide:
- 4.13.1.1 a secured access to the Internet Site and a SecurID Card to Neolink Users in order to enable Neolink Users to give Neolink Instructions
  - 4.13.1.2 a secured access to the Internet Site and fixed Password to Neolink Users in order to enable Neolink Users to check Neolink Accounts
- 4.13.2 The Issuer agrees and will procure that no Neolink User will be permitted to use the Neolink Service for any purpose other than specified in these Terms and Conditions (including, for the avoidance of doubt, the Appendixes hereto) and the Issuer will include at least the restrictions of this Clause 4.13.2 in its terms with Neolink Users in respect of their use of the Neolink Service. In particular, the Issuer agrees and will procure that such Neolink Users:
- 4.13.2.1 will use the SecurID Card each time they connect to the Neolink Service in accordance with the Technical Specifications; and
  - 4.13.2.2 will be responsible for any use of the Technical Means and apparatus (in particular the SecurID Card) necessary for the operation of the Neolink Service; and
  - 4.13.2.3 will use the Password each time upon connecting to the Neolink Service in accordance with the Technical Specifications; and
  - 4.13.2.4 will only use the Neolink Service in accordance with the Applicable Law; and
  - 4.13.2.5 will upon termination of the Neolink Service or upon cessation of such Neolink User being an Authorised Person, (where notice is given in accordance with Clause 4 of the Agreement) return the SecurID Card to the Custodian.
- 4.13.3 The Custodian will accept and act on each Neolink Instruction provided the Custodian has identified the Neolink User with the SecurID Card or Password. The Custodian shall not carry out any verification of any Neolink Instruction other than verification of the SecurID Card or Password (the “**Verification**”).
- 4.13.4 The Custodian is not responsible for any errors in or omissions from the information accessed or received by the Neolink Users through the Neolink Service. All such information is provided “as is” without express or implied warranties of any kind including the warranties of satisfactory quality or fitness for any particular purpose. Furthermore, the Custodian will not be liable for any delay, difficulty in use, inaccuracy of information, computer viruses, malicious code or any other defect in the Internet Site, or for the incompatibility between the

Internet Site and files and the Neolink Users' browser or other site accessing programme. No licence to any Neolink software is implied in these disclaimers.

- 4.13.5 Subject to the Custodian having carried out the Verification, the Issuer shall be solely liable for any consequence which may arise from the use of the Neolink Service, including without limitation the carrying out of any Instruction, whether by reason of technical failure, error during transmission or receipt, incomplete or inaccurate Neolink Instruction, or misuse or fraudulent use of the Neolink Service.
- 4.13.6 Neolink Instructions will stand, in the event of dispute, as proof of their existence and content. The data stored in the Custodian's system shall constitute sufficient evidence of the Neolink Instructions.
- 4.13.7 The Issuer acknowledges that the Internet is neither owned nor controlled by any one entity. Therefore, the Custodian can make no guarantee that the Neolink Users will be able to access the Internet Site at any given time. The Custodian shall not be liable, amongst other things, for any technical defaults of any of the various operators providing access to the Internet.
- 4.13.8 At any time during the provision of the Neolink Service, the Custodian shall be entitled to suspend the Neolink Service immediately without prior notice for any reasonable period of time for the purposes of carrying out emergency maintenance and/or reconfiguration of the Neolink Service and shall notify the Neolink Users as soon as is reasonably practicable of any such suspension. Any such emergency maintenance and/or reconfiguration shall be carried out promptly and in order that the Neolink Service is resumed as soon as is reasonably practicable.

## 5. HOLDING THE PROPERTY

- 5.1 All Cash deposited by the Issuer or received or held by the Custodian or any Sub-Custodian or Depository in any currency on behalf of the Issuer will be recorded and held in one or more Issuer Cash Swap Collateral Accounts opened in the books of the Custodian in the name of the Issuer (the "**Issuer Cash Swap Collateral Account**"). The Issuer acknowledges that Cash will be held by the Custodian in its capacity as banker and not as trustee. The Custodian will charge or pay to the Issuer (as the case may be) interest on debit or credit balances on the Issuer Cash Swap Collateral Account in accordance with the applicable rates of interest as separately agreed in writing.
- 5.2 All Securities will be recorded in the books of the Custodian in one or more custody accounts (the "**Issuer Securities Swap Collateral Account**") as Securities deposited or transferred by or on behalf of the Issuer with or to the Custodian or a Sub-Custodian or a Depository or collected by the Custodian or a Sub-Custodian or a Depository for the account of the Issuer.
- 5.3 The Issuer will deliver the Securities to the Custodian (or as it may direct) at the Issuer's expense and risk in such manner, and accompanied by such documents, as the Custodian may require.
- 5.4 UK Securities in registered form will be registered in the name of one or more Nominees selected by the Custodian.
- 5.5 Non-UK Securities in registered form will be registered as the Custodian may in its discretion determine in the name of:
  - (a) a Nominee of the Custodian or of a Sub-Custodian;
  - (b) the Issuer; or
  - (c) where required by local laws, rules, regulations and market practices, or where the Custodian reasonably believes it is in the Issuer's best interests to do so, in the name either of the Custodian or of a Sub-Custodian, in each case held in an account designated for clients.
- 5.6 Where Securities are not in registered form, they will be recorded in the records of the Custodian in an account in the name of the Issuer and, where recorded by a Sub-Custodian, will be recorded in an account in the name of the Custodian designated for Issuers' securities.

The documents of title to Securities in bearer form will be held in the physical possession of the Custodian (in the case of UK Securities) or by a Sub-Custodian (in the case of Non-UK Securities) so as to be segregated from the securities of the Custodian and/or the Sub-Custodian. For the avoidance of doubt, the Custodian shall not be obliged to accept bearer Securities for the account of a Issuer unless they are publicly traded in the one of the markets agreed by the Custodian.

- 5.7 The Custodian may pool Securities with other securities of the same type belonging to other Issuers of the Custodian, but the Custodian will not pool any Securities with its own property except when settling transactions for the Issuer. Where Securities are pooled in the same account, the entitlements of the underlying Issuers (including without limitation the Issuer) may not be identifiable by separate certificates or other physical documents of title and should the Custodian or any Nominee default, any shortfall in the entitlements of the underlying Issuers whose Securities are so pooled (including the Issuer) may be shared *pro rata* among such underlying Issuers of the Custodian (including the Issuer). Where Securities are pooled with other securities of the same type belonging to other Issuers of the Custodian, in the event of a partial redemption, partial payment or other action affecting less than all such pooled securities, the Custodian will select the securities to participate in such action in such non-discriminatory manner as it customarily uses to make such selection. If any Securities held by a Depository become subject to such a partial redemption, partial payment or other action, the Issuer agrees that any manner used by such Depository to select the Securities to participate in such partial redemption, partial payment or other action will be acceptable.
- 5.8 The Issuer acknowledges that, although (as provided in clause 5.7) the Custodian will not pool Securities with the Custodian's own property except when settling transactions for the Issuer, where a Security is registered or recorded in the name of the Custodian (which may occur from time to time), it may not be segregated from the investments of the Custodian and accordingly the Issuer's assets may not be as well protected from claims made on behalf of general creditors of the Custodian in the event of the failure of the Custodian.
- 5.9 The Custodian will ensure that all its records relating to the Securities make it readily apparent that the Securities are held on behalf of the Issuer and do not belong to the Custodian or any of its Affiliates.
- 5.10 Where the Securities are held by a Sub-Custodian, the Custodian will procure that the relevant Sub-Custodian's records make it readily apparent that the Securities (together, if applicable, with the property of other Issuers of the Custodian held by such Sub-Custodian) are held on behalf of the Custodian for the Custodian's Issuers and that they do not belong to the Custodian or the Sub-Custodian.
- 5.11 The Custodian (or any of its Sub-Custodians or agents) may hold Securities in or through a Depository, in which case (as the Issuer each hereby acknowledges and agrees) the relevant Securities will be subject to the applicable rules and regulations of the Depository concerned. The Issuer acknowledges and agrees that the Assets may also be subject to a continuing lien in favour of any Sub-Custodian, Depository, nominee or agent appointed by the Custodian in accordance with these Terms and Conditions, in respect of charges relating to the administration and safekeeping of such property.

