

**24 September 2018**  
**(as amended and restated on 25 February 2022)**

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

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

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**TRUST DEED**  
constituting  
**US\$557,895,000 Class A1 MORTGAGE BACKED  
FLOATING RATE NOTES DUE 2060**  
**£409,935,000 Class A2 MORTGAGE BACKED FLOATING  
RATE NOTES DUE 2060**  
**£441,684,000 Class A3 MORTGAGE BACKED FLOATING  
RATE NOTES DUE 2060**  
**£49,956,000 Class M MORTGAGE BACKED FLOATING  
RATE NOTES DUE 2060**  
**£99,911,000 Class Z MORTGAGE BACKED FIXED RATE  
NOTES DUE 2060**

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**Freshfields Bruckhaus Deringer**

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**THIS TRUST DEED** is made on 24 September 2018 as amended and restated on 25 February 2022

**BETWEEN:**

- (1) **GOSFORTH FUNDING 2018-1 PLC** a public limited company incorporated under the laws of England and Wales (registered number 11444253) whose registered office is at 8<sup>th</sup> Floor, 100 Bishopsgate, London EC2N 4AG (the *Issuer*); and
- (2) **CITICORP TRUSTEE COMPANY LIMITED** a private limited company incorporated in England and Wales with limited liability (registered number 00235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the *Note Trustee*, which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of this Deed).

**WHEREAS:**

- (A) By a resolution of a duly authorised Board of Directors of the Issuer passed on 12 September 2018 the Issuer authorised the creation and issue of the US\$557,895,000 Class A1 Mortgage Backed Floating Rate Notes due 2060 (the *Class A1 Notes*), the £409,935,000 Class A2 Mortgage Backed Floating Rate Notes due 2060 (the *Class A2 Notes*), the £441,684,000 Class A3 Mortgage Backed Floating Rate Notes due 2060 (the *Class A3 Notes*) and together with the Class A1 Notes and the Class A2 Notes, the *Class A Notes*, the £49,956,000 Class M Mortgage Backed Floating Rate Notes due 2060 (the *Class M Notes*) and the £99,911,000 Class Z Mortgage Backed Fixed Rate Notes due 2060 (the *Class Z Notes* and, together with the Class A Notes and the Class M Notes, the *Notes* which expression where the context so requires shall include the Global Notes as defined below), which are constituted hereby and secured by the Deed of Charge.
- (B) The Note Trustee has agreed to act as trustee of this Deed for the benefit of the Noteholders upon and subject to the Conditions.

**NOW THIS TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 The Master Definitions and Construction Schedule signed for the purposes of identification by Clifford Chance LLP and Freshfields Bruckhaus Deringer LLP on the date of this Deed is expressly and specifically incorporated into this Deed (to the extent necessary), and accordingly, the expressions defined in the Master Definitions and Construction Schedule shall except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals hereto and this Deed shall be construed in accordance with the interpretation provisions set out in clause 2 (*Principles of Interpretation and Construction*) of the Master Definitions and Construction Schedule. In the event of a conflict between the

Master Definitions and Construction Schedule and this Deed, this Deed shall prevail.

- 1.2 (a) All references in this Deed to principal and/or premium and/or interest in respect of the Notes or to any monies payable by the Issuer under this Deed shall be deemed to include a reference to any additional amounts which may be payable under Condition 4(I) (*Deferral of Interest*) or, if applicable, under any undertaking or covenant given pursuant to Clause 3.1 (*Covenant to Pay*).
- (b) All references in this Deed to ***this Deed*** means this Trust Deed, the Conditions, the Schedules hereto, any deed expressed to be supplemental hereto or thereto and the schedules (if any) all as from time to time supplemented or modified in accordance with the provisions contained in this Deed and/or where applicable, therein contained.
- (c) All references in this Deed to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
- (d) All references in this Deed to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in this Deed.
- (e) All references in this Deed to taking proceedings against the Issuer shall be deemed to include references to proving in the winding up of the Issuer.
- (f) All references in this Deed to Euroclear, Clearstream, Luxembourg and DTC shall be deemed to include references to any other or additional clearing system as may be approved in writing by the Note Trustee.
- (g) Unless otherwise defined or the context otherwise requires words or expressions used in this Deed shall bear the same meanings as in the Companies Act 2006 of Great Britain.
- (h) All references in this Deed and the Conditions to a ***direction*** or ***directs/directed in writing*** by the holders of at least 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Class A Notes shall mean:
- (i) in relation to a matter referred to in Condition 9 (*Events of Default*) or 10 (*Enforcement of Notes*) or in paragraph (b) of Clause 12.3 (*Waiver of Breach and Determination*), a single direction of the holders of at least 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Class A Notes of all Classes;

- (ii) subject to sub-paragraph (i) above, in relation to a matter which, in the sole opinion of the Note Trustee, affects the interests of the holders of the Class A Notes of only one Class, a single direction of the holders of at least 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Class A Note of that Class;
- (iii) subject to sub-paragraph (i) above, in relation to a matter which, in the sole opinion of the Note Trustee, affects the interests of the holders of the Class A Notes of more than one Class but does not give rise to a conflict of interest between holders of the Class A Notes of any of the Classes so affected, a single direction of the holders of at least 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Class A Notes of all the Classes so affected; and
- (iv) subject to sub-paragraph (i) above, in relation to a matter which, in the sole opinion of the Note Trustee, affects the interests of the holders of the Class A Notes of more than one Class and gives or may give rise to a conflict of interest between the holders of any of the Classes of the Class A notes so affected, separate directions of the holders of at least 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Class A Notes of each Class so affected.

## **2. THE NOTES**

### **Amount of the Notes**

- 2.1 On the Closing Date the aggregate principal amount of:
- (a) Class A1 Notes is limited to US\$557,895,000;
  - (b) Class A2 Notes is limited to £409,935,000;
  - (c) Class A3 Notes is limited to £441,684,000;
  - (d) Class M Notes is limited to £49,956,000; and
  - (e) Class Z Notes is limited to £99,911,000.

## **3. COVENANT TO PAY PRINCIPAL AND INTEREST**

### **Covenant to Pay**

- 3.1 The Issuer covenants with the Note Trustee that it will, in accordance with this Deed:
- (a) on the Final Redemption Date of the Notes, or on such earlier date or dates as the same or any part thereof may become due and repayable thereunder in accordance with the Conditions, pay in:
    - (i) in the case of the Class A1 Notes, US dollars; and

- (ii) in the case of the Class A2 Notes, Class A3 Notes, Class M Notes and Class Z Notes, Sterling,

or procure to be paid unconditionally to or to the order of the Note Trustee in US dollars or Sterling (as applicable) in same day funds, the principal amount of the Notes repayable on the Final Redemption Date or, as the case may be, on any such earlier date or dates; and

- (b) until the Final Redemption Date of the Notes (both before and after any judgment or other order of a court of competent jurisdiction) (subject to the provisions of the Conditions) pay or procure to be paid unconditionally to or to the order of the Note Trustee, in same day funds, interest (which shall accrue from day to day) on the Principal Amount Outstanding of the Notes at the rates set out in or (as the case may be) calculated from time to time in accordance with Condition 4 (*Interest*) and on the dates on which such interest becomes due and payable in accordance with the Conditions, **provided that:**

- (i) every payment of principal or interest in respect of the Notes or any of them to or to the account of the Paying Agents in the manner provided in the Paying Agent and Agent Bank Agreement shall operate in satisfaction *pro tanto* of the relative covenant by the Issuer in this Clause 3.1 except to the extent that there is default in the subsequent payment thereof to the Noteholders in accordance with the Conditions;
- (ii) if any payment of principal or interest in respect of the Notes is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Noteholders or, if earlier, the seventh day after notice has been given to the Noteholders in accordance with the Conditions that the full amount has been received by the Note Trustee or the Paying Agents;
- (iii) in any case where payment of any principal in respect of the Notes is not made to the Note Trustee or the Paying Agents on or before the due date (being the due date specified in the Paying Agent and Agent Bank Agreement, in the case of the Paying Agents) interest shall continue to accrue on such principal (both before and after any judgment or other order of a court of competent jurisdiction) at the rate or rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) up to and including the date which the Note Trustee determines to be the date on and after which payment is to be made to the Noteholders in respect thereof as stated in a notice given to the Noteholders in accordance with the Conditions (such date to be not later than 30 days after the day on which the whole of such principal, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including

that date, has been received by the Note Trustee or the Paying Agents); and

- (iv) in any case where payment of the whole or any part of the principal amount of any Note is improperly withheld or refused upon due presentation thereof (if so provided in the Paying Agent and Agent Bank Agreement) interest shall accrue on the whole or such part of such principal amount which has been so withheld or refused (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) from and including the date of such withholding or refusal up to and including the date on which such principal amount due is paid to the Noteholders or (if earlier) the seventh day after notice is given to the Noteholders in accordance with the Condition 4(A) (*Period of Accrual*) that the full amount (including interest as aforesaid) payable in respect of the principal amount is available for payment, **provided that**, upon further due presentation thereof (if so provided in the Paying Agent and Agent Bank Agreement), such payment is in fact made.

### **Deferral of Interest**

- 3.2 The Issuer shall pay deferred interest in accordance with Condition 4(I) (*Deferral of Interest*).

### **Maximum payments**

- 3.3 No provision contained in the Conditions or in this Deed or the Deed of Charge will require the Issuer to pay:
  - (a) an amount of principal in respect of a Note which exceeds the Principal Amount Outstanding of such Note at the relevant time; or
  - (b) an amount of interest calculated on any principal amount in excess of such Principal Amount Outstanding.

### **Benefit held on trust**

- 3.4 The Note Trustee will hold the benefit of the representations, warranties and covenants contained in this Deed and any other Transaction Document on trust for the Noteholders and itself in accordance with the provisions of this Deed.

### **Notes Due and Payable**

- 3.5 Upon the delivery of a Note Acceleration Notice, the Notes, without further action or formality, shall become, to the extent unpaid, immediately due and payable at their Principal Amount Outstanding, with accrued interest.

### **Appointment of Paying Agent and Agent Bank for the Note Trustee**

- 3.6 At any time after a Note Event of Default or a Potential Note Event of Default shall have occurred (which shall not have been waived by the Note Trustee or



remedied to its satisfaction) or the Notes shall otherwise have become due and repayable or the Definitive Notes have not been issued when so required in accordance with this Deed and the Global Notes, the Note Trustee at its absolute discretion may (subject to it being indemnified and/or secured to its satisfaction):

- (a) by notice in writing to the Issuer and the Agents require such Agents or any of them pursuant to the Paying Agent and Agent Bank Agreement until such notice is withdrawn:
  - (i) to act thereafter, until otherwise instructed by the Note Trustee, as the agents of the Note Trustee and the Security Trustee in relation to payments and calculations to be made by or on behalf of the Note Trustee and the Security Trustee under this Deed and the Deed of Charge (save that the Note Trustee's and the Security Trustee's liability under any provisions thereof for indemnification, remuneration and payment of out-of-pocket expenses of the Agents shall be limited to the amounts for the time being held by the Note Trustee or, as the case may be, the Security Trustee on the trusts of this Deed or, as the case may be, the Deed of Charge and available to the Note Trustee or, as the case may be, the Security Trustee for such purpose), and to hold all Instruments and all sums, documents and records held by them in respect of the Instruments on behalf of the Note Trustee; or
  - (ii) to deliver up all sums, documents and records held by them in respect of the Instruments and, in the case of the Paying Agents, all Instruments held by them, to the Note Trustee or as the Note Trustee shall direct in such notice, **provided that**, such notice shall be deemed not to apply to any document or record which any of the Agents is obliged not to release by any law or regulation; and/or
- (b) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Notes to or to the order of the Note Trustee, and with effect from the issue of any such notice to the Issuer and until such notice is withdrawn, sub-paragraph (b)(i) of Clause 3.1 (*Covenant to Pay*) relating to the Notes shall cease to have effect.

#### 4. FORM AND ISSUE OF THE NOTES

##### Global Notes

- 4.1 Each Class of Notes that is initially offered and sold in reliance on Regulation S (the **Regulation S Notes**) under the United States Securities Act of 1933, as amended (the **Securities Act**) will initially be represented on issue by one or more global notes of such Class, in fully registered form without coupons or talons attached (each, a **Regulation S Global Note**).
- 4.2 Each Class of Notes that is initially offered and sold in reliance on Rule 144A (the **Rule 144A Notes**) under the Securities Act will initially be represented on

issue by one or more global notes of such Class, in fully registered form without coupons or talons attached (each, a **Rule 144A Global Note**, and together with the Regulation S Global Notes, the **Global Notes**).

- 4.3 Each such Global Note shall be exchangeable, in accordance with its terms, for its corresponding Definitive Notes as described in the limited circumstances set out in Clause 4.6 (*Definitive Notes*).

#### **Form of Global Notes**

- 4.4 Each Regulation S Global Note shall be printed or typewritten and shall be in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Regulation S Global Note*). Each Rule 144A Global Note shall be printed or typewritten and shall be in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Rule 144A Global Note*).
- 4.5 Each Global Note shall represent such of the outstanding Notes of the relevant Class as shall be specified therein and each shall provide that it shall represent the aggregate Principal Amount Outstanding of the relevant Class of Notes from time to time endorsed thereon and that the aggregate Principal Amount Outstanding of the Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, redemptions, purchases and transfers of interests therein in accordance with the terms of this Deed and the Paying Agent and Agent Bank Agreement. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the Principal Amount Outstanding of the Notes represented thereby shall be made by or on behalf of the Principal Paying Agent in accordance with such Global Note and the Paying Agent and Agent Bank Agreement. The Global Notes shall be issued only in registered form and signed manually or in facsimile by a person duly authorised by the Issuer or on behalf of the Issuer and the Issuer shall procure that the Global Notes shall be authenticated by or on behalf of the Principal Paying Agent and, in the case of the Global Notes held through Euroclear and/or Clearstream, Luxembourg under the New Safekeeping Structure, effectuated by the Common Safekeeper. The Global Notes so executed, authenticated and, in the case of the Global Notes held through Euroclear and/or Clearstream, Luxembourg under the New Safekeeping Structure, effectuated, shall be binding and valid obligations of the Issuer, notwithstanding that such duly authorised person no longer holds that office at the time the Principal Paying Agent authenticates the relevant Global Note, and title thereto shall pass by registration of transfer in the Register.

#### **Definitive Notes**

- 4.6 Each Regulation S Global Note will be exchangeable, free of charge to the holder, on or before its Individual Exchange Date (as defined below), in whole but not in part, for definitive Notes in registered form, which shall be printed or typewritten and shall be in, or substantially in, the form set out in Part A of Schedule 2 (*Form of Regulation S Definitive Note*) (a **Regulation S Definitive Note**) and each Rule 144A Global Note will be exchangeable, free of charge to the holder, on or before its Individual Exchange Date (as defined below), in whole but not in part, for definitive Notes in registered form, which shall be

printed or typewritten and shall be in, or substantially in, the form set out in Part B of Schedule 2 (*Form of Rule 144A Note*) (a ***Rule 144A Definitive Note***, and together with the Regulation S Definitive Note, the ***Definitive Notes***), at the request of the holder of the relevant Global Note against presentation and surrender of such Global Note to the Principal Paying Agent if any of the following events (each, an ***Exchange Event***) occurs:

- (a) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form; or
- (b) in the case of the US\$ Rule 144A Global Note held on behalf of DTC, the Issuer has been notified that DTC or a successor depositary is no longer willing or able to discharge properly its responsibilities as depositary with respect to the US\$ Rule 144A Global Note or ceases to be a "clearing agency" under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility or cessation on the part of such depositary; or
- (c) in the case of the Global Notes held through Euroclear or Clearstream, Luxembourg, either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Note Trustee is then in existence.

***Individual Exchange Date*** means a day falling not more than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of each of the Registrar and Principal Paying Agent is located.

- 4.7 If Definitive Notes are to be issued, then the Issuer shall, at its sole cost and expense within 30 days of the occurrence of the relevant event, issue Definitive Notes of the same Class or Classes as the Class or Classes of Notes represented by the relevant Global Note in exchange for the whole (or the remaining part(s) outstanding) of the relevant Global Note in accordance with the Paying Agent and Agent Bank Agreement.

### **Form of Definitive Notes**

- 4.8 The Definitive Notes will be security printed in accordance with applicable legal and stock exchange requirements. Each Definitive Note shall be issued in the denomination of £100,000 and US\$200,000 (as applicable), and in such other denomination in excess thereof and divisible by £1,000 and US\$1,000

(as applicable) and as the Note Trustee shall specify. Each Definitive Note shall be serially numbered and shall be endorsed with the Conditions of the Class of Notes to which it relates. The Definitive Notes shall be signed manually or in facsimile by an Authorised Signatory of the Issuer. The Issuer may use the facsimile signature of any person who at the date of printing of the Definitive Notes is an Authorised Signatory of the Issuer notwithstanding that at the time of issue of any of the Definitive Notes they may have ceased for any reason to be an Authorised Signatory and the Definitive Notes so executed shall be binding and valid obligations of the Issuer. The Issuer shall procure that, prior to their issue, the Definitive Notes will be authenticated manually or in facsimile by an Authorised Signatory of the Principal Paying Agent and none of the Definitive Notes shall be valid for any purpose unless and until the relevant Definitive Notes have been so authenticated.

### **Failure to Issue Notes in Definitive Form Following Imposition of Taxation**

- 4.9 If the Issuer becomes obliged to issue Definitive Notes pursuant to the terms of the relevant Global Note by reason of any amendment to, or change in the laws or regulations of the United Kingdom as further described in paragraph (a) of Clause 4.6 (*Definitive Notes*), but fails to do so within 30 days of such event, then the Issuer shall indemnify the Note Trustee and the holder of the relevant Global Note and keep them indemnified against any loss or damage incurred by any of them if the amount received by any of them is less than the amount that would have been received had the Definitive Notes been issued. If and for so long as the Issuer discharges its obligations under this indemnity, the breach by the Issuer of the provisions of the relevant Global Notes shall be deemed to be cured from the date of such breach.

## **5. COVENANT OF COMPLIANCE**

The Issuer covenants with the Note Trustee that it will comply with and perform and observe all the provisions of this Deed, the Notes (including the Conditions), the Deed of Charge, the Paying Agent and Agent Bank Agreement and the documents executed pursuant thereto and the other Transaction Documents. The Conditions shall be binding on the Issuer, the Noteholders, the Note Trustee and all persons claiming through or under any of them. The Notes are subject to the provisions of this Deed, all of which shall be binding on the Issuer, the Noteholders, the Note Trustee and all persons claiming through or under any of them.

## **6. REPRESENTATIONS AND WARRANTIES AND COVENANTS BY THE ISSUER**

- 6.1 The Issuer represents and warrants to the Note Trustee on the date of this Deed:
- (a) that, by reference to the information and statements contained in the Preliminary Prospectus (as at the date of its publication, except insofar as the information contained therein has been amended, supplemented or deleted in the Prospectus) and the Prospectus (as at the date hereof):

- (i) the Preliminary Prospectus and the Prospectus contain all material information with respect to the Issuer, the Mortgage Portfolio and the Notes (including all information which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes but excluding, in the case of the Preliminary Prospectus, pricing information);
  - (ii) the statements of fact contained in the Preliminary Prospectus and the Prospectus are, in every material respect true and accurate and not misleading in any material respect and that there are no other material facts the omission of which would in the context of the issue of the Notes make any statement in the Preliminary Prospectus and the Prospectus misleading in any material respect;
  - (iii) the statements of intention, opinion, belief or expectation contained in the Preliminary Prospectus and the Prospectus are, honestly and reasonably made or held; and
  - (iv) in respect of the facts and statements referred to in this subparagraph, all reasonable enquiries have been and will be made to ascertain all such facts and to verify the accuracy of all such statements;
- (b) that, by reference to the information and statements contained in the Investor Presentation Materials:
- (i) the statements of fact contained in the Investor Presentation Materials are in every material respect true and accurate and not misleading in any material respect and that there are no other material facts the omission of which would in the context of the issue of the Rated Notes make any statement in the Investor Presentation Materials misleading in any material respect;
  - (ii) the statements of intention, opinion, belief or expectation contained in the Investor Presentation Materials are honestly and reasonably made or held; and
  - (iii) in respect of the facts and statements referred to in this subparagraph, all reasonable enquiries have been and will be made to ascertain all such facts and to verify the accuracy of all such statements;
- (c) that the Prospectus contains all of the information required by section 87A of the FSMA and otherwise complies with the Prospectus Rules and that the Prospectus contains all information required by the law of the jurisdiction of the Issuer's incorporation and otherwise complies with such law to the extent applicable;

- (d) that applications have been made for each class of Notes to be listed on the official list of the UK Listing Authority and the London Stock Exchange plc and for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market. The Prospectus comprises a prospectus issued in compliance with the listing rules and the prospectus rules made under Part VI of the FSMA by the Financial Services Authority;
- (e) that, upon issue, subject to the Priorities of Payments and the Conditions, the Notes will constitute direct, unconditional, secured and unsubordinated obligations of the Issuer and that the aggregate principal amount of the Notes is stated to be at least the GBP Equivalent of £50,000,000;
- (f) that the Notes and obligations of the Issuer under this Deed and the other Transaction Documents to which it is expressed to be a party will be secured in the manner provided for in the Deed of Charge and with the benefit of the charges, covenants and other security provided for therein and granted pursuant thereto;
- (g) that the Issuer has not engaged in any activities since its incorporation other than:
  - (i) matters related to its registration and incorporation under the Companies Act 2006;
  - (ii) making various changes to its share capital, directors, secretary, registered office, constitutional documents, obtaining its trading certificate and other appropriate corporate steps;
  - (iii) obtaining a DPA Registration;
  - (iv) the authorisation, execution and, in certain circumstances, amendment of the Transaction Documents;
  - (v) the issue of the Prospectus;
  - (vi) the activities referred to or contemplated in the Transaction Documents and the Prospectus;
  - (vii) the authorisation and issue by it of the Notes, and
  - (viii) matters ancillary to any of the foregoing;
- (h) that the Issuer has not prepared any accounts and has neither paid any dividends nor made any distributions since the date of its incorporation;
- (i) that save for the Required Filings in respect of the Issuer, under the laws of England and Wales or Scotland it is not necessary that any Transaction Document be filed, recorded or enrolled with any court or other authority in England and Wales or Scotland, or that any stamp duty, stamp duty reserve tax, stamp duty land tax, registration, documentary or similar tax be paid on or in respect thereof;

- (j) that the Issuer does not require the consent of any other party or the consent, licence, approval or authorisation of any governmental authority in connection with the creation and issue of the Notes, the distribution of the Prospectus or the entering into or performance of the Transaction Documents;
- (k) that, other than the due registration of the Deed of Charge and the Scottish Supplemental Charge under Section 860 of the Companies Act 2006, all consents, licences, approvals or authorisations of, or registrations or filings with, any governmental or other authority or agency required by law to be obtained by the Issuer in relation to the execution and delivery of the Transaction Documents, the issue and distribution of the Notes, the performance of the terms of the Transaction Documents and the creation of the security pursuant to the Deed of Charge have been unconditionally obtained and are in full force and effect, including without limitation, (i) all authorisations, approvals, licences and consents relating to FSMA (if any) and (ii) a certificate to commence business pursuant to section 761 of the Companies Act 2006;
- (l) that the Issuer Security created pursuant to the Deed of Charge and the Scottish Supplemental Charge are legal and valid obligations, binding on it and enforceable against it in accordance with their respective terms and not liable to be avoided or otherwise set aside in the event of any Insolvency Event in relation to the Issuer;
- (m) that the claims of the Secured Creditors against the Issuer will rank in priority to the claims of unsecured creditors of the Issuer as provided in the Deed of Charge;
- (n) that, (i) payments of principal and interest on the Notes will be made by the Issuer without withholding or deduction for or on account of, any taxes, duties, assessments or other charges of whatever nature imposed, levied, collected, withheld or assessed by the government of the United Kingdom or any political subdivision or authority thereof or therein having the power to tax and (ii) no stamp or other duty or similar tax is assessable or payable in, and no withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature is required to be made by or within the United Kingdom or other subdivision of or authority therein or thereof having the power to tax in, in each case in connection with the authorisation, execution, issue or delivery of the Notes or the execution or, as appropriate, delivery of the Transaction Documents;
- (o) that the authorised capital of the Issuer is £12,500.75 consisting of 49,999 shares of £1 each, with one quarter paid-up and 1 £1 share fully paid up, all of which are owned by Holdings;
- (p) that the Issuer has no subsidiaries or subsidiary undertakings or employees within the meaning of section 1159 and 1162 of the Companies Act 2006;

- (q) that the Issuer is not unable to pay its debts within the meaning of Section 123(2) of the Insolvency Act;
- (r) that the Issuer's *centre of main interests* for the purposes of the EU Regulation and the Cross Border Insolvency Regulations is in England and that it has no *establishment* (as defined in the Insolvency Regulation and the Cross Border Insolvency Regulations) other than in England;
- (s) that the Issuer's management, the places of residence of the directors of the Issuer and the place at which meetings of the board of directors of the Issuer are held are all situated in the United Kingdom;
- (t) that the accounting reference date of the Issuer is 31 December;
- (u) that no event has occurred which would (whether or not with the giving of notice and/or the lapse of time and/or the fulfilment of any other condition), had the Notes already been issued, constitute an event of default under the Notes;
- (v) since the date of its incorporation there has been no material adverse change in the financial position or prospects of the Issuer;
- (w) that the Class A1, Class A2 and Class A3 Notes will constitute direct, secured and (subject as provided in Condition 5(C) (*Termination of the Original Currency Swap Agreement*)) unconditional obligations of the Issuer, and the Class M Notes and the Class Z Notes are direct, secured and (subject as provided in Condition 4(I) (*Deferral of Interest*)) unconditional obligations of the Issuer, in each case in accordance with the terms of the Deed of Charge and payments of interest due on the Class A Notes will rank and will at all times rank *pari passu* and rateably without preference or priority amongst themselves and payments of interest due on the Class A Notes will rank in priority to payments of interest due on the Class M Notes and the Class Z Notes and payment of interest due on the Class M Notes will rank in priority to payments of interest due on the Class Z Notes and payments of principal due and payable on the Class A1 Notes will rank and will at all times rank *pari passu* and rateably without preference or priority of payments amongst themselves, the Class A2 Notes will rank and will at all times rank *pari passu* and rateably without preference or priority of payments amongst themselves and the Class A3 Notes will rank and will at all times rank *pari passu* and rateably without preference or priority of payments among themselves, and payment of principal due and payable on the Class A1 Notes, the Class A2 Notes and the Class A3 Notes will rank in priority to payments of principal due and payable on the Class M Notes and the Class Z Notes and payments of principal due and payable on the Class M Notes will rank in priority to payments of principal due on the Class Z Notes;



- (x) that the Issuer is not in breach of or default under any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets to an extent or in a manner which would be reasonably likely to have a Material Adverse Effect on the Issuer, any Transaction Document, any of the Assigned Rights or the Notes; and
- (y) all information supplied by the Issuer to the Note Trustee, the Rating Agencies and the Joint Lead Managers in connection with the execution of the Transaction Documents and the issue of the Notes and the performance of the obligations of the Issuer under the Transaction Documents and in respect of the Notes is true and accurate in all material respects and is not misleading because of any omission or ambiguity or for any other reason.

6.2 The Issuer hereby covenants with the Note Trustee that, so long as any of the Notes remain outstanding, it will:

- (a) **Books and Records:** at all times keep such books of account and records as may be necessary to comply with all applicable laws and so as to enable accounts of the Issuer to be prepared and allow the Note Trustee and any person appointed by the Note Trustee free access to such books of account and records at all reasonable times during normal business hours;
- (b) **Accounts for Stock Exchange:** cause to be prepared and certified by the Auditors of the Issuer in respect of each Financial Year, accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of any stock exchange or securities market on which the Notes are listed;
- (c) **Further Notes:** not issue any further notes;
- (d) **Noteholder Information:** send to the Note Trustee two copies of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders or holders of securities other than its shareholders (including the Noteholders) (or any Class of them) as soon as practicable after the issue or publication thereof;
- (e) **144A Information:** for so long as any Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder to provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Note Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or

the Note Trustee (as applicable), the information satisfying the requirements of Rule 144A(d)(4) under the Securities Act;

- (f) **Information:**
- (i) so far as permitted by applicable law, give or procure to be given to the Note Trustee such opinions, certificates, information and evidence as it shall require and in such form as it shall require, including without limitation the procurement by the Issuer of all such certificates called for by the Note Trustee pursuant to this Deed for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under this Deed or by operation of law; and
  - (ii) give or procure to be given to the Note Trustee and Clydesdale notice of the issuance of a contribution notice or a financial support direction to the Issuer, the Mortgages Trustee or Clydesdale by the pensions regulator pursuant to the Pensions Act 2004 or any correspondence, discussion or other indication that such a notice or direction may be issued by the pensions regulator;
- (g) **Notice of Note Event of Default:** give notice in writing to the Note Trustee forthwith upon becoming aware of the occurrence of any Note Event of Default or Potential Note Event of Default, including the status of any such default or matter and what action the Issuer is taking or proposes to take with respect thereto, and without waiting for the Note Trustee to take any action;
- (h) **Financial Information:** at all times maintain separate financial statements from any other entity and give to the Note Trustee (a) within 14 days after demand by the Note Trustee therefor and (b) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each Financial Year commencing with the Financial Year first ending after the date hereof and in any event not later than 180 days after the end of each such Financial Year a certificate signed by two directors of the Issuer to the effect that as at a date not more than seven days prior to the date of such certificate (the *Certification Date*) there did not exist and had not existed since the Certification Date of the previous certificate (or in the case of the first such certificate the date hereof) any Note Event of Default or Potential Note Event of Default (or if such exists or existed specifying the same) and that during the period from and including the Certification Date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the Certification Date of such certificate the Issuer has complied with all its obligations contained in this Deed and each of the Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not so complied;

- (i) **Notice of Deferral of Payments:** as soon as practicable after becoming aware that any part of a payment of interest on the Notes will be deferred or that a payment previously deferred will be made in accordance with Condition 4 (*Interest*), give notice thereof to the Noteholders in accordance with the Conditions and, for so long as the Notes are admitted to trading on the regulated market of the London Stock Exchange and/or such other stock exchange(s) or securities markets upon which the Notes may become listed, to the London Stock Exchange and/or such other stock exchangers) or securities markets;
- (j) **Further Assurances:** so far as permitted by applicable law, at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the opinion of the Note Trustee to give effect to this Deed and the other Transaction Documents;
- (k) **Agent Bank, CM Reference Banks etc.:** at all times maintain four CM Reference Banks, an Agent Bank, a Principal Paying Agent, a Registrar and a Transfer Agent;
- (l) **Notification of Non-Payment:** procure that the Principal Paying Agent notify the Note Trustee forthwith in the event that (i) the Principal Paying Agent does not on or before the due date for any payment in respect of any of the Notes, receive unconditionally pursuant to the Paying Agent and Agent Bank Agreement the full amount in the applicable currency of the monies payable on such due date on all such Notes, or (ii) there are insufficient funds in the applicable currency available to the Principal Paying Agent to discharge the amount of the monies payable on such due date;
- (m) **Notification of Late Payment:** in the event of the unconditional payment to the Paying Agents or the Note Trustee of any sum due in respect of any of the Notes or any of them being made after the due date for payment thereof, forthwith give or procure to be given notice to the relevant Noteholders in accordance with the Conditions that such payment has been made;
- (n) **Listing:** use reasonable endeavours to maintain the listing of the Notes on the Official List of the UK Listing Authority and to trading of the Notes on the Regulated Market of the London Stock Exchange or, if it is unable to do so having used reasonable endeavours, use reasonable endeavours to obtain and maintain a quotation or admission to listing and trading of the Notes on such other stock exchange or exchanges or securities market or markets as the Issuer may decide (with the prior written approval of the Note Trustee) and shall also upon obtaining a quotation or admission to trading of the Notes on such other stock exchange or exchanges or securities market or markets enter into a Trust Deed supplemental to this Deed to effect such consequential amendments to this Deed as the Note Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange or securities market;

- (o) **Change of Agent, CM Reference Banks, etc.:** subject to the Paying Agent and Agent Bank Agreement, give notice to the Noteholders in accordance with the Conditions of any appointment, resignation or removal of any Agent or CM Reference Banks (other than the appointment of the initial Agents and CM Reference Banks) after, except in the case of resignation, having obtained the prior written approval of the Note Trustee (not to be unreasonably withheld or delayed) thereto or any change of any Agent's specified office **provided always that** so long as any of the Notes remains outstanding, in the case of the termination of the appointment of the Agent Bank, or so long as any of the Notes remains liable to prescription, in the case of the termination of the appointment of any other Agent, no such termination shall take effect until a new Agent Bank or any such Agent (as the case may be) has been appointed on terms previously approved in writing by the Note Trustee;
- (p) **Pre-Approval of Notices:** obtain the prior written approval of the Note Trustee to, and upon publication promptly give to the Note Trustee and the Rating Agencies two copies of, every notice given to the Noteholders in accordance with the Conditions (such approval, unless so expressed, not to constitute approval for the purposes of Section 21 of the FSMA);
- (q) **Meetings:** from time to time as required or contemplated by this Deed or as requested by the Note Trustee, make available through the Paying Agents or otherwise such documents as may be required by the Noteholders in connection with meetings of Noteholders;
- (r) **Compliance with Paying Agent and Agent Bank Agreement:** observe and comply with its obligations and use its reasonable endeavours to procure that the Agents comply with and perform all their respective obligations under the Paying Agent and Agent Bank Agreement and (in the case of the Paying Agents) any notice given by the Note Trustee pursuant to paragraph (a) of Clause 3.6 (*Appointment of Paying Agent and Agent Bank for the Note Trustee*) and not make any amendment or modification to such agreement or agree to waive or authorise any breach thereof without the prior written approval of the Note Trustee and notify the Note Trustee forthwith upon becoming aware of any breach by any of the Agents;
- (s) **Compliance with the Transaction Documents:** observe and comply with its obligations under, and not make any amendment or modification to, the Transaction Documents and not agree to waive or authorise any breach or proposed breach thereof without the prior written approval of the Note Trustee and notify the Note Trustee forthwith upon becoming aware of any breach by any party to any Transaction Document;
- (t) **Compliance with laws:** ensure that at all times all necessary action is taken and all necessary conditions are fulfilled so that the Issuer may lawfully comply with its obligations under the Notes and the