## **6. GENERAL DUTIES OF THE CUSTODIAN**

### **6.1 Execution of documents**

The Custodian will sign, execute and deliver all documents and other instruments as may be lawfully required to be signed, executed and delivered by it in exercising its powers and performing its obligations under these Terms and Conditions.

### **6.2 Statements**

The Custodian will provide periodic reports, daily account statements and other reports and information to the Issuer as may be agreed from time to time. The Issuer may object to any report or statement referred to in this clause 6.2 by giving notice to the Custodian at any time within 90 days of dispatch of the relevant report or statement to the Issuer.



6.3 Receipt of Cash

The Custodian shall use best efforts to procure that all Cash forming part of the Assets (including dividends, interest, tax credits and proceeds of sale of Securities or otherwise) received by the Custodian will be promptly paid to the Issuer Cash Swap Collateral Account.

6.4 Payments and Deliveries

The Custodian will make Cash payments to the extent that sufficient Cash is in the Issuer Cash Swap Collateral Account or is otherwise made available to the Custodian and will make Securities deliveries to the extent that sufficient Securities are in the Issuer Securities Swap Collateral Account and available for delivery.

6.5 Audits

6.5.1 At the Issuer's reasonable request on justified written demand and subject to a reasonable period of prior notice, the Custodian shall permit the Issuer or its external auditors (a) to have access (during Business Hours) to its premises to examine documentation which it maintains as custodian pursuant to these Terms and Conditions and (b) (to the extent that to do so is necessary to protect the interests of the Issuer and will not prejudice the Custodian's security arrangements) to examine and review certain processes and systems used in the performance of these Terms and Conditions by setting up and processing Issuer specific transactions, PROVIDED THAT the Custodian may at its reasonable discretion restrict access to documentation, systems or processes to the extent that it will or may prejudice the Custodian's security arrangements or its duty of confidentiality to its other Issuers. The Issuer may, with the prior approval of the Custodian, and at the Issuer's expense, copy any documentation provided to it.

6.5.2 At the Issuer's request, the Custodian shall provide the Issuer with a copy of the Custodian's most recent SAS 70 certified by the Custodian's external auditors.

6.6 Class Actions Service

Upon receipt of and in accordance with Instructions, the Custodian will use commercially reasonable endeavours to provide such information as the Issuer may require regarding the Issuer's holdings from time to time in the Assets to any person who is engaged by the Issuer to advise the Issuer in relation to class actions and similar rights against third parties arising from time to time in connection with the Issuer's holdings in Assets issued and held in the United States of America and in such other markets as the parties may agree. The Custodian may charge a separate fee for such services.

6.7 Security

The Issuer shall on or before the date hereof deliver to the Custodian a notice substantially in the form set out in Appendix 3 (a "Notice of Charge") and upon receipt hereof the Custodian shall despatch to the chargee an acknowledgement (in substantially the form set out in Appendix 3) of the Notice of Charge.

**7. COLLECTION OF INCOME**

7.1 The Custodian will require from Sub-Custodians and recognised data vendors details of any Income relating to Securities to which the Issuer is entitled and which are publicly announced and will advise the Issuer or the Manager thereof on a timely basis.

7.2 Where Income is to be credited to the Issuer Cash Swap Collateral Account, the Custodian will:

- (a) attend to the collection of such Income on a timely basis; and
- (b) arrange for such Income, as collected, to be credited to the Issuer Cash Swap Collateral Account as of the date of receipt by the Custodian of cleared funds after any necessary currency conversion.

- 7.3 Subject to clause 13.2, the Custodian will not be responsible for the non-receipt of any Income as a result of the failure or default (whether actionable or otherwise) of the issuer of the Securities concerned or of any third party, and any advice to the Issuer or recording of Income in any account forming part of the Issuer Cash Swap Collateral Account will be subject to the Custodian actually receiving the same.

## **8. CORPORATE ACTIONS**

- 8.1 The Custodian will require Sub-Custodians, to use all reasonable endeavours and will also employ recognised data vendors to obtain details of any corporate actions relating to Securities to which the Issuer is entitled and which are publicly announced (including without limitation notices of calls and maturities of securities and expirations of rights in connection with Securities), and will use reasonable endeavours to inform the Issuer and/or seek the Issuer's Instructions on a timely basis in respect of any rights issues, subscription options, conversion options, elections, calls and similar rights, opportunities and advantages (each a "**Corporate Action**") communicated to the Custodian which may be derived from the Issuer's Securities.
- 8.2 Without prejudice to the other provision of these Terms and Conditions (including clause 11.1 (g)), the Custodian will sign in the Issuer's name all ownership and other certificates required to obtain payment or exercise rights attached to the Securities provided that the Issuer has delivered to the Custodian all necessary documents requested by the Custodian.
- 8.3 The Custodian will not exercise any right or power in connection with the Securities unless it has received timely Instructions with regard to the exercise of any such right or power, or unless, in seeking such Instructions, the Custodian has proposed a course of action that it will take in the absence of timely Instructions to the contrary.
- 8.4 Where an exchange of Securities does not reasonably require any Instruction (for example an exchange of temporary Securities for those in definitive form and the exchange of warrants, or other documents of entitlement to Securities for the Securities themselves), the Custodian will attend to it when it receives the relevant information despite the absence of any specific Instruction.
- 8.5 Where Securities in registered form are registered in the Issuer's name in accordance with market practice in the relevant Local Jurisdiction or by agreement between the Issuer and the Custodian, information with respect to corporate actions on such Securities and account statements will be sent directly to the Issuer. The Issuer hereby undertakes to forward to the Custodian promptly any information received by it relating to such Securities in order to enable the Custodian to perform its duties under these Terms and Conditions. The Issuer will be solely responsible for the consequences of any failure on its part to forward any such information or of any delay on its part in forwarding any such information.
- 8.6 Whenever notification of a rights entitlement or a fractional interest resulting from a rights issue, stock dividend or stock split is received for the Account and where that right, entitlement or fractional interest bears an expiration date, the Custodian will request Instructions from the Issuer and it will not be obliged to take any action if it does not receive appropriate Instructions in time for it to take to timely action.