Transaction Documents to which it is a party and with all applicable laws, regulations and guidance from time to time promulgated by any governmental and regulatory authorities relevant in the context of the Transaction Documents and the issue of the Notes;

- (u) **Definitive Notes:** notify the Note Trustee upon the occurrence of any of the events giving rise to its obligations to issue Definitive Notes to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*);
- (v) **Redemption Requirements:** not redeem or, as the case may be, give notice of redemption to Noteholders of all or any part of a Class or Classes of Notes pursuant to Condition 5(E) (*Optional Redemption in Full*) or Condition 5(F) (*Optional Redemption for Tax or other Reasons*) unless it shall first have provided to the Note Trustee such certificates and opinions as may be required to be given to the Note Trustee pursuant to and in accordance with Condition 5(E) (*Optional Redemption in Full*) or, as the case may be, Condition 5(F) (*Optional Redemption for Tax or other Reasons*);
- (w) **No Security Interest:** not create or permit to subsist any Security Interest in respect of the Issuer Accounts, the VM Issuer Account, the Issuer Share of the Trust Property or any other assets of the Issuer other than pursuant to the Transaction Documents;
- (x) **Maintenance of Issuer Cash Manager:** ensure that there is at all times a cash manager appointed in accordance with the provisions of the Issuer Cash Management Agreement;
- (y) **United Kingdom:** ensure that it is at all times solely resident in the United Kingdom for United Kingdom tax purposes and has no branch, business establishment or other fixed establishment outside the United Kingdom;
- (z) **Pre-Acceleration Priority of Payments:** prior to any enforcement of the Issuer Security, ensure that amounts standing to the credit of the Issuer Accounts and the VM Issuer Account on a Payment Date will be applied by the Issuer in or towards satisfaction of such of the obligations set out in the applicable Issuer Pre-Acceleration Priority of Payments as may be, at any given time, then due and payable in accordance with the Transaction Documents (in each case only if and to the extent that payments or provisions of a higher order of priority which are also due and payable or, where relevant, are likely to fall due at that time or prior to the next succeeding Payment Date have been made or provided for in full);
- (aa) **Availability of Information:** make available for inspection by Noteholders at the Specified Office of the Principal Paying Agent during normal business hours on any Business Day copies of each balance sheet and profit and loss account sent to the Note Trustee

pursuant to this Deed, the Paying Agent and Agent Bank Agreement and the other Transaction Documents;

- (bb) **Ratings:** furnish, or procure that there is furnished, from time to time, any and all documents, instruments, information and undertakings that may be reasonably required by the Rating Agencies in connection with the maintenance of the current ratings of the Notes (save that when any such document, instrument, information and/or undertaking is not within the possession or control of the Issuer, the Issuer agrees only to use its reasonable efforts to furnish, or procure that there is furnished, from time to time any such documents, instruments, information and undertakings as may be reasonably necessary in order to maintain the current ratings of the Notes by the Rating Agencies);
- (cc) **Calculations:** procure that there are done on its behalf, all calculations required to be made by the Issuer pursuant to the Conditions;
- (dd) **Euroclear, Clearstream, Luxembourg and DTC:** use its reasonable endeavours to procure that Euroclear, Clearstream, Luxembourg and/or DTC (as the case may be) issue(s) any certificate or other document requested by the Note Trustee acting reasonably pursuant to this Deed as soon as practicable after such request;
- (ee) **Authorised Signatories:** upon the execution of this Deed and thereafter forthwith upon any change of the same, deliver to the Note Trustee (with a copy to the Principal Paying Agent) a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same;
- (ff) **Notes:** in order to enable the Note Trustee to ascertain the number and amount of Notes for the time being outstanding for any of the purposes referred to in the proviso to the definition of *outstanding* contained in Condition 18 (*Definitions*), deliver to the Note Trustee forthwith upon being so requested in writing by the Note Trustee a certificate in writing signed by two Authorised Signatories of the Issuer setting out the total number and the principal amount of the Notes, if any, which:
  - (i) up to and including the date of such certificate have been redeemed by the Issuer and cancelled; and
  - (ii) are at the date of such certificate held by or to the benefit of Clydesdale or any holding company of it;
- (gg) **Redeemed and Damaged/Defaced Notes:** to procure the cancellation of all redeemed, damaged or defaced Notes;
- (hh) **United States:** not engage in any activity in the United States (directly or through agents) or derive any income from United States sources as determined under United States income tax principles or hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States tax principles;

- (ii) **Memorandum and Articles of Association:** not amend, supplement or otherwise modify its memorandum or articles of association;
- (jj) **Noteholders' Interests:** not approve or agree or consent to any act or thing whatsoever which in the opinion of the Note Trustee is materially prejudicial to the interests of the Noteholders under the Transaction Documents without the prior written approval of the Note Trustee and not to do, or permit to be done, any act or thing in relation thereto which in the opinion of the Note Trustee is materially prejudicial to the interests of the Noteholders under the Transaction Documents, without the prior written approval of the Note Trustee;
- (kk) **Ownership:** not own assets other than those representing its share capital, the funds arising from the issue of the Notes, the property, rights and assets secured by the Issuer Security and associated and ancillary rights and interests thereto, the benefit of the Mortgage Loan Documents, the benefit of the Transaction Documents and any investments and other rights or interests created or acquired thereunder, as all of the same may vary from time to time;
- (ll) **VAT:** not apply to become part of any VAT Group with any other company or group of companies, or with any such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal VATA;
- (mm) **Taxes:** bear and pay any stamp or other duties or taxes on or in connection with the issue and delivery of the Notes and the execution and delivery of this Deed and other Transaction Documents;
- (nn) **Conduct:** all times carry on and conduct its affairs in its own name and in a proper and efficient manner;
- (oo) **Separateness:** at all times: (i) hold itself out as a separate entity and to correct any known misunderstanding regarding its separate identity; (ii) use separate stationery, invoices and cheques; (iii) not commingle its assets with those of any other entity, and (iv) observe all relevant corporate formalities; and
- (pp) **COMI:** ensure that its Centre of Main Interests is and will remain in the United Kingdom and it will not have an Establishment in any other jurisdiction.

## 7. ENFORCEMENT

### Proceedings

- 7.1 Subject to Clause 8 (*Proceedings, Actions and Indemnification*), the Note Trustee may, at its discretion and without notice:
- (a) give a Note Acceleration Notice in accordance with Condition 9 (*Events of Default*), following the occurrence of a Note Event of Default;

- (b) institute such proceedings and/or other action (including, following the giving of a Note Acceleration Notice, instructing the Security Trustee to give an Enforcement Notice, or upon the Issuer Security becoming enforceable, to enforce the Issuer Security) against or in relation to the Issuer or any other person as it may think fit in order to enforce its rights under this Deed, the Notes and/or any of the other Transaction Documents; and
- (c) exercise its rights, or instruct the Security Trustee to exercise its rights, under or in connection with this Deed, the Notes and/or any of the other Transaction Documents.

### **Exercise of Powers**

- 7.2 The Note Trustee shall be entitled to enforce the obligations of the Issuer under the Notes (including the Conditions) and to exercise any other rights, powers, authorities and discretions conferred upon the Note Trustee in the Conditions (including instructing the Security Trustee to take action) as if the same were set out and contained in this Deed, which shall be read and construed as one document with the Notes.

### **Enforceability of Security**

- 7.3 The Issuer Security shall become enforceable in the circumstances described in the Deed of Charge.

## **8. PROCEEDINGS, ACTIONS AND INDEMNIFICATION**

### **Action taken by Note Trustee**

- 8.1 The Note Trustee shall not be bound to take any proceedings or other action (including instructing the Security Trustee) mentioned in Clauses 7.1 (*Proceedings*) or 7.2 (*Exercise of Powers*) or any other action in relation to this Deed, the Notes or any documents executed pursuant to this Deed or any of the other Transaction Documents unless:
- (a) it has been directed to do so:
    - (i) by or pursuant to an Extraordinary Resolution passed at a meeting of the holders of the Class A Notes or, if there are no Class A Notes then outstanding, the Class M Notes or, if there are no Class A Notes or Class M Notes then outstanding, the Class Z Notes; or
    - (ii) in writing by the holders of more than 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Class A Notes then outstanding or, if there are no Class A Notes then outstanding, the Class M Notes then outstanding, or if there are no Class A Notes or Class M Notes then outstanding the Class Z Notes then outstanding; and
  - (b) in either case it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims,



demands, costs, charges and expenses to which it may thereby become liable or which may be incurred by it in connection therewith,

**provided that**, the Note Trustee shall not be held liable for the consequence of taking any such action and may take such action without having regard to the effect of such action on individual Noteholders or any other Secured Creditor.

### **Only Note Trustee and Security Trustee to Enforce**

8.2 Only the Note Trustee and the Security Trustee may enforce the provisions of this Deed, the Deed of Charge, the Conditions, the Notes or any other Transaction Documents. No Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents unless:

- (a) the Note Trustee having become bound to give a Note Acceleration Notice or to instruct the Security Trustee to give an Enforcement Notice to the Issuer and the Swap Providers, has failed to do so within 30 days of becoming so bound and such failure is continuing in which case the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (or, following redemption in full of the Class A Notes, the Class M Notes or, following, the redemption in full of the Class M Notes, the Class Z Notes) then outstanding may, as applicable, (i) deliver a Note Acceleration Notice to the Issuer and the Swap Providers in accordance with Condition 9 (*Events of Default*) and/or (ii) instruct the Security Trustee to give an Enforcement Notice to the Issuer in accordance with Condition 10 (*Enforcement of Notes*); or
- (b) the Security Trustee having become bound to deliver an Enforcement Notice to the Issuer, has failed to do so within 30 days of becoming so bound and such failure is continuing in which case the holders of not less than 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Class A Notes (or, following redemption in full of the Class A Notes, the Class M Notes or, following, the redemption in full of the Class M Notes, the Class Z Notes) then outstanding may, as applicable, (i) deliver an Enforcement Notice in accordance with Condition 10 (*Enforcement of Notes*); (ii) to the extent legally possible, take enforcement steps in relation to the Issuer Security, **provided that**, no Noteholder nor any party on its behalf shall initiate or join any person in initiating any Insolvency Proceeding in relation to the Issuer.

### **Evidence of Default**

8.3 If the Note Trustee makes any claim, institutes any legal proceeding or lodges any proof in respect of the Issuer under this Deed, the Deed of Charge or the Notes, the Note Trustee shall have sufficient proof therein that, as regards any specified Note, the Issuer has made default in paying any principal or interest due in respect of such Note shall (unless the contrary be proved) be sufficient

evidence that the Issuer has made the like default as regards all other Notes in respect of which a corresponding payment is then due.

## **9. APPLICATION OF MONIES, ETC.**

### **Application of monies**

- 9.1 All monies received by the Note Trustee in respect of the Notes or amounts payable under this Deed will (including any monies which represent principal or interest in respect of Notes which have become void under the Conditions but excluding any monies paid to the Note Trustee pursuant to paragraph (i) of both the Issuer Pre-Acceleration Revenue Priority of Payments and the Issuer Post-Acceleration Priority of Payments) be held by the Note Trustee on trust to apply them in accordance with (to the extent applicable only) the relevant Priority of Payments.

### **Payment to Noteholders**

- 9.2 Any payment to be made in respect of the Notes by the Issuer or the Note Trustee may be made in the manner provided in the Conditions and any payment so made shall be a good discharge, to the extent of such payment, to the Issuer or the Note Trustee, as the case may be.

### **Production of Notes**

- 9.3 Upon any payment of principal or interest in respect of a Note under Clause 9.2 (*Payments to Noteholders*), the Note in respect of which such payment is made shall, if the Note Trustee so requires, be produced to the Note Trustee or a Paying Agent by or through whom such payment is made and the Note Trustee shall, in the case of part payment, enface or cause such Paying Agent to enface a memorandum of the amount and date of payment on it or, in the case of payment in full, shall cause such Note to be surrendered or shall cancel or procure the same to be cancelled and shall certify or procure the certification of such cancellation.

## **10. REMUNERATION AND INDEMNIFICATION OF THE NOTE TRUSTEE**

### **Normal Remuneration**

- 10.1 The Issuer shall pay to the Note Trustee remuneration of such amount as shall from time to time be agreed by the Issuer and the Note Trustee. The rate of remuneration in force from time to time may upon the final redemption of the whole of the Notes of any Class be reduced by such amount as shall be agreed between the Issuer and the Note Trustee, such reduced remuneration to be calculated from such date as shall be agreed as aforesaid. Such remuneration shall be payable in priority to payments to Noteholders on Payment Dates subject to and in accordance with the relevant Priority of Payments. Such remuneration shall accrue from day to day and be payable up to and including the date when, all the Notes having become due for redemption, the redemption monies and interest thereon to the date of redemption have been paid to the Principal Paying Agent or, as the case may be, the Note Trustee,

**provided that**, if upon due presentation of any Note or any cheque payment of the monies due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue until payment to Noteholders is made.

### **Extra Remuneration**

- 10.2 (a) In the event of the occurrence of a Note Event of Default or a Potential Event of Default or the Note Trustee considering it expedient or necessary or being requested by the Issuer to undertake duties which the Note Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Note Trustee under this Deed, the Issuer shall pay to the Note Trustee such additional remuneration as shall be agreed between them.
- (b) For the avoidance of doubt, any duties in connection with the granting of waivers, modification or substitution of the Issuer or enforcement of the Notes, or any duties carried out post enforcement of the Notes shall be deemed to be of an exceptional nature.
- (c) In the event of the Note Trustee and the Issuer failing to agree:
- (i) (in a case to which Clause 10.1 (*Normal Remuneration*) applies) upon normal remuneration; or
  - (ii) (in a case to which Clause 10.2 (*Extra Remuneration*) applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Note Trustee under this Deed, or upon such additional remuneration,

such matters shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Note Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Note Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such investment bank being payable by the Issuer) and the determination of any such investment bank shall be final and binding upon the Note Trustee and the Issuer.

### **Expense**

- 10.3 In addition to the remuneration hereunder, the Issuer shall on written request, pay all other costs, charges and expenses (against production of invoices) which the Note Trustee may properly incur in relation to:
- (a) the negotiation, preparation and execution of, the exercise of its powers and the performance of its duties under this Deed and any other Transaction Documents including, but not limited to, legal and travelling expenses; and
  - (b) any other action taken by or on behalf of the Note Trustee to enforce the obligations of the Issuer or any other person under or resolving any

doubt in respect of this Deed and/or any of the other Transaction Documents.

### **Indemnity**

- 10.4 (a) The Issuer shall (subject to and in accordance with the applicable Priority of Payments) indemnify, on an after tax basis, the Note Trustee in respect of all proceedings, claims, demands, losses, costs, charges, expenses and liabilities to which it (or any Appointee) may be or become liable or which may be properly incurred by it (or any Appointee) in the execution or purported execution of any of its rights, trusts, powers, authorities and discretions hereunder or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Deed or any of the other Transaction Documents otherwise than by reason of its own negligence, fraud or wilful default.
- (b) The Issuer agrees, subject to Clause 11.10 (*Note Trustee Liability*), to indemnify the Note Trustee against any proceedings, claims, demands, losses, costs, charges, expenses and liabilities which it may incur as a consequence of the Note Trustee becoming a mortgagee in possession either by virtue of its own action or the action of any other person.

### **Stamp Duties**

- 10.5 The Issuer shall pay all stamp duty, stamp duty reserve tax and other duties or taxes of a similar nature, including for the avoidance of doubt any duty levied under the Stamp Act 1891 as amended and supplemented, (if any) payable in the United Kingdom on or arising out of or in consequence of:
- (a) the execution and delivery of this Deed and any other Transaction Document to which the Note Trustee is a party;
  - (b) the constitution and issue of the Notes;
  - (c) the initial delivery of the Notes; and
  - (d) any action in any jurisdiction taken by or on behalf of the Note Trustee.

### **VAT**

- 10.6 (a) All sums set out in this Deed or otherwise payable by the Issuer to the Note Trustee pursuant to this Deed shall be deemed to be exclusive of any VAT chargeable on any supply or supplies for which such sums (or any part thereof) are the whole or part of the consideration for VAT purposes.
- (b) Where, pursuant to the terms of this Deed, the Note Trustee makes a supply to the Issuer for VAT purposes and VAT is or becomes chargeable on such supply, the Issuer shall pay to the Note Trustee (in addition to and at the same time as any other consideration for such supply) a sum equal to the amount of such VAT.

- (c) Where the Issuer is required by the terms of this Deed to reimburse or indemnify the Note Trustee for any Liability, the Issuer shall reimburse or indemnify the Note Trustee for the full amount of such Liability, including such part thereof as represents Irrecoverable VAT.

### **Interest**

10.7 Subject as provided in Clause 10.8 (*Payment*), all sums payable by the Issuer under this Clause 10 (*Remuneration and Indemnification of the Note Trustee*) shall be payable by the Issuer on the date specified in a demand by the Note Trustee; the rate of interest applicable to such payments shall be three per cent., per annum above the base rate from time to time of National Westminster Bank plc and interest shall accrue:

- (a) in the case of payments made by the Note Trustee prior to the date of the demand, from the date on which the payment was made or such later date as specified in such demand; and
- (b) in the case of payments made by the Note Trustee on or after the date of the demand, from the date specified in such demand, which date shall not be a date earlier than the date such payments are made.

All remuneration payable to the Note Trustee shall carry interest at the rate specified above from the due date thereof.

### **Payment**

10.8 Notwithstanding the other provisions of this Deed, any amount owing by the Issuer pursuant to this Clause 10 (*Remuneration and Indemnification of the Note Trustee*) shall only be payable by the Issuer subject to and in accordance with the applicable Priority of Payments which applies at such time.

### **Survival**

10.9 Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause 10 (*Remuneration and Indemnification of the Note Trustee*) shall continue in full force and effect notwithstanding such discharge.

## **11. SUPPLEMENT TO TRUSTEE ACTS**

11.1 The Note Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as set out in the remaining provisions of this Clause 11 (*Supplement to Trustee Acts*).

### **Reliance on Information**

11.2 (a) The Note Trustee may in relation to this Deed or any other Transaction Document act on the opinion or advice of, or a certificate or any information obtained from, any lawyer, banker, valuer, surveyor, securities company, broker, auctioneer, accountant or other expert believed by it to be of good repute and suitably qualified in the United Kingdom or elsewhere, whether obtained by the Issuer, the Note Trustee or otherwise, and shall not be responsible for any loss

occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, facsimile reproduction or in any other form and the Note Trustee shall not be liable for acting in good faith on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic, **provided that**, such error or lack of authenticity is not manifest.

- (b) The Note Trustee may call for and shall be entitled to rely upon a certificate, reasonably believed by it to be genuine, of the Issuer or any other person in respect of every matter and circumstance for which a certificate is expressly provided for under this Deed, the Conditions or any other Transaction Document and to call for and rely upon a certificate of any Agent, any CM Reference Bank, the Issuer, the Issuer Cash Manager, the Trust Property Cash Manager, any Account Bank, any Basis Rate Swap Provider, the Currency Swap Provider or any other person reasonably believed by it to be genuine as to any other fact, or matter *prima facie* within the knowledge of the such Agent, such CM Reference Bank, the Issuer, the Issuer Cash Manager, the Trust Property Cash Manager, any Account Bank, any Basis Rate Swap Provider, the Currency Swap Provider or such other person as sufficient evidence thereof and the Note Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused by it failing to do so.
- (c) The Note Trustee shall not be responsible for the scope or accuracy of any of the recitals, statements, warranty, representation or covenant of any party (other than the Note Trustee) contained herein or in any other Transaction Document or any other document entered into in connection therewith and shall assume the accuracy and correctness thereof.

### **Powers and Duties**

- 11.3 (a) The Note Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for the nature, status, creditworthiness or solvency of the Issuer or any other party to any Transaction Document. Each Noteholder shall be solely responsible for making its own independent appraisal of, and investigation into the financial condition, creditworthiness, affairs, status and nature of the Issuer and the other parties to the Transaction Documents and the Note Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Note Trustee in respect thereof.
- (b) The Note Trustee shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any Transaction Document or any other document entered into in connection therewith or any security thereby constituted or purported to be constituted thereby nor shall it be

responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court.

- (c) The Note Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Issuer Security from time to time and shall not be required to investigate or make any enquiry into or be liable for any defect in the title of the Issuer to the Issuer Security or any part thereof from time to time whether or not any defect was known to the Note Trustee or might have been discovered upon examination, inquiry or investigation and whether or not capable of remedy.
- (d) The Note Trustee shall not be bound to give notice to any person of the execution of this Deed or the other Transaction Documents nor shall it have any duty to make any investigation in respect of or in any way be liable whatsoever for the registration, filing, protection or perfection of any security constituted by any Transaction Document relating to the Issuer Security or the priority of the security created thereby and shall not be liable for any failure, omission or defect in perfecting, protecting, procuring the registration of or further assuring the security created or purported to be created thereby.
- (e) The Note Trustee shall not have any duty to make any investigation in respect of or in any way be liable whatsoever for the failure to call for delivery of documents of title to or require any transfers, assignments, legal mortgages, standard securities, charges or other further assurances in relation to any of the assets the subject matter of any of this Deed or any other document.
- (f) The Note Trustee shall be under no obligation to monitor or supervise and shall not have any duty to make any investigation in respect of or in any way be liable whatsoever for the performance or observance by the Issuer or any other person of the provisions of this Deed or any other Transaction Document and shall be entitled to assume that each person is properly performing and complying with its obligations and that no representations or warranties have been breached.
- (g) The Note Trustee shall not be bound to take any steps to ascertain whether any Note Event of Default or Potential Note Event of Default, or any other event which causes or may cause a right on the part of the Note Trustee or the Security Trustee under or in relation to any Transaction Document to become exercisable, has happened and, until it shall have actual knowledge or express notice to the contrary, the Note Trustee shall be entitled to assume that no Note Event of Default or Potential Note Event of Default or such other event has happened and no event has happened as a consequence of which any of the Notes may become repayable; and if the Note Trustee does have actual knowledge or express notice as aforesaid, it shall not be bound to give notice to the Noteholders.

- (h) The Note Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with the Issuer Security or any Transaction Document.
- (i) The Note Trustee shall have no responsibility whatsoever to any Noteholder as regards any deficiency which might arise because the Note Trustee is subject to any Tax in respect of the Issuer Security or any part thereof or any income therefrom or any proceeds thereof or is required by law to make any withholding or deduction from any payment to any Noteholder.
- (j) The Note Trustee will not be responsible or liable to any Noteholder or Secured Creditor for any inadequacy or unfitness of any Issuer Security as security or any decline in value or any loss realised upon any disposition of the Issuer Security.
- (k) The Note Trustee shall not be responsible for, nor shall it have any liability to any Noteholder or Secured Creditor with respect to, any loss or theft of the Issuer Security.
- (l) The Note Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the Notes, the exchange of any Global Note for another Global Note or Definitive Notes or the exchange of any Definitive Note for another Definitive Note or the delivery of any Global Note or Definitive Notes to the person(s) entitled to it or them.
- (m) The Note Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to the Trust Property as the Note Trustee may determine, including for the purpose of depositing with a custodian this Deed, the Deed of Charge or any document relating to this Deed or the Deed of Charge and the Note Trustee shall not be responsible for any loss, costs, liability or expenses incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person. The Note Trustee is not obliged to appoint a custodian if the Note Trustee invests in securities payable to the bearer.
- (n) The Note Trustee shall (save as expressly otherwise provided in this Deed or in any other Transaction Document) as regards all rights, powers, authorities and discretions vested in it by this Deed or any other Transaction Document, or by operation of law, have absolute and uncontrolled discretion as to the exercise or non exercise thereof and whenever the Note Trustee is bound to act at the request or direction of the Noteholders or any Class of them, the Note Trustee shall nevertheless not be so bound unless first indemnified and/or secured to its satisfaction against all actions, proceedings, claims and demands to



which it may render itself liable and all costs, expenses, damages and liabilities which it may incur by so doing.

- (o) The Note Trustee as between itself and the Noteholders or any Class of them shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Deed and/or any other Transaction Document and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Note Trustee, shall be conclusive and shall bind the Note Trustee and the Noteholders.
- (p) In connection with the exercise by it of any of its rights, trusts, powers, authorities and discretions under this Deed and the other Transaction Documents:
  - (i) without prejudice to the provisions of sub-paragraph (ii) below where it is required to have regard to the interests of the Noteholders of any Class, the Note Trustee shall have regard to the interests of the Noteholders as a Class and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise thereof for any individual Noteholder resulting from their being domiciled or resident or otherwise connected with or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Note Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders; and
  - (ii) except where expressly provided otherwise in this Deed or any other Transaction Document, the Note Trustee shall have regard to the interests of the Noteholders as a Class (holding outstanding Notes), **provided that**, (except in the case of any modification, waiver, authorisation, determination or consent referred to in Clause 12 (*Modification*)) the Note Trustee shall have regard for so long as there are any Class A Notes outstanding, only to the interests of the Class A Noteholders if, in the Note Trustee's opinion, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class M Noteholders and the Class Z Noteholders and if there are no Class A Notes outstanding for so long as there are any Class M Notes outstanding, only to the interests of the Class M Noteholders if, in the Note Trustee's opinion, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class Z Noteholders.
- (q) The Note Trustee may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of this Deed or any other Transaction Document is capable of remedy

and/or whether the same is materially prejudicial to the interests of the Class A Noteholders or, as the case may be, the Class M Noteholders or the Class Z Noteholders and if the Note Trustee shall certify that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Class A Noteholders or, as the case may be, the Class M Noteholders or the Class Z Noteholders, such certificate shall be conclusive and binding upon the Issuer and the Noteholders.

- (r) The Note Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Note Trustee (including the receipt and payment of monies). The Note Trustee shall not be bound to supervise the proceedings or acts of any person appointed by it and shall not be responsible for any loss, costs, liability or expenses incurred by reason of any omission, misconduct or default on the part of any such person, **provided that**, the Note Trustee has exercised reasonable care in selecting any such person.
- (s) Subject to Clause 10 (*Remuneration and Indemnification of the Note Trustee*) any trustee of this Deed being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges properly incurred for business transacted and acts done by him or his firm in connection with the trusts of this Deed and the Transaction Documents and also his charges properly incurred in addition to disbursements for all other work and business done and the time spent by him or his firm in connection with matters arising in connection with this Deed and the Transaction Documents, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.
- (t) The Note Trustee may, whenever it thinks expedient in the interests of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons all or any of the trusts, rights, powers, duties, authorities and discretions vested in it by this Deed or any of the other Transaction Documents. Any such delegation may be made upon such conditions and subject to such regulations (including power to sub delegate) as the Note Trustee may think fit in the interests of the Noteholders, **provided that**, the Note Trustee shall have exercised reasonable care in the selection and instruction of such delegate and, where a power to sub delegate has been given, shall oblige the delegate to exercise reasonable care in the selection and instruction of any sub-delegate. The Note Trustee shall not be bound to supervise the proceedings of, or be responsible for any loss, costs, claim, proceedings, liability or expenses incurred by reason of the omission, misconduct or default on the part of such delegate or sub-delegate.

- (u) Where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or required by law) be converted at such rate or rates in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Note Trustee in its absolute discretion but having regard to current rates of exchange if available and the Note Trustee shall not be liable for any loss occasioned by the said conversion under this paragraph (u).
- (v) The Note Trustee shall be entitled (and not obliged) to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Notes or the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders if:
  - (i) where an amendment is required by the Issuer or the Administrator to reflect the then current published rating criteria of a Rating Agency in respect of any of the Transaction Documents, the Administrator has certified in writing to the Note Trustee that such amendment:
    - (A) reflects the then current published rating criteria of such Rating Agency and does not conflict with the then current published rating criteria of the other Rating Agency(ies); and
    - (B) would not:
      - (I) adversely impact on the Issuer's ability to make payments when due in respect of the Notes; and
      - (II) affect the legality, validity and enforceability of any of the Transaction Documents and any Security created therein; or
    - (C) the Rating Agencies have confirmed in writing that such exercise would not have an adverse effect on the then current rating of the Notes.
- (w) For the purposes of making a determination under or in relation to the Notes or any Transaction Documents, a manifest error shall include, without limitation, an oversight which in the Note Trustee's opinion is so obvious as to admit no difference of opinion as between the parties to the relevant document. In making such determination, the Note Trustee shall be entitled to consider such documentation (including the other Transaction Documents) as it deems appropriate. Any such determination made in accordance with these provisions shall be binding on the Noteholders and other Secured Creditors.
- (x) Where the Note Trustee is required to consider whether any event or the exercise by it of any right, power, trust, authority, duty or

discretion, under or in relation to the Notes or the Transaction Documents is or will be materially prejudicial to the interests of the Noteholders or any Class of them, the Note Trustee shall be entitled to call for and rely and act upon the advice or opinion of any reputable financial or other adviser (whether or not such financial adviser shall be a Secured Creditor or other party to any Transaction Document) and, if relied upon by the Note Trustee, shall be binding on the Noteholders and the Note Trustee shall not incur any Liability by reason of so acting or relying.

- (y) The Note Trustee shall be entitled to seek and obtain the express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or a direction in writing made by holders of not less than 75 per cent. in the aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class of Notes then outstanding in respect to the exercise of any of its powers in Clause 12 (*Modification*), Clause 22 (*Waivers*) or Clause 23 (*Amendments*) and any such direction shall be binding on the Noteholders and the other Secured Creditors.
- (z) The Note Trustee shall not (unless required by law or ordered to do so by a court of competent jurisdiction) be required to disclose to any Noteholder or any other person any information made available to the Note Trustee by the Issuer or any other person in connection with the trusts of this Deed or any other Transaction Documents and no Noteholder or any other person shall be entitled to take any action to obtain from the Note Trustee any such information. The Note Trustee shall not be responsible for exercising the rights of any of the parties under the Transaction Documents or considering the basis upon which the approvals or consents are granted by any of the parties under the Transaction Documents.
- (aa) Notwithstanding anything else in this Deed, the Notes or any other Transaction Document, the Note Trustee may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive or regulation of any governmental agency or which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.
- (bb) The Note Trustee shall not be liable to any person by reason of having acted upon an Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution whether in writing or purporting to have been passed at any meeting of Noteholders of all or any Class in respect whereof minutes have been made and signed or any Extraordinary Resolution passed by way of Electronic Consents received through the relevant Clearing System(s) in accordance with this Deed, even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution (or in the case of an Extraordinary Resolution passed

by Electronic Consents received through the relevant Clearing System(s)) or (in the case of an Extraordinary Resolution or other resolution in writing) that not all Noteholders had signed the Extraordinary Resolution or other resolution or that for any reason the resolution was not valid or binding upon such Noteholders.

- (cc) Without prejudice to the right of the Note Trustee to require and/or accept any other evidence, the Note Trustee may accept as conclusive evidence of any fact, or matter in relation to the Issuer or required to be certified by the Issuer under the Conditions, a certificate signed by two directors or Authorised Signatories of the Issuer and the Note Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such certificate.
- (dd) The Note Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic.
- (ee) The Note Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of Notes represented by a Global Note standing to the account of any person. Any such certificate or other document shall be conclusive and binding for all purposes. The Note Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream and subsequently found to be forged or not authentic.
- (ff) The powers conferred by this Deed and the Deed of Charge upon the Note Trustee or any Receiver shall be in addition to and not in substitution for any powers which may from time to time be conferred on the Note Trustee or any such Receiver by statute or under common law or as holder of any Notes.
- (gg) In the absence of knowledge or express notice to the contrary, the Note Trustee may assume without enquiry (other than requesting a certificate of the Issuer) that no Notes are for the time being held by or for the benefit of any of the persons referred to in the definition of Excluded Notes.
- (hh) Without prejudice to the provisions of any Transaction Documents relating to insurance, the Note Trustee shall not be under any obligation to insure any of the Issuer Security or any deeds or documents of title or other evidence in respect of the Issuer Security or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any liability which may be suffered by any person as a result of the lack of or inadequacy of any such insurance.