## **9. FOREIGN EXCHANGE**

In connection with the execution of any Instructions or the discharge of any Liabilities or any other matter in connection with these Terms and Conditions, the Issuer authorises the Custodian to enter into spot or forward foreign exchange contracts on the Issuer's behalf at the Custodian's own rates of exchange in accordance with the Custodian's usual practice. The counterparty may be the Custodian or an Affiliate acting as principal or agent or any Sub-Custodian or other third party.

## **10. TAX**

- 10.1 For each country in which the Issuer holds Securities and a tax reclaim, refund or credit may be available, the Custodian will, if so requested, submit such forms as are necessary to the appropriate tax or other governmental authorities and take such action as is reasonable to

obtain such benefits and, where such forms must be completed by the Issuer, will provide the Issuer with the appropriate forms and otherwise use its reasonable endeavours to assist the Issuer to obtain such tax benefits.

- 10.2 Save as provided in clause 10.1, the Issuer shall be solely responsible and liable for the payment of and obtaining reclaims, refunds and credits (where applicable) of all tax assessments, duties and fees, governmental charges (including interests and penalties) in respect of the Accounts and Assets.
- 10.3 In respect of the payment of taxes, in the event that the Custodian or any Sub-Custodian is required under Applicable Law to pay any tax, duty or other governmental charge or any interest or penalty in relation thereto in connection with the Services, the Custodian is hereby authorised to debit the Issuer Cash Swap Collateral Account in the amount thereof and to pay such amount to the appropriate tax authority.

## **11. ISSUER'S REPRESENTATIONS AND WARRANTIES**

- 11.1 The Issuer hereby represents warrants and undertakes to the Custodian that:
- (a) it is duly incorporated, established or constituted (as the case may be) and validly existing under the laws of its country of incorporation, establishment or constitution (as the case may be);
  - (b) these Terms and Conditions has been duly authorised, executed and delivered on its behalf and constitutes the legal, valid and binding obligation of the Issuer enforceable in accordance with its terms;
  - (c) it has and will continue to have all requisite corporate powers, capacity and authority to enter into and perform these Terms and Conditions (including without limitation the power to delegate the custody of Assets to the Custodian and to borrow in the context of contractual settlement day and contractual income accounting and the power to enter into foreign exchange transactions), to deal with the Assets in the manner contemplated by these Terms and Conditions and to engage the Custodian to act as custodian and banker upon the terms and conditions of these Terms and Conditions, and does not require the consent of any governmental or other regulatory body except for such consents which have already been obtained and are in full force and effect and have been disclosed to the Custodian;
  - (d) all Securities and Cash are and will be held free from all Security Interests except as the Issuer may otherwise disclose to the Custodian;
  - (e) the signing, delivery or performance of these Terms and Conditions and the giving of Instructions pursuant to these Terms and Conditions do not and will not contravene or violate:
    - (i) any Applicable Law by which the Issuer or any of the Assets is bound or affected;
    - (ii) the legal or beneficial rights of any third parties in respect of the Issuer or the Assets;
    - (iii) any agreement to which the Issuer is a party or by which any of the Assets are bound;
  - (f) it has not relied on, or been induced to enter into these Terms and Conditions by, any representation made to the Issuer orally or in writing by or on behalf of the Custodian in connection with these Terms and Conditions and which is not repeated in these Terms and Conditions;
  - (g) it will not knowingly do anything or authorise a third party to do anything which would or might prejudice or bring into disrepute in any manner the business or reputation of the Custodian, an Affiliate or Nominee or the any of the directors of the same or damage the goodwill or reputation attaching to the Custodian, Affiliate and/or Nominee;

- (h) it is not engaged in any litigation or arbitration of any material importance and to the best of its knowledge, information and belief no such litigation or arbitration is pending or threatened against it;

11.2 The representations and warranties set out in clause 11.1 are continuing representations and warranties and will survive the signing and delivery of these Terms and Conditions.

## 12. CUSTODIAN'S REPRESENTATIONS AND WARRANTIES

12.1 The Custodian hereby represents and warrants to the Issuer that:

- (a) it is duly incorporated, registered and validly existing under the laws of France;
- (b) it has the necessary power to enter into and perform its obligations under these Terms and Conditions and has duly executed these Terms and Conditions so as to constitute the valid and binding obligations of the Custodian;
- (c) it holds, and will at all times during the continuance of these Terms and Conditions hold, such authorities as are necessary lawfully to perform its obligations under these Terms and Conditions; and
- (d) the terms of these Terms and Conditions do not contravene or violate any obligation to the Issuer by which the Custodian is bound, whether arising by contract, operation of law or otherwise.

## 13. CUSTODIAN'S LIABILITY

### 13.1 Limitation of liability

13.1.1 Subject as otherwise provided in these Terms and Conditions (including without limitation this clause 13), the Custodian accepts liability to the Issuer for Losses that may be suffered or incurred by the Issuer as a result of any act or omission in the performance by the Custodian (which will include, for the purposes of this clause 13, performance by any other person for whose acts or omissions the Custodian accepts responsibility pursuant to clause 13.2.1, to the extent of that acceptance) of the Services under or pursuant to these Terms and Conditions but only to the extent that such Losses arise as a result of the Custodian (or any such other person) having been negligent, fraudulent or in wilful default of the Custodian's obligations under these Terms and Conditions.

13.1.2 Without prejudice to any other provision of these Terms and Conditions which may apply to limit the liability of the Custodian hereunder, the total liability of the Custodian under these Terms and Conditions for Losses in respect of any one event will not exceed:

- (a) where the event in question relates to Securities, the market value of the relevant Securities (or, in the absence of a relevant market, the fair value of such Securities, as assessed by the Custodian) as at the close of business on (i) the date on which the Custodian notifies the Issuer of the relevant event (which the Custodian undertakes to do as soon as practicable after becoming aware of the same) or (ii) the date on which the relevant event occurred, whichever is the greater; and
- (b) where the event in question relates to Cash, the face value of the Cash in relation to which the liability has arisen, together with an amount equal to interest on the amount of such Cash calculated at a rate reasonably determined by the Custodian for the period from (and including) the day on which the relevant event occurred to (but excluding) the day on which the liability is settled.

13.1.3 Notwithstanding any other provision of these Terms and Conditions, under no circumstances will the Custodian be liable to the Issuer or any other person for any incidental, consequential, indirect, special or exemplary damages of any kind or nature whatsoever or for any loss of revenues, loss of profits, loss of business, loss of opportunity or loss of goodwill (collectively "**Additional Damages**") arising from any representation, any breach of implied term or any duty at common law or under any statute or express term of these Terms and Conditions, and whether such liability is asserted on the basis of contract, tort or otherwise, whether or not

foreseeable, even if the Custodian has been advised or was aware of the possibility of such Additional Damages.

13.1.4 The Issuer will take all reasonable steps to mitigate any Losses it may suffer or incur.

13.2 Custodian's liability for Sub-Custodians, Depositories, brokers and dealers

13.2.1 For the purposes of this clause 13, the Custodian accepts liability to the Issuer to the extent and with the limitations described in clause 13.1 for any Losses suffered or incurred by the Issuer by reason or as a result of the negligence, wilful default or fraud in any act or omission of any Specified Sub-Custodian, or any Nominee controlled by the Custodian or any of its Affiliates which for the purposes of this clause 13.2.1 will be judged by reference to the standards prevailing in the relevant Local Jurisdiction. Without prejudice to the generality of clause 13.2.3, in the event of the insolvency of a Specified Sub-Custodian negligence, wilful default and fraud will be judged by reference to the Custodian's acts and omissions in relation to the performance of its duties and not be deemed to have occurred solely by virtue of its insolvency.