- (ii) Notwithstanding any other provision of any Transaction Document, the Note Trustee shall not be obliged to become a mortgagee in possession thereunder or take any action which would expose it to any liability in respect of environmental claims in respect of which it has not been indemnified to its satisfaction.
- (jj) Unless expressly stated otherwise, the Note Trustee shall receive information under the Transaction Documents (including, without limitation, any monthly report substantially in the form set out in Part A of Schedule 2 (*Form of Monthly Investor Report*) to the Administration Agreement) for information purposes only and shall not be responsible to any person for reviewing or commenting upon the content of such information.
- (kk) Any certificate or report of any expert or any other person called for by or provided to the Note Trustee (whether or not addressed to the Note Trustee) in accordance with or for the purposes of this Deed or any other Transaction Document may be relied upon by the Note Trustee as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Note Trustee in connection therewith contains a monetary or other limit on the liability of such expert or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by any engagement or similar letter or by the terms of the certificate or report itself.
- (ll) For the avoidance of doubt, the Note Trustee shall owe no duty (contractual, fiduciary, implied or otherwise) to the Secured Creditors (other than the Noteholders).
- (mm) The Note Trustee shall be at liberty to hold this Deed and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Note Trustee to be of good repute and the Note Trustee shall not be responsible for or required to insure against any Liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.
- (nn) The Note Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic.
- (oo) Any consent or approval given by the Note Trustee for the purposes of this Deed may be given on such terms and subject to such conditions (if any) as the Note Trustee thinks fit and notwithstanding anything to the contrary in this Deed may be given retrospectively. The Note Trustee may give any consent or approval, exercise any power, right, authority or discretion or take any similar action (whether or not such consent, approval, power, right, authority, discretion or action is

specifically referred to in this Deed) if it is satisfied that the interests of the Noteholders will not be materially prejudiced thereby. For the avoidance of doubt, the Note Trustee shall not have any duty to the Noteholders in relation to such matters other than that which is contained in the preceding sentence.

- (pp) The Note Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to the Notes or any series thereof or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any Liability incurred thereby.
- (qq) Subject to Clause 11.10 (*Note Trustee Liability*), the Note Trustee shall not be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in accordance with the provisions of this Deed.

### **FSMA Authorisation**

- 11.4 The Note Trustee represents and warrants that it is an authorised person under Section 19 of FSMA or does not need to be so in order to enforce its rights under the Transaction Documents.

### **No Financial Liability**

- 11.5 Notwithstanding any other provision of this Deed or of any other Transaction Document, nothing shall require the Note Trustee to (i) do anything illegal or contrary to applicable law or regulation; or (ii) risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers or otherwise in connection with this Deed or any other Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

### **Ascertaining Default**

- 11.6 The Note Trustee shall not be responsible or liable for:
  - (a) exercising any rights or powers which are assigned to it by any party to the Transaction Documents, including, without limitation, any servicing, administration and management functions in relation to the Mortgage Loans and shall not be liable to any person for the exercise or non-exercise of any such rights and powers; or
  - (b) ascertaining whether a default has occurred under the terms of any of the Transaction Documents and nor is the Note Trustee responsible for taking any action in connection with any such default or alleged default.

**Rating of Notes**

11.7 The Note Trustee shall have no responsibility for the maintenance of any rating of the Notes by the Rating Agencies or any other credit rating agency or any other person.

**Delivery of Certificates**

11.8 The Note Trustee shall have no liability whatsoever for any loss, cost damages or expenses directly or indirectly suffered or incurred by the Issuer, any Noteholder or any other person as a result of the delivery by the Note Trustee of a certificate, or the omission by it to deliver a certificate, to the Issuer as to material prejudice, on the basis of an opinion formed by it in good faith.

**Commercial Transactions**

11.9 The Note Trustee shall not, and no director, officer or employee of any corporation being a Note Trustee hereof shall by reason of the fiduciary position of the Note Trustee be in any way precluded from making any commercial contracts or entering into any commercial transactions with any party to the Transaction Documents, whether directly or through any subsidiary or associated company, or from accepting the trusteeship of any other debenture stock, debentures or securities of any party to the Transaction Documents, and without prejudice to the generality of these provisions, it is expressly declared that such contracts and transactions include any contract or transaction in relation to the placing, underwriting, purchasing, subscribing for or dealing with or lending monies upon or making payments in respect of any stock, shares, debenture stock, debentures or other securities of any party to the Transaction Documents or any contract of banking or insurance with any party to the Transaction Documents and neither the Note Trustee nor any such director, officer or employee shall be accountable to any Noteholder or to any party to the Transaction Documents for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions, and the Note Trustee and any such director, officer or employee shall also be at liberty to retain the same without accounting therefor.

**Note Trustee Liability**

11.10 Subject to Section 750 of the Companies Act 2006 (if applicable) and notwithstanding anything to the contrary in the Transaction Documents, the Note Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to the Transaction Documents save in relation to its own negligence, wilful default or fraud.

**Disapplication**

11.11 Section 1 of the Trustee Act 2000 shall not apply to the duties of the Note Trustee in relation to the trusts constituted by this Deed. Where there are any inconsistencies between the Trustee Acts and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and in the case of any such inconsistency with the Trustee Act 2000 the provisions of this



Deed and the Deed of Charge shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

## 12. MODIFICATION

### Modifications

- 12.1 (a) The Note Trustee may, without the consent or sanction of any Class of the Noteholders, at any time and from time to time concur, or direct the Security Trustee to concur, with the Issuer and/or any other person in making any modification or amendment to the Conditions or the Transaction Documents:
- (i) (including a Basic Terms Modification) which, in the opinion of the Note Trustee, is made to correct a manifest error or is of a formal, minor or technical nature; or
  - (ii) (other than a Basic Terms Modification) which is, in the opinion of the Note Trustee, not materially prejudicial to the interests of the Noteholders of any Class.
- (b) Any such modification may be made on such terms and subject to such conditions (if any) as the Note Trustee may determine,

**provided always that**, the Note Trustee shall not exercise any powers conferred on it by this Clause 12.1 (*Modification*) in contravention of any express direction given by Extraordinary Resolution, or by a request in writing of the holders of more than 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding, of the Class A Notes then outstanding or, if there are no Class A Notes then outstanding, the Class M Notes then outstanding or, if there are no Class A Notes or Class M Notes then outstanding, the Class Z Notes then outstanding (but no such direction or request shall affect any modification previously given or made).

### Further Modifications

- 12.2 The Note Trustee may also, without the consent of any of the Noteholders, give its consent, or direct the Security Trustee to give its consent to any modification to the Transaction Documents or the execution of any new transaction document required in order to accommodate necessary changes to be made to the Liquidity Reserve Required Amount, that is requested by the Issuer or the Trust Property Cash Manager, **provided that**, the Issuer or the Trust Property Cash Manager certifies to the Note Trustee that such modification and/or execution is required in order to accommodate necessary changes to be made to the Liquidity Reserve Required Amount.

### Waiver of Breach and Determination

- 12.3 The Note Trustee may from time to time and at any time, without the consent or sanction of any Class or Classes of Noteholders, and without prejudice to its rights in respect of any subsequent breach, condition, event or act, but only if and in so far as in its sole opinion the interests of the Noteholders of any Class will not be materially prejudiced thereby:

- (a) waive or authorise, or direct the Security Trustee to waive or authorise, any actual breach or proposed breach by the Issuer or any other party of any of the covenants or provisions contained in this Deed or any of the other Transaction Documents; or
- (b) determine that any Note Event of Default or Potential Note Event of Default shall not be treated as such for the purposes of this Deed and the Conditions,

**provided always that**, the Note Trustee shall not exercise any powers conferred on it by this Clause 12.3 (*Waiver of Breach and Determination*) in contravention of any express direction given by Extraordinary Resolution, or by a request in writing of the holders of more than 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding, of the Class A Notes then outstanding or, if there are no Class A Notes then outstanding, the Class M Notes then outstanding or, if there are no Class A Notes or Class M Notes then outstanding, the Class Z Notes then outstanding (but no such direction or request shall affect any waiver, authorisation or determination previously given or made).

Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Note Trustee may determine.

### **Notice; Binding Nature**

- 12.4 Any modification, amendment, waiver, authorisation or determination made pursuant to this Clause 12 (*Modification*) shall be binding on the Noteholders and, if the Note Trustee so requires, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with Condition 14 (*Notice to Noteholders*) as soon as practicable thereafter.

### **Consent**

- 12.5 The Note Trustee may give, or direct the Security Trustee to give, any consent or approval for the purposes of this Deed or any other Transaction Document if, in its opinion, the interests of the Noteholders will not be materially prejudiced thereby. For the avoidance of doubt, the Note Trustee shall not have any duty to the Noteholders in relation to such matters other than that which is contained in this Clause 12.5 (*Consent*). Any such consent or approval may be given on such terms and subject to such conditions (if any) as the Note Trustee may determine and, notwithstanding anything to the contrary in this Deed or any other Transaction Document, may be given retrospectively.

### **Additional Right of Modification**

- 12.6 (a) Notwithstanding the provisions of this Clause 12 (*Modification*), the Note Trustee shall be obliged, without any consent or sanction of the Noteholders, or (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or which, as a result of the relevant amendment, would be further contractually subordinated to any Secured Creditor than would

otherwise have been the case prior to such amendment) any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents that the Issuer considers necessary for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, **provided that** in relation to any amendment under this Clause 12.6 (*Additional Right of Modification*):

- (i) the Issuer (or the Issuer Cash Manager on behalf of the Issuer) certifies in writing to the Note Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
- (ii) in the case of any modification to a Transaction Document proposed by any of the Seller, a Swap Provider, the Administrator and/or an Issuer Account Bank in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
  - (A) the Seller, the relevant Swap Provider, the Administrator and/or the relevant Issuer Account Bank, as the case may be, certifies in writing to the Issuer and the Note Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Note Trustee that it has received the same from the Seller, the relevant Swap Provider, the Administrator and/or the relevant Account Bank, as the case may be);
  - (B) either:
    - (I) the Seller, the relevant Swap Provider, the Administrator and/or the relevant Issuer Account Bank, as the case may be, obtains from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer and the Note Trustee that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and

would not result in any Rating Agency placing any Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Note Trustee; or

- (II) the Issuer or the Issuer Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and
- (C) the Seller pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee or any other Transaction Party in connection with such modification;
- (iii) for the purpose of enabling any Class of Notes to comply with the criteria set out in Article 13 (Level 2B securitisations) of the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing Regulation (EU) 575/2013 with regard to the liquidity coverage requirement for Credit Institutions, provided that in relation to any amendment under this Clause 12.6(a)(iii), the Issuer or the Issuer Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee that such modification is required solely for such purpose and has been drafted solely for such purpose,
 

(the certificate to be provided by the Issuer Cash Manager on behalf of the Issuer, the Seller, the relevant Swap Provider, the Administrator, the relevant Issuer Account Bank and/or the relevant Transaction Party, as the case may be, pursuant to paragraphs (i) or (ii) above being a *Modification Certificate*); and
- (iv) for the purpose of changing the base rate (in respect of the Class A1 Notes) from 3 month US\$ LIBOR to an alternative base rate (any such rate, an *Alternate Base Rate*) and make such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a *Base Rate Modification*), provided that, in relation to any amendment under this Clause 12.6(a)(iv):

- (A) the Issuer Cash Manager, on behalf of the Issuer, certifies to the Trustee in writing (such certificate, a ***Base Rate Modification Certificate***) that:
- (I) such Base Rate Modification is being undertaken due to:
    - (aa) a material disruption to the London Inter-Bank Offered Rate (***LIBOR***), an adverse change in the methodology of calculating LIBOR or LIBOR ceasing to exist or be published;
    - (bb) the insolvency or cessation of business of the LIBOR administrator (in circumstances where no successor LIBOR administrator has been appointed);
    - (cc) a public statement by the LIBOR administrator that it will cease publishing LIBOR permanently or indefinitely (in circumstances where no successor LIBOR administrator has been appointed that will continue publication of LIBOR);
    - (dd) a public statement by the supervisor of the LIBOR administrator that LIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
    - (ee) a public statement by the supervisor of the LIBOR administrator that means LIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
    - (ff) the reasonable expectation of the Issuer Cash Manager that any of the events specified in sub-paragraphs (aa), (bb), (cc), (dd) or (ee) will occur or exist within six months of the proposed effective date of such Base Rate Modification; and
  - (II) such Alternative Base Rate is:
    - (aa) a base rate published, endorsed, approved or recognised by the Federal Reserve or the Bank of England, any

regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);

- (bb) the Sterling Over Night Index Average or the Broad Treasuries Repo Financing Rate (or any rate which is derived from, based upon or otherwise similar to either of the foregoing);
- (cc) a base rate utilised in a material number of publicly listed new issues of Sterling-denominated and US\$-denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
- (dd) a base rate utilised in a publicly-listed new issue of Sterling-denominated and US\$-denominated asset backed floating rate notes where the originator of the relevant assets is an affiliate of Clydesdale; or
- (ee) such other base rate as the Issuer Cash Manager reasonably determines, and

(B) either:

- (I) the Issuer Cash Manager, on behalf of the Issuer, obtains from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer and the Note Trustee that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency and would not result in any Rating Agency placing any Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Note Trustee; or
- (II) the Issuer Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee that the

Rating Agencies have been informed of the proposed modification and neither of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and

- (C) the Seller pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee or any other Transaction Party in connection with such modification;

**provided that:**

- (v) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee;
- (vi) the Modification Certificate or Base Rate Modification Certificate (as applicable) in relation to such modification shall be provided to the Note Trustee (and in respect of paragraphs (ii)(A) and/or (ii)(B)(I), to the Issuer) both at the time the Note Trustee is notified of the proposed modification and on the date that such modification takes effect;
- (vii) the consent of each Secured Creditor which is party to the relevant Transaction Document or whose ranking in any Priority of Payments is affected has been obtained; and
- (viii) the Issuer (or the Issuer Cash Manager on its behalf) certifies in writing to the Note Trustee (which certification may be in the Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 14 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and Noteholders representing at least 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not contacted the Issuer or the Principal Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Principal Paying Agent or the Issuer in writing (or otherwise in accordance with the then current practice of any

applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 11(A) (*Meetings of Noteholders*).

- (b) Notwithstanding anything to the contrary in this Clause 12.6 or any Transaction Document:
  - (i) when implementing any modification pursuant to this Clause 12.6 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or Liability, on any certificate (including any Modification Certificates or Base Rate Modification Certificate (as applicable)) or evidence provided to it by the Issuer (or the Issuer Cash Manager on behalf of the Issuer) or the relevant Transaction Party, as the case may be, pursuant to this Clause 12.6 and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
  - (ii) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee would have the effect of (A) exposing the Note Trustee to any Liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee in the Transaction Documents and/or these Conditions.
- (c) Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:
  - (i) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
  - (ii) the Secured Creditors; and
  - (iii) the Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

### **13. ENTITLEMENT TO TREAT NOTEHOLDER AS ABSOLUTE OWNER**

The Issuer and the Note Trustee may deem and treat the registered holder of any Note (or, in the case of a joint holding, the first named thereof) as the absolute owner of such Note, for all purposes (whether or not such Note or principal amount shall be overdue and notwithstanding any notice of



ownership thereof or of trust or other interest with regard thereto, any notice of loss or theft thereof or any writing thereon). Except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer and the Note Trustee shall not be affected by any notice to the contrary. Any payment to be made in respect of the Notes by the Issuer or the Note Trustee may be made in the manner provided in the Conditions, the Paying Agent and Agent Bank Agreement and this Deed and any payment so made shall be a good discharge to the Issuer or to the Trustee (as the case may be) to the extent of such payment. Any payment in full of interest or principal (as the case may be) made in respect of the Notes in the manner aforesaid shall extinguish any claim of a Noteholder which may arise directly or indirectly in respect of such interest or principal.

## 14. CURRENCY INDEMNITY

### Currency and Indemnity

14.1 In relation to Clause 10.1 (*Normal Remuneration*):

- (a) Sterling is the sole currency of account and payment in respect of the Class A2 Notes, the Class A3 Notes, the Class M Notes and the Class Z Notes; and
- (b) US dollars is the sole currency of account and payment in respect of the Class A1 Notes,

(each such currency, a **Contractual Currency**) for all sums payable by the Issuer under or in connection with this Deed, the Notes and the Deemed Obligations including damages. An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Issuer or otherwise), by the Note Trustee, Security Trustee or any Noteholder or Secured Creditor in respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the relevant Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the relevant Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Deed or the Notes, or the other Transaction Documents the Issuer will indemnify it against any loss sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any such purchase.

### Indemnities Separate

14.2 The indemnities in this Deed constitute separate and independent obligations from the other obligations in this Deed and the other Transaction Documents, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Note Trustee and/or any

Noteholder or Secured Creditor and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Deed, the Notes any other Transaction Documents or any other judgment or order. Any such loss as referred to in Clause 14.1 (*Currency and Indemnity*) shall be deemed to constitute a loss suffered by the Note Trustee, the Security Trustee, the Noteholder or the relevant Secured Creditor and no proof or evidence of any actual loss shall be required by the Issuer or its liquidator or liquidators.