13.2.2 Without prejudice to the Custodian's obligations under clause 3.2, in the case of a Sub-Custodian that is not a Specified Sub-Custodian (which, for the purposes of this clause 13.2.2, only, includes the Provider), the Custodian will not be liable for any Losses incurred by the Issuer by reason or as a result of the acts or omissions of such Sub-Custodian (including without limitation negligence, wilful default or fraud on the part of such Sub-Custodian). The Custodian will provide reasonable assistance to the Issuer in any proceedings that the Issuer may bring against such Sub-Custodian and use its reasonable endeavours (but without any obligation to initiate legal proceedings) to obtain compensation from such Sub-Custodian on behalf of the Issuer, subject to the Custodian being indemnified to its satisfaction by the Issuer against all Losses that may thereby be incurred by the Custodian. The Custodian will pay any compensation recovered by it from the Sub-Custodian to the Issuer.

13.2.3 The Issuer hereby agrees that the Custodian will not be liable for any Losses suffered or incurred by the Issuer as a result of the insolvency of any Sub-Custodian (including any Specified Sub-Custodian) or of the Provider other than any Sub-Custodian which is a branch or a subsidiary of the Custodian, but so that this clause 13.2.3 will not operate to limit any liability which the Custodian would otherwise have under clause 13.2.1.

13.2.4 Notwithstanding any other provision of these Terms and Conditions, the Custodian will not in any circumstances be liable in connection with the acts, omissions, failure to act or the default or insolvency of:

- (i) any Depository; or
- (ii) any agent, broker or bank (other than a Specified Sub-Custodian); or

13.3 Payment and delivery instructions

The Custodian will process Securities deliveries and receipts on a delivery-versus-payment or receipt-versus-payment basis as appropriate to the extent that it is the established market practice to do so. In some Local Jurisdictions, it may be that, in accordance with the market practice, Securities deliveries are made free of payment and not against Cash payment. Accordingly, notwithstanding anything to the contrary in these Terms and Conditions, the Issuer will bear the risk that the recipient of Securities may fail to make payment or return such Securities or the proceeds of their sale to the Issuer, and that the recipient of payment for Securities may fail to deliver the Securities (such failure to include without limitation delivery of forged or stolen Securities) or to return such payment, in each case whether such failure is total or partial or merely a failure to perform on a timely basis. The Custodian will not be liable to the Issuer for any Losses it suffers as a result of any of the foregoing events.

13.4 Fraudulent Securities

The Custodian will have no liability for Losses suffered or incurred by the Issuer or any other person as a result of the receipt or acceptance of fraudulent, forged or invalid Securities (or

Securities that are otherwise not freely transferable or deliverable without encumbrance in any relevant market).

13.5 Market and political risks

For the avoidance of doubt, in no event will the Custodian be liable for any Losses resulting from the general risks of investment in or the holding of assets in the United Kingdom or overseas, including without limitation Losses arising from (i) nationalisation, expropriation or other governmental actions, (ii) any law, order or regulation of a governmental, supranational or regulatory body, (iii) regulation of the banking or securities industry, including changes in market rules, currency restrictions, devaluations or fluctuations or (iv) market conditions affecting the execution or settlement of transactions or the value of Assets.

13.6 Dealings in Local Currency

The Custodian will have no liability for any Losses arising from the occurrence of any event that may affect the transferability, convertibility or availability of any currency and in no event will the Custodian be under any obligation to substitute another currency for any currency the transferability, convertibility or availability of which has been affected by such law, regulation or event. Transactions in any currency will be subject to the rules and regulations laid down by the exchange control authorities of the relevant Local Jurisdiction.

13.7 Force Majeure

The Custodian will not in any circumstances be liable to the Issuer for any Losses of any kind whatsoever whether directly or indirectly suffered or incurred by the Issuer by reason of any failure or delay in the performance of the Custodian's obligations hereunder which is caused by or the result of any event that is not within the reasonable control of the Custodian, including without limitation governmental regulations, fire, flood, any disaster or industrial dispute affecting a third party for which a substitute third party is not reasonably available or any breakdown, failure or malfunction of any third party telecommunications, computer services or systems.

13.8 General

13.8.1 The Custodian will not be liable for any Losses suffered or incurred by the Issuer that are the result of, or attributable to, (directly or indirectly) the failure of the Issuer to comply with any of its obligations under these Terms and Conditions.

13.8.2 Each provision of this clause 13 will be construed separately and independently from each of the other provisions and will not be limited by reference to any other such provision.

13.8.3 Nothing in these Terms and Conditions will be construed as excluding or restricting any duty or liability owed by the Custodian to the Issuer to the extent (if at all) that it owes any such duty or has any such liability to the Issuer under Applicable Law.

**14. INDEMNITY**

14.1 The Issuer agrees to ratify all acts carried out by the Custodian (or any of its branches or subsidiaries) in the proper performance of these Terms and Conditions and to indemnify (on an after tax basis) the Custodian (for itself and for the directors, officers and employees of the Custodian and each of its branches and subsidiaries) from and against any and all Losses of any kind or nature arising directly or indirectly out of the performance of the Services under these Terms and Conditions other than Losses which result from the negligence, wilful default or fraud of the Custodian or any of its branches or subsidiaries or of any Specified Sub-Custodian. For the avoidance of doubt, this indemnity shall cover all Losses which the Custodian may suffer or incur arising out of or having any connection with any deficiencies caused by the transfer to the Custodian of any custody activities previously carried out by another custodian and any failings of the previous custodian of the Issuer. The Custodian undertakes to notify the Issuer of any claim against it covered by this indemnity. In the event of any such claim, the Custodian may, in its absolute discretion (and in any event only where it reasonably believes that such is practicable given the nature of the claim and where there are no other parties whom the Custodian may be able to claim against under a similar indemnity in

respect of the same or a related claim) and subject to it being fully indemnified to its reasonable satisfaction against all Losses which may thereby be incurred by the Custodian or its agents, permit the Issuer to take control of any proceedings and may, in its absolute discretion, agree to provide reasonable assistance to the Issuer in the defence of any such proceedings.

- 14.2 In the event that the Issuer is entering into these Terms and Conditions as an agent, the Custodian is authorised to treat the Issuer as principal and the Issuer shall be primarily liable to the Custodian as principal for satisfaction of any and all obligations and liabilities arising or incurred under these Terms and Conditions without regard to the name in which any Account (or any sub-account) may be maintained or any rights or recourse that the Issuer may have against any third party. Nothing contained herein shall limit or in any way impair the right of the Custodian to indemnification under any provision of these Terms and Conditions.
- 14.3 The Custodian shall not be required to take any legal action on behalf of the Issuer. If the Custodian agrees to take legal action on behalf of the Issuer, it shall only do so if fully indemnified to its reasonable satisfaction against all Losses which may thereby be incurred by the Custodian or its agents.
- 14.4 The obligations of the Issuer pursuant to these Terms and Conditions are limited to the funds available for payment in accordance with the Terms and Conditions of the Notes issued by the Issuer and if there are insufficient funds available to meet payments after distribution in accordance with the Terms and Conditions of the Notes, the obligations of the Issuer will be limited to those funds and any claims above the amount available for distribution shall be extinguished. The Custodian shall not be entitled to institute against the Issuer any bankruptcy, reorganisation, arrangement, examination, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligation relating to these Terms and Conditions, save for lodging a claim in the liquidation of the Issuer which is initiated by any other party.

## 15. DISASTER RECOVERY

- 15.1 The Custodian confirms that it has, and will at all times during the continuance of these Terms and Conditions maintain, an adequate business continuity plan, which will be brought into effect in such circumstances as constitute a Disaster (as defined in clause 15.3).
- 15.2 During the continuance of a Disaster, the Custodian will use reasonable endeavours to provide the Services in accordance with the disaster recovery plan.
- 15.3 For the purposes of this clause, “**Disaster**” means any event that is reasonably within the control of the Custodian, but which, having regard to all matters known to the Custodian before the occurrence of such event, could not reasonably have been avoided, including without limitation damage to the Custodian’s offices and water damage to equipment and files therein to such a degree as to render such offices and/or files/equipment substantially unusable.

## 16. DATA PROTECTION

The Custodian will comply at all times with the Data Protection Act 1998 (the “**Legislation**”) and any regulations made under the Legislation (“**Regulations**”) as if the Issuer were a Data Controller and the Custodian a Data Processor (each as defined by the Legislation). To the extent that the Custodian is a Data Controller in respect of any Issuer Data (as defined by the Legislation), it will comply at all times with the Legislation and Regulations applicable to a Data Controller.

## 17. INTELLECTUAL PROPERTY RIGHTS

Each Party acknowledges that it has no intellectual property rights in any computer system, computer programme or administration process used or developed by the other Party. The Issuer acknowledges that the techniques underlying and used by the Custodian in the provision of the Services are confidential to the Custodian and such confidentiality will survive the termination of these Terms and Conditions.

**18. NON-EXCLUSIVITY; INTERESTS OF THE CUSTODIAN AND ITS AFFILIATES**

- 18.1 The Custodian or any of its Affiliates may act as agent for, provide services to and engage in any kind of business with, others to the same extent as if the Custodian was not the custodian of the Assets under the terms of these Terms and Conditions. Nothing in these Terms and Conditions will in any way restrict the right of the Custodian to perform services for any other person or entity and the performance of such services for others will not be deemed to violate or give rise to any duty or obligation to the Issuer not specifically undertaken by the Custodian hereunder. The Custodian and any Affiliate of the Custodian may receive a fee or other compensation in relation to any service referred to in this clause and are authorised to retain for their own benefit any such fees or compensation so received.
- 18.2 If at any time the Assets shall include any investment or other property of any kind managed, held or issued by the Custodian or any Affiliate of the Custodian, the Custodian or such Affiliate (as the case may be) may realise and retain any profit to which it is entitled from such management, holding or issue.
- 18.3 Without prejudice to the generality of clause 18.1, the Custodian has the right, without notifying the Issuer or the Manager, to effect transactions with or for the Issuer in which the Custodian directly or indirectly has an interest or in circumstances where the Custodian has a relationship with another party which does or may create a conflict with the Custodian's duty to the Issuer or (without prejudice to the generality of the foregoing) in circumstances where the Custodian or any of its Affiliates may act as market maker in the Securities in question, provide broking services to the Issuer and/or to other clients, act as financial adviser, banker or otherwise provide services to the issuer of the Securities in question, act in the same transaction as agent for more than one client, have a material interest in the issue of the Securities or earn profits from any of the activities listed herein.
- 18.4 The Custodian or any of its divisions, branches or Affiliates may be in possession of information tending to show that Instructions given to the Custodian may not be in the best interests of the Issuer. The Custodian is not under a duty to disclose any such information.

**19. NO JOINT VENTURE OR PARTNERSHIP**

Nothing in these Terms and Conditions shall create a partnership or joint venture between the Parties and save as expressly provided in these Terms and Conditions, neither Party shall enter into or have authority to enter into any engagement or make any representation or warranty on behalf of or pledge the credit of or otherwise bind or oblige the other Party.

**20. ASSIGNMENT**

- 20.1 Without prejudice to the Custodian's rights in accordance with clause 3.1 and subject as provided in clause 20.2, neither Party may assign or transfer all or any of its rights, benefits and/or obligations under these Terms and Conditions to another without the prior written consent of the other Party, such consent not to be unreasonably withheld.
- 20.2 Notwithstanding clause 20.1, the Custodian shall have the right to assign or transfer all or any of its rights, benefits and/or obligations under these Terms and Conditions without the consent of the Issuer (a) to any body corporate into which the Custodian may be merged or (b) successor in title or to any Affiliate of the Custodian.

**21. VARIATION**

- 21.1 Subject to the remaining provisions of this clause 21, these Terms and Conditions may only be varied with the written agreement of both Parties.
- 21.2 Appendix 1 (Specified Sub-Custodians) and Appendix 2 (Local Jurisdictions) may be amended at any time by written notice from the Custodian to the Issuer.
- 21.3 Without prejudice to clause 21.2, these Terms and Conditions may be varied by the Custodian giving written notice to the Issuer to take effect from the date of the notice, where changes in



market practice and/or legal or regulatory requirements necessitate a change or changes in the manner in which the Custodian can provide the Services under these Terms and Conditions.

**22. COMPLAINTS**

The Custodian has put in place procedures for addressing any complaint which the Issuer may have regarding the service provided by the Custodian under these Terms and Conditions. If the Issuer has a complaint about the service provided by the Custodian, the Issuer should in the first instance contact the Compliance Officer of the Custodian.

**Appendix 1**  
**Specified Sub-Custodians**

<b>JURISDICTION</b>	<b>SPECIFIED SUB CUSTODIAN</b>
<b>ARGENTINA</b>	Citibank NA
<b>AUSTRALIA</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>AUSTRIA</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>BAHRAIN</b>	HSBC BANK MIDDLE EAST LTD
<b>BANGLADESH</b>	HONG KONG AND SHANGHAI BANKING CORP LIMITED
<b>BELGIUM</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>BENIN</b>	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA
<b>BERMUDA</b>	BANK OF BERMUDA (HSBC Group)
<b>BOTSWANA</b>	STANDARD CHARTERED BANK OF BOTSWANA LTD
<b>BRAZIL</b>	BANCO BNP PARIBAS BRASIL SA
<b>BULGARIA</b>	UNICREDIT BULBANK A.D.
<b>BURKINA FASO</b>	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA
<b>CANADA</b>	ROYAL BANK OF CANANDA (INVESTOR & TREASURY SERVICES )
<b>CHILE</b>	BANCO DE CHILE (CITIBANK N.A)
<b>CHINA</b>	HSBC BANK (CHINA) COMPANY LIMITED

<b>JURISDICTION</b>	<b>SPECIFIED SUB CUSTODIAN</b>
<b>COLOMBIA</b>	BNP PARIBAS SECURITIES SERVICES SOCIEDAD FIDUCIARIA BOGOTA
<b>COSTA RICA</b>	BANCO BCT S.A.
<b>CROATIA</b>	UNICREDIT BANK AUSTRIA AG VIENNA - <i>Indirect via Zagrebacka Banka d.d., Zagreb</i>
<b>CYPRUS</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>CZECH REPUBLIC</b>	CITIBANK EUROPE PLC PRAGUE BRANCH
<b>DENMARK</b>	NORDEA BANK DANMARK A/S
<b>EGYPT</b>	CITIBANK N.A. Egypt
<b>ESTONIA</b>	AS SEB PANK
<b>FINLAND</b>	NORDEA BANK FINLAND PLC
<b>FRANCE</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>GERMANY</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>GHANA</b>	STANDARD CHARTERED BANK OF GHANA LTD
<b>GREECE</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>GUINEA - BISSAU</b>	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA
<b>HONG KONG SAR</b>	BNP PARIBAS SECURITIES SERVICES S.C.A
<b>HUNGARY</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.