## **15. APPOINTMENT, REMOVAL AND RETIREMENT OF NOTE TRUSTEE**

### **Power of Issuer**

15.1 The power of appointing a new trustee in place of an existing Note Trustee shall be vested in the Issuer but no person shall be appointed who shall not have previously been approved by an Extraordinary Resolution of each of the Class A Noteholders, the Class M Noteholders and the Class Z Noteholders. A trust corporation may be appointed sole trustee hereof but subject thereto there shall be at least two trustees hereof, one at least of which shall be a trust corporation. Any appointment of a new trustee and any retirement of an existing trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Noteholders. Any new trustee must meet the requirements set out in Clause 15.6 (*Retirement or Removal Not Effective*).

### **Powers of Note Trustee to appoint Separate/Co-Note Trustee**

15.2 Notwithstanding the provisions of Clause 15.1 (*Power of Issuer*), the Note Trustee may (as attorney for the Issuer) upon giving prior notice to the Issuer but without the consent of the Issuer or the Noteholders appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Note Trustee:

- (a) if the Note Trustee considers such appointment to be in the interests of the Noteholders;
- (b) for the purposes of conforming in any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of this Deed or any of the other Transaction Documents against the Issuer or any other party thereto.

### **Remuneration and Removal of Separate/Co-Note Trustee**

15.3 The Issuer hereby irrevocably appoints the Note Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Deed and any other Transaction Document to which the Note Trustee is a party) have such

rights, trusts, powers, authorities and discretions (not exceeding those conferred on the Note Trustee by this Deed or any of the other Transaction Documents to which the Note Trustee is a party) and such duties and obligations as shall be conferred or imposed on it by the instrument of appointment. The Note Trustee shall have power in like manner to remove any such person. Such proper remuneration as the Note Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Deed be treated as costs, charges and expenses incurred by the Note Trustee.

### **Multiple Note Trustees**

15.4 Whenever there shall be more than two trustees hereof, the majority of such trustees shall (provided such majority includes a trust corporation) be competent to execute and exercise all the rights, trusts, powers, authorities and discretions vested by this Deed and any of the other Transaction Documents in the Note Trustee generally.

### **Retirement or Removal of Note Trustee**

15.5 Subject as provided in Clause 15.6 (*Retirement or Removal not Effective*), any Note Trustee for the time being of this Deed may retire at any time upon giving not less than 90 days' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs resulting from such retirement. The Noteholders may by Extraordinary Resolution of the Most Senior Class of Noteholders remove any trustee or trustees for the time being of this Deed.

### **Retirement or Removal not Effective**

15.6 The retirement or removal of any Note Trustee shall not become effective unless there remains at least one trustee hereof being a trust corporation in office upon such retirement or removal. The Issuer covenants that, in the event of a trustee (being a sole trustee or the only trust corporation) giving notice or being removed under Clause 15.5 (*Retirement or Removal of Note Trustee*) it shall use reasonable endeavours to procure a new Note Trustee of this Deed (being a trust corporation) to be appointed as soon as reasonably practicable thereafter (for the avoidance of doubt, on the same terms as this Deed). If within 30 days of having given notice of its intention to retire, the Issuer has failed to appoint a replacement Note Trustee, the outgoing Note Trustee will be entitled to appoint its successor which shall be approved by Extraordinary Resolution of the Most Senior Class of Noteholders. The Rating Agencies shall be notified of such appointment by the Issuer.

## **16. SUBSTITUTION**

### **Procedure**

16.1 The Note Trustee may, without the consent of the Noteholders concur with the Issuer in substituting in place of the Issuer (or of any previous substitute under this Clause) a single purpose company incorporated in any jurisdiction that

meets the criteria established from time to time by the Rating Agencies for a single purpose company in England and Wales or such other jurisdiction in which the Issuer or any such single purpose company is incorporated and/or subject to taxation (the *Substituted Obligor*) as the principal debtor in respect of the Transaction Documents, the Notes and the other Secured Obligations if:

- (a) a trust deed is executed or some other written form of undertaking is given by the Substituted Obligor to the Note Trustee, in form and manner satisfactory to the Note Trustee, agreeing to be bound by the terms of this Deed and the Deed of Charge (each, as the context requires, a *Trust Document* and together the *Trust Documents*), the Notes and the other Transaction Documents with any consequential amendments which the Note Trustee may deem appropriate, as fully as if the Substituted Obligor had been named in this Deed and the other Transaction Documents and on the Notes as the principal debtor in respect of the Secured Obligations in place of the Issuer (or of any previous substitute under this Clause);
- (b) the Issuer (or any previous substitute) and the Substituted Obligor execute such other deeds and documents (if any) as the Note Trustee may require in order that the substitution is fully effective and (without prejudice to the Note Trustee's reliance on the certificate provided in Clause 16.4 (*Directors' Certification*) below) the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the Noteholders;
- (c) where the Substituted Obligor is incorporated or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political sub-division or any authority therein or thereof having power to tax, undertakings or covenants shall be given by the Substituted Obligor in terms corresponding to the provisions of Condition 8 (*Taxation*);
- (d) where all or substantially all of the assets of the Issuer (or any previous substitute) are transferred to the Substituted Obligor, the Substituted Obligor:
  - (i) acquires the Issuer's (or such previous substitute's) equity of redemption in the Charged Property (other than the undertaking of the Issuer or any previous substitute);
  - (ii) becomes a party to all the Transaction Documents to which the Issuer (or such previous substitute) is a party;
  - (iii) acknowledges the Issuer Security and the other matters created and effected in respect thereof pursuant to the Trust Documents; and
  - (iv) takes all such action as the Note Trustee may require so that the Charged Property continues to be subject to the Issuer Security and the other matters created and effected in respect thereof pursuant to the Trust Documents and otherwise effected or

maintained in all respects corresponding to those previously subsisting on the part of the Issuer or such previous substitute;

- (e) (unless all or substantially all of the assets of the Issuer (or any previous substitute) are transferred to the Substituted Obligor) an unconditional and irrevocable guarantee secured on the Charged Property in form and substance satisfactory to the Note Trustee is given by the Issuer (or such previous substitute) of the obligations of the Substituted Obligor under the Trust Documents, the Notes and the other Transaction Documents;
- (f) the Substituted Obligor is a single purpose company similar to, and with like constitution as, and having substantially the same restrictions and prohibitions on its activities and operations as the Issuer, undertakes to be bound by provisions corresponding to those set out in the Conditions and satisfies the criteria established from time to time by the Rating Agencies for a substituted obligor in England and Wales or such other jurisdiction in which such Substituted Obligor is incorporated and/or subject to taxation (the *SPV Criteria*);
- (g) the Note Trustee is satisfied (by means of legal opinions satisfactory to the Note Trustee from legal advisers to the Issuer or the Manager) that in accordance with all applicable requirements of Law:
  - (i) the Substituted Obligor has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor in respect of the Notes and the other Secured Obligations in place of the Issuer (or such previous substitute as aforesaid);
  - (ii) (if a guarantee is executed in accordance with paragraph (e) above of this Clause 16.1 the Issuer (or such previous substitute) has obtained all governmental and regulatory approvals and consents necessary for the guarantee to be fully effective as referred to in paragraph (e) above of this Clause 16.1; and
  - (iii) such approvals and consents are at the time of substitution in full force and effect;
- (h) the Note Trustee is provided with legal opinions in respect of such substitution in form and substance satisfactory to it; and
- (i) the Administrator, in its opinion formed on the basis of due consideration, confirms in writing to the Note Trustee that the then current rating of each Class of Notes will not be adversely affected as a result of such substitution.

### **Change of law**

16.2 In connection with any proposed substitution of the Issuer or any previous substitute, the Note Trustee may, in its absolute discretion and without the

consent of the Noteholders, agree to a change of the law from time to time governing the Notes and/or the Trust Documents, **provided that**, such change of law, in the opinion of the Note Trustee, will not be materially prejudicial to the interests of the Noteholders.

### **Extra duties**

- 16.3 The Note Trustee shall be entitled to refuse to approve any Substituted Obligor if, pursuant to the law of the country of incorporation of the Substituted Obligor, the assumption by the Substituted Obligor of its obligations hereunder imposes responsibilities and liabilities on the Note Trustee over and above those which have been assumed under the Trust Documents.

### **Directors' certification**

- 16.4 If any two directors of the Substituted Obligor certify that immediately prior to the assumption of its obligations as Substituted Obligor under the Trust Documents the Substituted Obligor is solvent after taking account of all prospective and contingent liabilities resulting from its becoming the Substituted Obligor, the Note Trustee need not have regard to the financial condition, profits or prospects of the Substituted Obligor or compare the same with those of the Issuer (or of any previous substitute under this Clause) or have regard to the possibility of avoidance of the Issuer Security or any part thereof on the grounds of insolvency or the proximity to insolvency, liquidation or some other event of the creation of the Issuer Security.

### **Release of Issuer**

- 16.5 Any agreement by the Note Trustee pursuant to Clause 16.1 (*Procedure*) shall, if so expressed, operate to release the Issuer (or such previous substitute) from any or all of its obligations as principal debtor under the Notes, the Trust Documents and the other Secured Obligations but without prejudice to its liabilities under any guarantee given pursuant to paragraph 16.1(e) of Clause 16.1 (*Procedure*).

### **Notice**

- 16.6 Not later than fourteen days after the execution of any documents required to be executed pursuant to Clause 16.1 (*Procedure*) and after compliance with any requirements of the Note Trustee under such Clause, the Substituted Obligor shall cause notice thereof to be given to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

### **Completion of Substitution**

- 16.7 Upon the execution of such documents as are required to be executed pursuant to Clause 16.1 (*Procedure*) and compliance with any requirements of the Note Trustee under such Clause, the Substituted Obligor shall be deemed to be named in the Trust Documents, the Notes and the other Transaction Documents as the principal debtor in place of the Issuer (or of any previous substitute under this Clause) and the Trust Documents, the Notes and the other Transaction Documents shall thereupon be deemed to be amended in such

manner as shall be necessary to give effect to the substitution. Any references to the Issuer (or any previous substitute) in the Trust Documents, the Notes and the other Transaction Documents shall be deemed to be references to the Substituted Obligor. Any such substitution shall be binding upon the Noteholders.

## 17. CONFIDENTIALITY

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

- (a) to the disclosure of any information to the Security Trustee or the Note Trustee or to any other person who is a party to any of the Transaction Documents as expressly permitted by the Transaction Documents;
- (b) to the disclosure of any information by such party to any of its Affiliates, **provided that**, before any such disclosure, the party shall make the relevant employees of the Affiliate aware of their obligations of confidentiality under the relevant Transaction Document and shall at all times procure compliance with such obligations by such employees;
- (c) to the disclosure of any information which is or becomes public knowledge otherwise than as a result of the wrongful conduct of the recipient;
- (d) to the extent that the recipient is required to disclose the same pursuant to any law 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 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; and
- (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.

## **18. ENTIRE AGREEMENT**

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

18.2 Each party to this Deed agrees that:

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

18.3 This Clause 18 (*Entire Agreement*) shall not exclude any liability for fraudulent misrepresentation.

18.4 Nothing in this Clause shall have the effect of limiting or restricting any liability of a Transaction Party arising as a result of any wilful default, fraud, illegal dealing, negligence or material breach of this Deed or breach of trust by such person.

## **19. OBLIGATIONS AS CORPORATE OBLIGATIONS**

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



**20. CONFLICT OF LAW**

Notwithstanding anything else herein contained, the Note Trustee may refrain without liability from doing anything that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to the United States of America or any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

**21. CONTINUATION OF OBLIGATIONS**

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

**22. WAIVERS**

The respective rights of the Note Trustee and the Noteholders under this Deed 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 the Note Trustee or any Noteholder to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies in this Deed are cumulative and not exclusive of any remedies provided by law.

**23. AMENDMENTS**

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

**24. NOTICES**

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

**25. THIRD PARTY RIGHTS**

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

**26. COUNTERPARTS**

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

**27. SEVERABILITY**

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

**28. GOVERNING LAW**

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

**29. JURISDICTION****Submission to Jurisdiction**

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

**Inconvenient Forum and Enforcement Abroad**

29.2 Each party:

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

**Schedule 1**  
**FORMS OF GLOBAL NOTES**

**Part A**  
**Form of Regulation S Global Note**

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO ANY U.S. PERSON EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, AGREES THAT IT WILL: (1) PRIOR TO THE EXPIRATION OF THE 40-DAY PERIOD AFTER THE COMMENCEMENT OF THE OFFERING OF THE NOTES OR THE ISSUE DATE OF THE NOTES, WHICH EVER IS LATER, NOT OFFER, SELL, OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (A "**QIB**") THAT IS ALSO A "QUALIFIED PURCHASER" ("**QP**") WITHIN THE MEANING OF SECTION 2(A)(51) OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QP, (B) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION TO A PERSON THAT IS NOT A U.S. PERSON IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND (2) GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

EACH BENEFICIAL OWNER HEREOF OR OF ANY INTEREST HEREIN WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN **[IN THE CASE OF THE CLASS A NOTES:** (1) EITHER (A) IT IS NOT A PLAN (AS DEFINED BELOW) AND IS NOT ACTING ON BEHALF OF ANY PLAN OR (B) IT IS NOT AND IS NOT USING ASSETS OF A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) ERISA (AS DEFINED BELOW) OR (C) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY

INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") OR UNDER ANY OTHER FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") FOR WHICH AN EXEMPTION IS NOT AVAILABLE AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE OR ANY INTEREST THEREIN TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING DEEMED REPRESENTATIONS, WARRANTIES AND AGREEMENTS. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN TO WHICH SECTION 4975 OF THE CODE APPLIES, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS (EACH OF (1) AND (2) A "**PLAN**"), AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING ASSETS OF WHICH CONSTITUTE "PLAN ASSETS" UNDER SECTION 401(c) OF ERISA, OR A WHOLLY OWNED SUBSIDIARY THEREOF).] **[IN THE CASE OF THE CLASS M NOTES AND THE CLASS Z NOTES:** (1) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) ANY PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") APPLIES, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS (EACH OF (A) AND (B) A "**PLAN**") OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, AND (2) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (X) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES (OR ANY INTEREST THEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY SUCH NOTE (OR ANY INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF THE CODE ("**SIMILAR LAW**") AND (Y) ITS ACQUISITION, HOLDING AND

DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW.]

## GOSFORTH FUNDING 2018-1 PLC

(incorporated as a public limited company under the laws of England and Wales with registered number 11444253)

### GLOBAL NOTE

representing

[US\$]/[£][*initial principal amount in figures*] Class [A1]/[A2]/[A3]/[M]/[Z]\*  
Mortgage Backed Floating/Fixed Rate Notes due 2060

ISIN No.: [•] (Class A1) / [•] (Class A2) /  
[•] (Class A3) / [•] (Class M) / [•] (Class Z)

Common Code: [•] (Class A1) / [•] (Class A2) /  
[•] (Class A3) / [•] (Class M) / [•] (Class Z)

## 1. INTRODUCTION

This Global Note is issued in respect of a duly authorised issue of [US\$]/[£] [•] [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Mortgage Backed [Floating] [Fixed] Rate Notes due 2060 (the [*Class A1*] [*Class A2*] [*Class A3*] [*Class M*] [*Class Z*] Notes) of Gosforth Funding 2018-1 plc (the *Issuer*). This Global Note is registered in the name of [a nominee of a Common Safekeeper for Euroclear Bank S.A./N.V. (*Euroclear*) and Clearstream Banking, *société anonyme* (*Clearstream, Luxembourg*)]<sup>1</sup> [a nominee of a Common Depository for Euroclear Bank S.A./N.V. (*Euroclear*) and Clearstream Banking, *société anonyme* (*Clearstream, Luxembourg*)]<sup>2</sup>.

This certifies that the person whose name is entered in the Register is registered as the holder of the aggregate principal amount of [US\$] [£] [•] of the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes represented by this Global Note.

The Notes are created by the Trust Deed referred to below and are the subject of the Paying Agency and Agent Bank Agreement.

## 2. INTERPRETATION

### References to the Trust Deed

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\* delete as applicable.

<sup>1</sup> Applicable to the Regulation S Global Notes held under NSS.

<sup>2</sup> Applicable to the Regulation S Global Notes representing the Class M Notes and the Class Z Notes.

- 2.1 Any reference in this Global Note to the *Trust Deed* is to the trust deed dated 24 September 2018 between the Issuer and Citicorp Trustee Company Limited (as *Note Trustee*) as it may have been, or may from time to time be, replaced, extended, amended, restated, varied, novated, supplemented or superseded in accordance with its terms and includes any deed expressed to be supplemental to it, as from time to time so extended, amended, restated, varied or novated.

### **References to Conditions**

- 2.2 Any reference in this Global Note to the *Conditions* is to the terms and conditions of the Notes set out in Schedule 3 (*Terms and Conditions of the Notes*) to the Trust Deed and any reference to a numbered *Condition* is to the correspondingly numbered provision of those terms and conditions.

### **Definitions and principles of construction**

- 2.3 This Global Note shall have expressly and specifically incorporated into it the Conditions, including the definitions and principles of construction set out in the Conditions, as though they were set out in full in this Global Note. If there is any conflict between this Global Note and the Conditions, the Conditions shall prevail.

## **3. PROMISE TO PAY**

The Issuer, for value received, promises to pay to the holder of the Notes represented by this Global Note the principal amount of

[£][US\$][•] (*Amount in words*) [Sterling] [US dollars])

on the dates and in the amounts specified in or otherwise calculated in accordance with the Conditions or on any other date or dates on which all or any part of that principal amount becomes due and payable in accordance with the Conditions, and to pay interest on the unpaid and unexchanged balance of such principal amount in arrear on the dates and at the rate specified in the Conditions, together with other amounts (if any) payable in accordance with the Conditions, subject to and in accordance with Clause 6 (*Payments*) and the Conditions.

## **4. REGISTER**

The principal amount of the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes represented by this Global Note shall be the aggregate amount from time to time entered in the Register. The Register shall be conclusive evidence of the principal amount of the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes represented by this Global Note and, for these purposes, a statement issued by Euroclear and/or Clearstream, Luxembourg (which statement shall be made available to Noteholders upon request) stating the principal amount of the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes represented by this Global Note at any time shall be conclusive evidence of the records of Euroclear and/or Clearstream, Luxembourg at that time.

## 5. EXCHANGE FOR DEFINITIVE NOTES

This Global Note shall be exchangeable, free of charge to the holder, on or before its Individual Exchange Date (as defined below), in whole but not in part, for definitive Notes in registered form, at the request of the holder of this Global Note against presentation and surrender of this Global Note to the Principal Paying Agent if any of the following events (each, an *Exchange Event*) occurs:

- (a) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form; or
- (b) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact cease business and no alternative clearing system satisfactory to the Note Trustee is then in existence,

in which case the Issuer will issue Definitive Notes of the relevant Class substantially in the form set out in Part A of Schedule 2 (*Form of Regulation S Definitive Note*) to the Trust Deed, and in an aggregate principal amount equal to the unpaid balance of this Global Note. Such Definitive Notes will be issued to the holder of this Global Note against its surrender at the specified office of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

***Individual Exchange Date*** means a day falling not more than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of each of the Registrar and Principal Paying Agent is located.

## 6. PAYMENTS

Payments of principal and interest in respect of this Global Note shall be made to the first person who appears at the relevant time on the Register as the registered holder of this Global Note against presentation and (if no further payment falls to be made on it) surrender thereof to or to the order of the Principal Paying Agent (or to or to the order of such other Paying Agent as shall have been notified to the Noteholders for this purpose) which shall endorse such payment or cause such payment to be endorsed in Appendix A (in the case of principal) or Appendix B (in the case of interest) hereto (such endorsement being prima facie evidence that the payment in question has been made). Each payment will be made to, or to the order of, the person whose

name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment.

**Clearing System Business Day** means Monday to Friday inclusive except 25 December and 1 January. No person shall however be entitled to receive any payment on this Global Note falling due after the Individual Exchange Date, unless the exchange of this Global Note for Definitive Notes is improperly withheld or refused by or on behalf of the Issuer.

## **7. RECORDING**

On each occasion on which Notes represented by this Global Note are to be redeemed in full and cancelled in accordance with Condition 5 (*Redemption and Cancellation*), the Issuer shall procure that (a) the aggregate principal amount of Notes so redeemed and (b) the remaining principal amount (if any) of this Global Note (which shall be the principal amount of this Global Note before that redemption less the amounts referred to in (a)) are entered in the records of Euroclear and Clearstream, Luxembourg.

## **8. TITLE AND TRANSFER**

### **Title**

- 8.1 The registered holder of this Global Note (or, in the case of joint holding, the first named thereof) shall (except as otherwise required by law) be treated as the absolute owner of this Global Note for all purposes (regardless of any notice of ownership, trust or any other interest therein, any writing on this Global Note, other than the endorsed form of transfer, or any notice of any previous loss or theft of this Global Note).

### **Transfer of interests in Notes**

- 8.2 Interests in Notes represented by this Global Note shall be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

## **9. AUTHENTICATION AND EFFECTUATION**

This Global Note shall not be valid for any purpose until it has been authenticated by an authorised signatory on behalf of the Principal Paying Agent [and effectuated by the entity appointed as Common Safekeeper by Euroclear and Clearstream, Luxembourg]<sup>3</sup>.

## **10. THIRD PARTY RIGHTS**

No person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the terms of this Global Note except as provided in the Conditions.

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<sup>3</sup> Applicable to the Regulation S Global Notes held under NSS.



**11. GOVERNING LAW**

This Global Note and any non-contractual obligations between the Issuer and the Noteholders arising out of or in connection with this Global Note shall be governed by, and interpreted in accordance with, English law.

**IN WITNESS WHEREOF** the Issuer has caused this [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Global Note to be signed on its behalf

**GOSFORTH FUNDING 2018-1 PLC**

By: .....  
Authorised Signatory

**CERTIFICATE OF AUTHENTICATION**

This is the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Global Note referred to in, and entitled to the benefit of, the Trust Deed referred to above.

**[CITIBANK, N.A., LONDON BRANCH]**  
as Principal Paying Agent

By: .....  
Authorised Signatory  
  
(Without recourse, warranty or liability)

Issued in London on [•] 2018

**[EFFECTUATED]** for and on behalf of  
**[COMMON SAFEKEEPER]** as common safekeeper  
  
without recourse, warranty or liability

By: .....  
[manual signature]  
  
(duly authorised)]<sup>4</sup>

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<sup>4</sup> Applicable to the Regulation S Global Notes held under NSS only.

**APPENDIX A**

**PRINCIPAL AMOUNT OF THIS GLOBAL NOTE**

Reductions in the principal amount of this Global Note following redemption or the purchase and cancellation of Notes are entered in the second and third columns below.

<b>Date</b>	<b>Reason for increase/decrease in the principal amount of this Global Note</b>	<b>Amount of such increase/decrease</b>	<b>Principal amount of this Global Note following such increase/decrease</b>	<b>Notation made by or on behalf of the Principal Paying Agent</b>
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**APPENDIX B**

**INTEREST PAYMENTS IN RESPECT OF THIS GLOBAL NOTE**

The following payments of interest in respect of this Global Note and the Notes represented by this Global Note have been made:

<b>Date made</b>	<b>Amount of interest due and payable</b>	<b>Amount of interest paid</b>	<b>Notation made by or on behalf of the Principal Paying Agent</b>
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**APPENDIX C**

**TRANSFER**

**GOSFORTH FUNDING 2018-1 PLC**

*(incorporated as a public limited company under the laws of England and Wales with registered number 11444253)*

**GLOBAL NOTE**

**representing**

[US\$]/[£][initial principal amount in figures] Class [A1]/[A2]/[A3]/[M]/[Z] Mortgage Backed Floating/Fixed Rate Notes due 2060

**ISIN No.:** [•] (Class A1) / [•] (Class A2) / [•] (Class A3) / [•] (Class M) / [•] (Class Z)

**Common Code:** [•] (Class A1) / [•] (Class A2) / [•] (Class A3) / [•] (Class M) / [•] (Class Z)

(To be executed by the registered holder if such holder desires to transfer this Global Note)

**FOR VALUE RECEIVED** \_\_\_\_\_ hereby sells, assigns and transfers unto

**PLEASE INSERT TAX IDENTIFYING**

**NUMBER OF TRANSFEREE**

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**(Please print name and address of transferee)**

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this Global Note, together with all right, title and interest herein, and does hereby irrevocably constitute and appoint the Registrar to register the transfer of this Global Note on the Register for the Notes, with full power of substitution.

Dated: \_\_\_\_\_

\_\_\_\_\_

Signature of Noteholder

**NOTICE:** The signature to the foregoing Transfer must correspond to the name as written upon the face of this Global Note in every particular, without alteration or any change whatsoever.

**Part B**  
**Form of Rule 144A Global Note**

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS (1) A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT IS ALSO A "QUALIFIED PURCHASER" ("**QP**") (AS DEFINED IN SECTION 2(A)(51) UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS THAT ARE ALSO QPs, (2) IT IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, (3) IT IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN, (4) IT IS HOLDING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB THAT IS ALSO A QP, (5) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER OR THIS NOTE, (6) IT, AND EACH ACCOUNT FOR WHICH IT HOLDS NOTES, WILL HOLD AND TRANSFER AT LEAST US\$200,000 IN PRINCIPAL AMOUNT OF NOTES, (7) IT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES AND (8) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES, OTHER THAN (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QIB WITHIN THE MEANING OF RULE 144A THAT IS ALSO A QP PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QP, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND (C) AGREES TO GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT, IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS NOTE IT IS A PERSON WHO IS NOT A QIB THAT IS ALSO A QP, THE ISSUER MAY ON BEHALF OF ITSELF (A) COMPEL IT TO SELL ITS INTEREST IN THIS NOTE

TO A PERSON (1) WHO IS ALSO A QIB THAT IS ALSO A QP AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THIS NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) IN AN OFFSHORE TRANSACTION TO A PERSON THAT IS NOT A U.S. PERSON IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS NOTE TO THE ISSUER OR AN AFFILIATE OF THE ISSUER OR TRANSFER ITS INTEREST IN THIS NOTE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER. THE ISSUER HAS THE RIGHT ON BEHALF OF ITSELF TO REFUSE TO HONOR A TRANSFER OF AN INTEREST IN THIS NOTE TO A PERSON WHO IS NOT A QIB AND A QP. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT

EACH BENEFICIAL OWNER HEREOF OR OF ANY INTEREST HEREIN WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN **[IN THE CASE OF THE CLASS A NOTES:** (1) EITHER (A) IT IS NOT A PLAN (AS DEFINED BELOW) AND IS NOT ACTING ON BEHALF OF ANY PLAN OR (B) IT IS NOT AND IS NOT USING ASSETS OF A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) ERISA (AS DEFINED BELOW) OR (C) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") OR UNDER ANY OTHER FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") FOR WHICH AN EXEMPTION IS NOT AVAILABLE AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE OR ANY INTEREST THEREIN TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING DEEMED REPRESENTATIONS, WARRANTIES AND AGREEMENTS. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN TO WHICH SECTION 4975 OF THE CODE APPLIES, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS (EACH OF (1) AND (2) A "**PLAN**"), AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING ASSETS OF WHICH CONSTITUTE "PLAN ASSETS" UNDER SECTION 401(c) OF ERISA, OR A WHOLLY OWNED SUBSIDIARY THEREOF).] **[IN THE CASE OF THE CLASS M NOTES AND THE CLASS Z NOTES:** (1) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES IT WILL NOT BE, AND



WILL NOT BE ACTING ON BEHALF OF, A (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) ANY PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") APPLIES, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS (EACH OF (A) AND (B) A "PLAN") OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, AND (2) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (X) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES (OR ANY INTEREST THEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY SUCH NOTE (OR ANY INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF THE CODE ("SIMILAR LAW") AND (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW.]

### GOSFORTH FUNDING 2018-1 PLC

*(incorporated as a public limited company under the laws of England and Wales with registered number 11444253)*

### GLOBAL NOTE

representing

[US\$]/[£][*initial principal amount in figures*] Class [A1]/[A2]/[A3]/[M]/[Z]\*  
**Mortgage Backed Floating/Fixed Rate Notes due 2060**

**ISIN No.:** [•] (Class A1) / [•] (Class A2) / [•] (Class A3) / [•] (Class M) / [•] (Class Z)

**Common Code:** [•] (Class A1) / [•] (Class A2) /  
 [•] (Class A3) / [•] (Class M) / [•] (Class Z)

**CUSIP No.:** [•] (Class A1)

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\* delete as applicable.

## 1. INTRODUCTION

This Global Note is issued in respect of a duly authorised issue of [US\$]/[£] [•] [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Mortgage Backed [Floating] [Fixed] Rate Notes due 2060 (the [*Class A1*] [*Class A2*] [*Class A3*] [*Class M*] [*Class Z*] Notes) of Gosforth Funding 2018-1 plc (the *Issuer*). This Global Note is registered in the name of [a custodian for, and registered in the name of Cede & Co. as a nominee for, The Depository Trust Company (*DTC*)]<sup>5</sup> [a nominee of the Common Safekeeper for Euroclear Bank S.A./N.V. (*Euroclear*) and Clearstream Banking, *société anonyme* (*Clearstream, Luxembourg*)]<sup>6</sup> [a nominee of the Common Depository for Euroclear Bank S.A./N.V. (*Euroclear*) and Clearstream Banking, *société anonyme* (*Clearstream, Luxembourg*)]<sup>7</sup>.

This certifies that the person whose name is entered in the Register [(being Cede & Co.)]<sup>8</sup> is registered as the holder of the aggregate principal amount of [US\$][£] [•] of the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes represented by this Global Note.

The Notes are created by the Trust Deed referred to below and are the subject of the Paying Agency and Agent Bank Agreement.

## 2. INTERPRETATION

### References to the Trust Deed

- 2.1 Any reference in this Global Note to the *Trust Deed* is to the trust deed dated 24 September 2018 between the Issuer and Citicorp Trustee Company Limited (as *Note Trustee*) as it may have been, or may from time to time be, replaced, extended, amended, varied, novated, supplemented or superseded in accordance with its terms and includes any deed expressed to be supplemental to it, as from time to time so extended, amended, varied or novated.

### References to Conditions

- 2.2 Any reference in this Global Note to the *Conditions* is to the terms and conditions of the Notes set out in Schedule 3 (*Terms and Conditions of the Notes*) to the Trust Deed and any reference to a numbered *Condition* is to the correspondingly numbered provision of those terms and conditions.

### Definitions and principles of construction

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<sup>5</sup> Applicable to the US\$ Rule 144A Global Note.

<sup>6</sup> Applicable to Sterling Rule 144A Global Notes representing the Class A Notes (other than the Class A1 Notes).

<sup>7</sup> Applicable to the Rule 144A Global Notes representing the Class M Notes and the Class Z Notes.

<sup>8</sup> Applicable to the US\$ Rule 144A Global Note.

- 2.3 This Global Note shall have expressly and specifically incorporated into it the Conditions, including the definitions and principles of construction set out in the Conditions, as though they were set out in full in this Global Note. If there is any conflict between this Global Note and the Conditions, the Conditions shall prevail.

### 3. PROMISE TO PAY

The Issuer, for value received, promises to pay to the holder of the Notes represented by this Global Note the principal amount of

[£][US\$][•] ([*Amount in words*] [Sterling] [US dollars])

on the dates and in the amounts specified in or otherwise calculated in accordance with the Conditions or on any other date or dates on which all or any part of that principal amount becomes due and payable in accordance with the Conditions, and to pay interest on the unpaid and unexchanged balance of such principal amount in arrear on the dates and at the rate specified in the Conditions, together with other amounts (if any) payable in accordance with the Conditions, subject to and in accordance with Clause 6 (*Payments*) and the Conditions.

### 4. REGISTER

The principal amount of the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes represented by this Global Note shall be the aggregate amount from time to time entered in the Register. The Register shall be conclusive evidence of the principal amount of the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes represented by this Global Note and, for these purposes, a statement issued by [Euroclear or Clearstream, Luxembourg]<sup>9</sup> [DTC]<sup>10</sup> (which statement shall be made available to Noteholders upon request) stating the principal amount of the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes represented by this Global Note at any time shall be conclusive evidence of the records of [Euroclear or Clearstream, Luxembourg]<sup>11</sup> [DTC]<sup>12</sup> at that time.

### 5. EXCHANGE FOR DEFINITIVE NOTES

This Global Note shall be exchangeable, free of charge to the holder, on or before its Individual Exchange Date (as defined below), in whole but not in part, for definitive Notes in registered form, at the request of the holder of this Global Note against presentation and surrender of this Global Note to the

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<sup>9</sup> Applicable to Sterling Rule 144A Global Notes representing the Class A Notes (other than the Class A1 Notes).

<sup>10</sup> Applicable to the US\$ Rule 144A Global Note.

<sup>11</sup> Applicable to Sterling Rule 144A Global Notes representing the Class A Notes (other than the Class A1 Notes).

<sup>12</sup> Applicable to the US\$ Rule 144A Global Note.