<b>JURISDICTION</b>	<b>SPECIFIED SUB CUSTODIAN</b>
<b>ICELAND</b>	ISLANDSBANKI
<b>INDIA</b>	BNP PARIBAS
<b>INDONESIA</b>	HONG KONG AND SHANGHAI BANKING CORP LIMITED, JAKARTA
<b>INTERNATIONAL CSD</b>	CLEARSTREAM BANKING SA
<b>INTERNATIONAL CSD</b>	EUROCLEAR BANK SA
<b>IRELAND</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>ISRAEL</b>	CITIBANK N.A. ISRAEL
<b>ITALY</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>IVORY COAST</b>	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA
<b>JAPAN</b>	HONG KONG AND SHANGHAI BANKING CORP LIMITED, TOKYO
<b>KAZAKHSTAN</b>	JSC CITIBANK KAZAKHSTAN
<b>KENYA</b>	STANDARD CHARTERED BANK PLC
<b>KOREA, REPUBLIC OF</b>	HONG KONG AND SHANGHAI BANKING CORP LIMITED, SEOUL
<b>KUWAIT</b>	HSBC BANK MIDDLE EAST LTD
<b>LATVIA</b>	AS SEB BANKA
<b>LITHUANIA</b>	AB SEB BANKAS

<b>JURISDICTION</b>	<b>SPECIFIED SUB CUSTODIAN</b>
<b>MALAYSIA</b>	HSBC BANK MALAYSIA BERHAD, KUALA LUMPUR
<b>MALI</b>	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA
<b>MALTA</b>	CLEARSTREAM BANKING SA
<b>MAURITIUS</b>	HONG KONG AND SHANGHAI BANKING CORP LIMITED, PORT-LOUIS
<b>MEXICO</b>	BANCO NACIONAL DE MEXICO (CITIBANAMEX)
<b>MOROCCO</b>	BANQUE MAROCAINE POUR LE COMMERCE ET L'INDUSTRIE
<b>NAMIBIA</b>	STANDARD BANK OF NAMIBIA LIMITED
<b>NETHERLANDS</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>NEW ZEALAND</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>NIGER</b>	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA
<b>NIGERIA</b>	STANBIC IBTC BANK
<b>NORWAY</b>	NORDEA BANK NORGE ASA
<b>OMAN</b>	HSBC BANK OMAN SAOG
<b>PAKISTAN</b>	CITIBANK N.A. KARACHI
<b>PERU</b>	BNP PARIBAS SECURITIES SERVICES SOCIEDAD FIDUCIARIA BOGOTA
<b>PHILIPPINES</b>	HONG KONG AND SHANGHAI BANKING CORP LIMITED, MANILA

<b>JURISDICTION</b>	<b>SPECIFIED SUB CUSTODIAN</b>
<b>POLAND</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>PORTUGAL</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>QATAR</b>	HSBC BANK MIDDLE EAST LTD
<b>ROMANIA</b>	CITIBANK EUROPE PLC BUCHAREST BRANCH
<b>RUSSIA</b>	AO CITIBANK (JOINT STOCK COMPANY COMMERCIAL BANK CITIBANK)
<b>SAUDI ARABIA</b>	HSBC SAUDI ARABIA LIMITED
<b>SENEGAL</b>	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA
<b>SERBIA</b>	UNICREDIT BANK AUSTRIA AG VIENNA - Indirect via UniCredit Bank Srbija d.d., Belgrad
<b>SINGAPORE</b>	BNP PARIBAS SECURITIES SERVICES S.C.A - Indirect via United Overseas Bank LTD for government bonds
<b>SLOVAK REPUBLIC</b>	CITIBANK EUROPE PLC BRATISLAVA BRANCH
<b>SLOVENIA</b>	UNICREDIT BANKA SLOVENIJA D.D. LJUBLJANA
<b>SOUTH AFRICA</b>	STANDARD BANK OF SOUTH AFRICA LIMITED
<b>SPAIN</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>SRI LANKA</b>	HONG KONG AND SHANGHAI BANKING CORP LIMITED, COLOMBO
<b>SWEDEN</b>	SKANDINAVISKA ENSKILDA BANKEN AB (publ)
<b>SWITZERLAND</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.

<b>JURISDICTION</b>	<b>SPECIFIED SUB CUSTODIAN</b>
<b>TAIWAN, ROC</b>	HSBC BANK (TAIWAN) LIMITED
<b>TANZANIA</b>	STANBIC BANK TANZANIA LIMITED
<b>THAILAND</b>	HONG KONG AND SHANGHAI BANKING CORP LIMITED, BANGKOK
<b>TOGO</b>	STANDARD CHARTERED BANK CÔTE D'IVOIRE SA
<b>TUNISIA</b>	UNION INTERNATIONALE DES BANQUES (SGSS)
<b>TURKEY</b>	TEB SECURITIES SERVICES
<b>UGANDA</b>	STANDARD CHARTERED BANK UGANDA LIMITED
<b>UAE (Dubai)</b>	HSBC BANK MIDDLE EAST LTD
<b>UAE (Abu Dhabi)</b>	HSBC BANK MIDDLE EAST LTD
<b>UNITED KINGDOM</b>	BNP PARIBAS SECURITIES SERVICES S.C.A.
<b>URUGUAY</b>	BANCO ITAU URUGUAY S.A.
<b>USA</b>	BNP PARIBAS NEW YORK BRANCH
<b>VIETNAM</b>	HSBC BANK (VIETNAM) LTD
<b>ZAMBIA</b>	STANDARD CHARTERED BANK PLC

**Appendix 2**  
**Local Jurisdictions**

ARGENTINA	KENYA	TAIWAN, ROC
AUSTRALIA	KOREA, REPUBLIC OF	TANZANIA
AUSTRIA	KUWAIT	THAILAND
BAHRAIN	LATVIA	TOGO
BANGLADESH	LITHUANIA	TUNISIA
BELGIUM	MALAYSIA	TURKEY
BENIN	MALI	USA
BERMUDA	MALTA	VIETNAM
BOTSWANA	MAURITIUS	ZAMBIA
BRAZIL	MEXICO	
BULGARIA	MOROCCO	
BURKINA FASO	NAMIBIA	
CANADA	NETHERLANDS	
CHILE	NEW ZEALAND	
CHINA	NIGER	
COLOMBIA	NIGERIA	
COSTA RICA	NORWAY	
CROATIA	OMAN	
CYPRUS	PAKISTAN	
CZECH REPUBLIC	PERU	
DENMARK	PHILIPPINES	
EGYPT	POLAND	
ESTONIA	PORTUGAL	
FINLAND	QATAR	
FRANCE	ROMANIA	
GERMANY	RUSSIA	
GHANA	SAUDI ARABIA	
GREECE	SENEGAL	
GUINEA - BISSAU	SERBIA	
HONG KONG SAR	SINGAPORE	
HUNGARY	SLOVAK REPUBLIC	
ICELAND	SLOVENIA	
INDIA	SOUTH AFRICA	
INDONESIA	SPAIN	
INTERNATIONAL CSD	SRI LANKA	
IRELAND	SWEDEN	
ISRAEL	SWITZERLAND	
ITALY	UGANDA	
IVORY COAST	UAE	
JAPAN	UNITED KINGDOM	
KAZAKHSTAN	URUGUAY	



### Appendix 3 Notice of Charge

To: BNP Paribas Securities Services

Date:

Name of Chargor (the “**Chargor**”)

The Chargor gives you notice under the [name of Charge] dated [\*] and made between, amongst others, the Chargor and [name of the Chargee] (the “**Chargee**”) (the “**Charge**”), the Chargor has charged in favour of the Chargee all its rights, title and interest in respect of any amounts standing to the credit of the following accounts maintained by the Chargor with you (Account Numbers...)(the “**Accounts**”).

1. The Chargor unconditionally instructs and authorises you to perform the following acts as soon as reasonably practicable (having regard to your standard business practice) following your receipt of a notice from the Chargee entitled “Enforcement Notice” which is addressed to [ ] and marked ‘EXTREMELY URGENT’:
  - a. To pay or to release any moneys standing to the credit of the Accounts, in accordance with any instructions which you receive from the Chargee;
  - b. Not to permit any withdrawal by the Chargor of any moneys standing to the credit of the Accounts, without the prior written consent of the Chargee and to hold moneys to the order of the Chargee; and
  - c. To comply with the terms of any written notices or instructions relating to the Accounts and the debts represented by them which you receive from the Chargee.
2. The Chargee hereby confirms that until you receive an Enforcement Notice you may operate each Account in the ordinary course in accordance with the existing mandate relating to that Account.
3. If required by you, the Chargee will complete such documentation as you may reasonable request to establish the authority and identity of individuals issuing instruction on its behalf.
4. The instructions and authorisations which are contained in this notice shall remain in full force and effect until (i) the Chargor and the Chargee together give you three (3) business days’ notice in writing revoking or amending them, or (ii) you give the Chargor and the Chargee twenty (20) days’ written notice terminating this notice and your acknowledgment of this notice.
5. You may comply with the instruction contained in this notice, and any instruction, request or communication delivered in connection with it, without further authority from the Charge or the Chargee and without any enquiry as to the justification for or validity of any such notice , instruction, request or communication. You are entitled to rely on any notice or instruction from the Chargee that you reasonably believe to be genuine and correct. You shall not be liable to the Chargor or the Chargee for any action taken in this notice, or with respect to the Account(s), if such action is undertaken in good faith in accordance with this notice or pursuant to an instruction, request or communication you reasonably believe to be from the Chargee. To the maximum extent permitted by law, you shall not be liable to the Chargor or to the Chargee for indirect, incidental, consequential or special damages or any increased costs or expenses or any loss of profit, business, contracts, revenues or anticipated savings.
6. You are not obliged to comply with any instructions received from the Chargee or the Chargor or to undertake the transactions set out in this notice or an Enforcement Notice where (a) due to circumstances not within your control you are unable you comply with such instructions, or (b) to comply with such instructions would in your reasonable opinion be contrary to any court order or applicable law. In the event that you are unable to comply with any instructions due to the circumstances set out in this paragraph, you shall not be responsible for any loss whatsoever caused to the Chargee or to the Chargor.
7. The Chargor agrees to indemnify you in full against all liabilities, damages, claims losses, costs, expenses or demands suffered by you or made against you in connection with this notice, save to

the extent that such liability, damage, claim, cost, loss, expense or demand is suffered by you or made against you as a result of your negligence, wilful default or fraud.

8. The instructions and authorisations in this notice supersede any instruction and authorisations to the contrary given to you by or on behalf of the Chargor.
9. It is acknowledged by the Chargor and the Chargee that you are not bound by and have no knowledge of, the terms and conditions of the Charge or any related document (other than this notice) and no implied duties or obligations of you shall be read into this notice, your acknowledgment or any Enforcement Notice.
10. This notice and any non-contractual obligations arising out of or in connection with this notice shall be governed by English law.
11. Please acknowledge your acceptance of the instructions and authorisations contained in this notice by signing the attached Form of Acknowledgment and returning it to the Chargee at [Chargee's address], copied to us at [Chargor's address].

Yours faithfully,

[NAME OF CHARGOR]

By.....

**Acknowledgment of Notice of Charge**

To [Chargee]

Copy [Chargor]

Dear Sirs,

**Notice of Charge dated [ ]**

We hereby acknowledge receipt of the notice (a copy of which is attached hereto) dated [ ] and addressed to us by the Chargor and the Chargee regarding the Accounts numbered [ ]. We confirmed that we accept the instructions and authorisations contained in the notice and agree to comply with the terms thereof.

Yours faithfully,

.....  
BNP Paribas Securities Services

.....  
BNP Paribas Securities Services

## Appendix 4

### Regulatory Information

#### (A) Cash

As is the case with all banks operating in the United Kingdom, when you pay cash to us we hold that money as a deposit rather than as client money. All banks accepting deposits in the United Kingdom have to comply with the requirements of the Deposit Guarantee Schemes Directive 2014 (2014/49/EU), which provides that those depositors with an eligible claim will benefit from deposit protection of up to Euro 100,000 should a bank cease trading or become insolvent and be unable to pay back its depositors. In the case of BNP Paribas the deposit protection scheme is managed by the Fonds de Garantie des Dépôts, (FGD) however, you should be aware that investment firms, credit institutions, insurance firms, mutual investment funds and pension institutions, are all excluded from the scope of the scheme. You can find more information, in English, on the FGD website at

<http://www.garantiedesdepots.fr/spip/index.php> or  
[http://www.garantiedesdepots.fr/spip/spip.php?article49&id\\_rubrique=16](http://www.garantiedesdepots.fr/spip/spip.php?article49&id_rubrique=16).

#### (B) Investments

As a French bank, BNP Paribas is subject to the French custody rules and carries out its custody arrangements in accordance with the French custody rules. The FGD also administers the French investment compensation scheme which helps to protect investors with an eligible claim where a firm or bank which is undertaking investment business or acting as a custodian becomes insolvent or ceases trading. Investors with a valid claim will benefit from protection of up to Euro 100,000 although you should be aware that investment firms, credit institutions, insurance firms, mutual investment funds and pension institutions, are similarly excluded from the scope of cover. As noted above, you can find out more information in English at

[http://www.garantiedesdepots.fr/spip/spip.php?article49&id\\_rubrique=16](http://www.garantiedesdepots.fr/spip/spip.php?article49&id_rubrique=16).

### Schedule 3 Swap Collateral Account Mandate

Resolution of the board of directors of Gosforth Funding 2017-1 plc (the *Company*).

At a meeting of the board of directors of the Company held at Fifth Floor, 100 Wood Street, London EC2V 7EX on 15 September 2017:

IT WAS RESOLVED THAT

1. The Custody Account Number \_\_\_\_\_, in the name of the Company held with BNP Paribas Securities Services, London Branch having its registered office at 3, Rue d'Antin, 75002, Paris, France acting through its London branch at 10 Harewood Avenue, London NW1 6AA (the *Bank*) (the *Custody Account*) will be used for the benefit of the Company for the purpose of holding any collateral posted in the form of securities by the Swap Providers under the Swap Agreements.

2. The following cash accounts:

(a) a sterling account with account number \_\_\_\_\_ and sort code \_\_\_\_\_ ;

(b) a US dollar account with account number \_\_\_\_\_ and sort code \_\_\_\_\_ ; and

(c) a euro account with account number \_\_\_\_\_ and sort code \_\_\_\_\_ ;

shall be established in the name of the Company and held with the Bank acting through its London branch at 10 Harewood Avenue, London NW1 6AA (the *Cash Accounts*) which will be used for the benefit of the Company to hold any collateral posted in the form of cash by the Swap Providers in accordance with the terms of the Swap Agreements.

3. The mandate given to the Bank by virtue of this document (the *Swap Collateral Account Mandate*) is given on the basis that the Bank complies with the procedure set out in, and the terms of, this Swap Collateral Account Mandate. This Swap Collateral Account Mandate shall supersede any existing mandates in respect of the Custody Account and Cash Accounts.

4. In relation to the Custody Account, the Bank is hereby authorised to: (i) honour and comply with all cheques, drafts, bills, payments by way of the Clearing House Automated Payment System, promissory notes, acceptances, negotiable instruments and orders expressed to be drawn, accepted, made or given and all directions given in writing or by way of agreed electronic payment systems in respect of the Custody Account; (ii) honour and comply with all instructions to deliver or dispose of any securities, documents or property held by the Company in connection with the Custody Account; and (iii) treat all cheques, payments by way of the Clearing House Automated Payment System, acceptances, negotiable instruments, orders and directions in favour of the Custody Account as being endorsed on behalf of the Company and to deal with them, to the extent that compliance with the same should not

result in a debit balance provided that (and subject to paragraph 7) any such cheques, acceptances, negotiable instruments, directions, orders, instructions and/or endorsements are signed by two people from Schedule 1 to this Swap Collateral Accounts Mandate (each an **Authorised Signatory**). The Bank is hereby authorised to act on any information given by two Directors or by one Director and the Secretary of the Issuer regarding any changes to Schedule 1.

5. In relation to the Cash Accounts, the Bank is hereby authorised to: (i) honour and comply with all cheques, payments by way of the Clearing House Automated Payment System, acceptances, negotiable instruments and orders expressed to be drawn, accepted, made or given and all directions given in writing or by way of agreed electronic payment systems in respect of the Cash Accounts; (ii) honour and comply with all instructions to deliver or dispose of any securities, documents or property held by the Company in connection with the Cash Accounts; and (iii) treat all cheques, payments by way of the Clearing House Automated Payment System, acceptances, negotiable instruments, orders and directions in favour of the Cash Accounts as being endorsed on behalf of the Company and to deal with them, to the extent that compliance with the same should not result in a debit balance provided that (and subject to paragraph 7) any such cheques, acceptances, negotiable instruments, directions, orders, instructions and/or endorsements are signed by two people from the Schedule to this Swap Collateral Account Mandate. The Bank is hereby authorised to act on any information given by two Directors or by one Director and the Secretary of the Issuer regarding any changes to Schedule 1. For these purposes, a **business day** is a day (other than a Saturday or Sunday) on which banks are generally open for business in London.
6. This Swap Collateral Account Mandate is given on the basis that the Bank:
  - (a) acknowledges that, pursuant to a deed of charge entered into between, *inter alios*, the Company and Citicorp Trustee Company Limited (the **Trustee**) on 25 September 2017 (as amended and restated from time to time) (the **Deed of Charge**), the Company has charged by way of first fixed equitable charge all of its right, title, interest and benefit, present and future, in and to the Custody Account to the Trustee;
  - (b) prior to the receipt of a notice referred to in paragraph (c) below, agrees to comply with the directions of the Company and/or the Administrator (on behalf of the Company) in respect of the operation of any Cash Account and the Bank shall be entitled to rely on any such written directions it reasonably believes to have been signed by two Authorised Signatories without enquiry;
  - (c) upon receipt from the Trustee of notice in writing to the effect that an Enforcement Notice has been served by the Trustee on the Company:
    - (i) agrees to comply with the instructions of the Trustee given in accordance with the Deed of Charge and the Swap Collateral Account Bank Agreement unless otherwise required by operation of law or by the order or direction of a competent court or tribunal; and

- (ii) agrees that all right, authority and power of the Company in respect of the operation of the Custody Account and the Cash Accounts shall be deemed terminated and of no further effect.
- 7. Unless and until the Bank receives notice in writing from or purporting to be from the Trustee to the contrary, the Bank is authorised to continue to operate the Custody Account and Cash Accounts without regard to the Security Interests as defined in and pursuant to the Deed of Charge and as instructed by the Issuer and the Servicer.
- 8. The Swap Collateral Account Mandate given to the Bank by virtue of these resolutions shall remain in force, unless and until the Bank has received a written notice of amendment hereto from the Company or the termination of the Swap Collateral Account Agreement.
- 9. These resolutions shall be communicated to the Bank and remain in force until an amendment resolution shall be passed by the Board of Directors of the Company and a copy thereof, certified by any two of the Directors and/or one Director and the Company Secretary, shall be received by the Bank.
- 10. The Company authorises the Issuer Cash Manager to instruct the Bank in relation to the Custody Account and Cash Accounts to act on those instructions in the manner set forth in the Swap Collateral Account Agreement.
- 11. This Swap Collateral Account Mandate shall be governed by English law.

Capitalised terms in this document shall except where the context otherwise requires and save as otherwise defined herein bear the meanings ascribed to them in the Master Definitions and Construction Schedule signed by Clifford Chance LLP and Freshfields Bruckhaus Deringer LLP for the purposes of identification on or about the date of this document.

.....  
Authorised Signatory

**Schedule 1**  
**to the Issuer Swap Collateral Account Mandate**

The following sets out the signatories for the Issuer Swap Collateral Account, in accordance with paragraphs 4 and 5 of the Issuer Swap Collateral Account Bank Mandate.



**IN WITNESS WHEREOF** the parties have caused this Agreement to be executed the day and year first before written.

**Issuer**

**SIGNED** by )  
a duly authorised representative of )  
**GOSFORTH FUNDING** )  
**2017-1 PLC** )

**Virgin Money, Issuer Cash Manager, Administrator, Seller and Basis Rate Swap Provider**

**SIGNED** by )  
a duly authorised signatory of )  
**VIRGIN MONEY PLC** )

**Security Trustee**

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

**Issuer Cash Swap Collateral Account Bank and Issuer Securities Swap Collateral Account Bank**

**SIGNED** by )  
a duly authorised representative of )  
**BNP PARIBAS SECURITIES** )  
**SERVICES, LONDON BRANCH** )