Principal Paying Agent if any of the following events (each, an ***Exchange Event***) occurs:

- (a) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form; or
- (b) [the Issuer has been notified that DTC or a successor depositary is no longer willing or able to discharge properly its responsibilities as depositary with respect to this Global Notes or ceases to be a "clearing agency" registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility or cessation on the part of such depositary,]<sup>13</sup>
- (c) [either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact cease business and no alternative clearing system satisfactory to the Note Trustee is then in existence,]<sup>14</sup>

in which case the Issuer will issue Definitive Notes of the relevant Class substantially in the form set out in Part B of Schedule 2 (*Form of Rule 144A Definitive Note*) to the Trust Deed, and in an aggregate principal amount equal to the unpaid balance of this Global Note. Such Definitive Notes will be issued to the holder of this Global Note against its surrender at the specified office of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

***Individual Exchange Date*** means a day falling not more than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of each of the Registrar and Principal Paying Agent is located.

## 6. PAYMENTS

Payments of principal and interest in respect of this Global Note shall be made to the first person who appears at the relevant time on the Register as the registered holder of this Global Note against presentation and (if no further

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<sup>13</sup> Applicable to the US\$ Rule 144A Global Note.

<sup>14</sup> Applicable to Sterling Rule 144A Global Notes representing the Class A Notes (other than the Class A1 Notes).

payment falls to be made on it) surrender thereof to or to the order of the Principal Paying Agent (or to or to the order of such other Paying Agent as shall have been notified to the Noteholders for this purpose) which shall endorse such payment or cause such payment to be endorsed in Appendix A (in the case of principal) or Appendix B (in the case of interest) hereto (such endorsement being prima facie evidence that the payment in question has been made). Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment.

**Clearing System Business Day** means Monday to Friday inclusive except 25 December and 1 January. No person shall however be entitled to receive any payment on this Global Note falling due after the Individual Exchange Date, unless the exchange of this Global Note for Definitive Notes is improperly withheld or refused by or on behalf of the Issuer.

## 7. RECORDING

On each occasion on which Notes represented by this Global Note are to be redeemed in full and cancelled in accordance with Condition 5 (*Redemption and Cancellation*), the Issuer shall procure that (a) the aggregate principal amount of Notes so redeemed and (b) the remaining principal amount (if any) of this Global Note (which shall be the principal amount of this Global Note before that redemption less the amounts referred to in (a)) are entered in the records of Euroclear, Clearstream, Luxembourg and/or DTC (as applicable).

## 8. TITLE AND TRANSFER

### Title

- 8.1 The registered holder of this Global Note (or, in the case of joint holding, the first named thereof) shall (except as otherwise required by law) be treated as the absolute owner of this Global Note for all purposes (regardless of any notice of ownership, trust or any other interest therein, any writing on this Global Note, other than the endorsed form of transfer, or any notice of any previous loss or theft of this Global Note).

### Transfer of interests in Notes

- 8.2 Interests in Notes represented by this Global Note shall be transferable only in accordance with the rules and procedures for the time being of [Euroclear or Clearstream, Luxembourg]<sup>15</sup> [DTC]<sup>16</sup>.

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<sup>15</sup> Applicable to Sterling Rule 144A Global Notes representing the Class A Notes (other than the Class A1 Notes).

<sup>16</sup> Applicable to the US\$ Rule 144A Global Note.

**9. AUTHENTICATION [AND EFFECTUATION]<sup>17</sup>**

This Global Note shall not be valid for any purpose until it has been authenticated by an authorised signatory on behalf of the Principal Paying Agent [and effectuated by the entity appointed as Common Safekeeper by Euroclear and Clearstream, Luxembourg]<sup>18</sup>.

**10. THIRD PARTY RIGHTS**

No person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the terms of this Global Note except as provided in the Conditions.

**11. GOVERNING LAW**

This Global Note and any non-contractual obligations between the Issuer and the Noteholders arising out of or in connection with this Global Note shall be governed by, and interpreted in accordance with, English law.

**IN WITNESS WHEREOF** the Issuer has caused this [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Global Note to be signed on its behalf

**GOSFORTH FUNDING 2018-1 PLC**

By: .....  
Authorised Signatory

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<sup>17</sup> Effectuation applicable to Sterling Rule 144 A Global Notes held under NSS.

<sup>18</sup> Effectuation applicable to Sterling Rule 144 A Global Notes held under NSS.

**CERTIFICATE OF AUTHENTICATION**

This is the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Global Note referred to in, and entitled to the benefit of, the Trust Deed referred to above.

**[CITIBANK, N.A., LONDON BRANCH]**  
as Principal Paying Agent

By: .....  
Authorised Signatory  
(Without recourse, warranty or liability)

Issued in London on [•] 2018

**[EFFECTUATED]** for and on behalf of  
**[COMMON SAFEKEEPER]** as common safekeeper  
without recourse, warranty or liability

By: .....  
[manual signature]  
(duly authorised)]<sup>19</sup>

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<sup>19</sup> For Sterling Rule 144A Global Notes held under NSS only.

**APPENDIX A****PRINCIPAL AMOUNT OF THIS GLOBAL NOTE**

Reductions in the principal amount of this Global Note following redemption or the purchase and cancellation of Notes are entered in the second and third columns below.

<b>Date</b>	<b>Reason for increase/decrease in the principal amount of this Global Note</b>	<b>Amount of such increase/decrease</b>	<b>Principal amount of this Global Note following such increase/decrease</b>	<b>Notation made by or on behalf of the Principal Paying Agent</b>
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**APPENDIX B****INTEREST PAYMENTS IN RESPECT OF THIS GLOBAL NOTE**

The following payments of interest in respect of this Global Note and the Notes represented by this Global Note have been made:

<b>Date made</b>	<b>Amount of interest due and payable</b>	<b>Amount of interest paid</b>	<b>Notation made by or on behalf of the Principal Paying Agent</b>
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**APPENDIX C**

**TRANSFER**

**GOSFORTH FUNDING 2018-1 PLC**

*(incorporated as a public limited company under the laws of England and Wales with registered number 11444253)*

**GLOBAL NOTE**

**representing**

[US\$]/[£][initial principal amount in figures] Class [A1]/[A2]/[A3]/[M]/[Z] Mortgage Backed Floating/Fixed Rate Notes due 2060

**ISIN No.:** [•] (Class A1) / [•] (Class A2) / [•] (Class A3) / [•] (Class M) / [•] (Class Z)

**Common Code:** [•] (Class A1) / [•] (Class A2) / [•] (Class A3) / [•] (Class M) / [•] (Class Z)

**CUSIP No.:** [•] (Class A1)

(To be executed by the registered holder if such holder desires to transfer this Global Note)

**FOR VALUE RECEIVED** \_\_\_\_\_ hereby sells, assigns and transfers unto

**PLEASE INSERT TAX IDENTIFYING**

**NUMBER OF TRANSFEREE**

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**(Please print name and address of transferee)**

this Global Note, together with all right, title and interest herein, and does hereby irrevocably constitute and appoint the Registrar to register the transfer of this Global Note on the Register for the Notes, with full power of substitution.

Dated: \_\_\_\_\_

\_\_\_\_\_

Signature of Noteholder

**NOTICE:** The signature to the foregoing Transfer must correspond to the name as written upon the face of this Global Note in every particular, without alteration or any change whatsoever.

**Schedule 2**  
**FORMS OF DEFINITIVE NOTES**

**Part A**  
**Form of Regulation S Definitive Note**

**(Face of Note)**

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO ANY U.S. PERSON EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, AGREES THAT IT WILL: (1) PRIOR TO THE EXPIRATION OF THE 40-DAY PERIOD AFTER THE COMMENCEMENT OF THE OFFERING OF THE NOTES OR THE ISSUE DATE OF THE NOTES, WHICH EVER IS LATER, NOT OFFER, SELL, OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (A "**QIB**") THAT IS ALSO A "QUALIFIED PURCHASER" ("**QP**") WITHIN THE MEANING OF SECTION 2(A)(51) OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QP, (B) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION TO A PERSON THAT IS NOT A U.S. PERSON IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND (2) GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

EACH BENEFICIAL OWNER HEREOF OR OF ANY INTEREST HEREIN WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN **[IN THE CASE OF THE CLASS A NOTES:** (1) EITHER (A) IT IS NOT A PLAN (AS DEFINED BELOW) AND IS NOT ACTING ON BEHALF OF ANY PLAN OR (B) IT IS NOT AND IS NOT USING ASSETS OF A BENEFIT PLAN INVESTOR (AS

DEFINED IN SECTION 3(42) ERISA (AS DEFINED BELOW) OR (C) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") OR UNDER ANY OTHER FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") FOR WHICH AN EXEMPTION IS NOT AVAILABLE AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE OR ANY INTEREST THEREIN TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING DEEMED REPRESENTATIONS, WARRANTIES AND AGREEMENTS. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN TO WHICH SECTION 4975 OF THE CODE APPLIES, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS (EACH OF (1) AND (2) A "**PLAN**"), AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING ASSETS OF WHICH CONSTITUTE "PLAN ASSETS" UNDER SECTION 401(c) OF ERISA, OR A WHOLLY OWNED SUBSIDIARY THEREOF.)] **[IN THE CASE OF THE CLASS M NOTES AND THE CLASS Z NOTES:** (1) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) ANY PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") APPLIES, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS (EACH OF (A) AND (B) A "**PLAN**") OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, AND (2) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (X) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES (OR ANY INTEREST THEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY SUCH NOTE (OR ANY INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION

OF THE ISSUER'S ASSETS) TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF THE CODE (“SIMILAR LAW”) AND (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW.]

Denomination	ISIN	Series	Serial Number
US\$ [•]	[•]	Class A1	[•]**
£[•]	[•]	Class A2	[•]**
£[•]	[•]	Class A3	[•]**
£[•]	[•]	Class M	[•]**
£[•]	[•]	Class Z	[•]**

**GOSFORTH FUNDING 2018-1 PLC**

*(incorporated as a public limited company under the laws of England and Wales with registered number 11444253)*

**representing up to [US\$]/[£][initial principal amount in figures]**

Initial aggregate principal amount of the Class [A1]/[A2]/[A3]/[M]/[Z]\* Mortgage Backed [Floating] [Fixed]\* Rate Notes due 2060

This [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note forms one of a series of [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Mortgage Backed [Floating] [Fixed] Rate Notes due 2060 (the **[Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes**) in the aggregate principal amount of [US\$]/[£][•] which are in denominations of [US\$]/[£][•]. The [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes are created by a trust deed dated [• 2018] between the Issuer and Citicorp Trustee Company Limited (as **Note Trustee**). The Notes are issued on and are subject to the terms and conditions (the **Conditions**) set out on the back of this [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note.

This is to certify that:

.....  
of.....  
.....  
.....

is the person registered in the register maintained by the Registrar in relation to the Notes (the **Register**) as the duly registered holder of the Notes represented by this Note Certificate or, if more than one person is so registered, the first-named of such persons (the **Holder**).

\_\_\_\_\_

\* delete as applicable.  
\* delete as applicable.

The Issuer, for value received, promises to pay to the Holder, and the Holder is entitled to receive, the principal sum of:

**[denomination in words and numerals]**

on the dates and in the amounts specified in or otherwise calculated in accordance with the Conditions or on any other date or dates on which all or any part of that principal amount becomes due and payable in accordance with the Conditions, and to pay interest on the unpaid balance of such principal amount in arrear on the dates and at the rate specified in the Conditions, together with other amounts (if any) payable in accordance with the Conditions, subject to and in accordance with the Conditions.

This [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note shall not be valid for any purpose until this [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note has been authenticated by an authorised signatory on behalf of the Principal Paying Agent (as defined in the Conditions).

This [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note is evidence of entitlement only. Title to the Notes passes only on due registration in the Register and only the Holder is entitled to payment in respect of this Note.

**IN WITNESS WHEREOF** the Issuer has caused this [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note to be signed on its behalf

**GOSFORTH FUNDING 2018-1 PLC**

By: .....  
Authorised Signatory

**CERTIFICATE OF AUTHENTICATION**

This is one of the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes referred to in, and entitled to the benefit of, the Trust Deed referred to above.

**[CITIBANK, N.A., LONDON BRANCH]**

[as Principal Paying Agent]

By: .....  
Authorised Signatory

(Without recourse, warranty or liability)

Issued in [•], on [•]

**TERMS AND CONDITIONS**

As set out in Schedule 3 (*Terms and Conditions*) to the Trust Deed



**TRANSFER**

(To be executed by the registered holder if such holder desires to transfer this [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note)

**FOR VALUE RECEIVED** \_\_\_\_\_ hereby sells, assigns and transfers unto

**PLEASE INSERT TAX IDENTIFYING  
NUMBER OF TRANSFEREE**

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**(Please print name and address of transferee)**

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**Part B**  
**Form of Rule 144A Definitive Note**

**(Face of Note)**

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS (1) A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT IS ALSO A "QUALIFIED PURCHASER" ("**QP**") (AS DEFINED IN SECTION 2(A)(51) UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS THAT ARE ALSO QPs, (2) IT IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, (3) IT IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN, (4) IT IS HOLDING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB THAT IS ALSO A QP, (5) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER OR THIS NOTE, (6) IT, AND EACH ACCOUNT FOR WHICH IT HOLDS NOTES, WILL HOLD AND TRANSFER AT LEAST US\$200,000 IN PRINCIPAL AMOUNT OF NOTES, (7) IT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES AND (8) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES, OTHER THAN (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QIB WITHIN THE MEANING OF RULE 144A THAT IS ALSO A QP PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QP, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATIONS UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND (C) AGREES TO GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT, IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS NOTE IT IS A

PERSON WHO IS NOT A QIB THAT IS ALSO A QP, THE ISSUER MAY ON BEHALF OF ITSELF (A) COMPEL IT TO SELL ITS INTEREST IN THIS NOTE TO A PERSON (1) WHO IS ALSO A QIB THAT IS ALSO A QP AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THIS NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) IN AN OFFSHORE TRANSACTION TO A PERSON THAT IS NOT A U.S. PERSON IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS NOTE TO THE ISSUER OR AN AFFILIATE OF THE ISSUER OR TRANSFER ITS INTEREST IN THIS NOTE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER. THE ISSUER HAS THE RIGHT ON BEHALF OF ITSELF TO REFUSE TO HONOR A TRANSFER OF AN INTEREST IN THIS NOTE TO A PERSON WHO IS NOT A QIB AND A QP. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT

EACH BENEFICIAL OWNER HEREOF OR OF ANY INTEREST HEREIN WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN [**IN THE CASE OF THE CLASS A NOTES:** (1) EITHER (A) IT IS NOT A PLAN (AS DEFINED BELOW) AND IS NOT ACTING ON BEHALF OF ANY PLAN OR (B) IT IS NOT AND IS NOT USING ASSETS OF A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) ERISA (AS DEFINED BELOW) OR (C) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") OR UNDER ANY OTHER FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") FOR WHICH AN EXEMPTION IS NOT AVAILABLE AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE OR ANY INTEREST THEREIN TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING DEEMED REPRESENTATIONS, WARRANTIES AND AGREEMENTS. "BENEFIT PLAN INVESTORS" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN TO WHICH SECTION 4975 OF THE CODE APPLIES, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS (EACH OF (1) AND (2) A "**PLAN**"), AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING ASSETS OF WHICH CONSTITUTE "PLAN ASSETS" UNDER SECTION 401(c) OF ERISA, OR A WHOLLY OWNED SUBSIDIARY THEREOF).] [**IN THE**

**CASE OF THE CLASS M NOTES AND THE CLASS Z NOTES:** (1) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) ANY PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") APPLIES, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS (EACH OF (A) AND (B) A "PLAN") OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, AND (2) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (X) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES (OR ANY INTEREST THEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY SUCH NOTE (OR ANY INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF THE CODE ("SIMILAR LAW") AND (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW.]

Denomination	ISIN	CUSIP	Series	Serial Number
US\$[•]	[•]	[•]	Class A1	[•]**
£[•]	[•]	-	Class A2	[•]**
£[•]	[•]	-	Class A3	[•]**
£[•]	[•]	-	Class M	[•]**
£[•]	[•]	-	Class Z	[•]**

### GOSFORTH FUNDING 2018-1 PLC

*(incorporated as a public limited company under the laws of England and Wales with registered number 11444253)*

**representing up to [US\$]/[£][initial principal amount in figures]**

Initial aggregate principal amount of the Class [A1]/[A2]/[A3]/[M]/[Z]\* Mortgage Backed [Floating] [Fixed]\* Rate Notes due 2060

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\* delete as applicable.

\* delete as applicable.

This [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note forms one of a series of [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Mortgage Backed [Floating] [Fixed] Rate Notes due 2060 (the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes) in the aggregate principal amount of [US\$]/[£][•] which are in denominations of [US\$]/[£][•]. The [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes are created by a trust deed dated 24 September 2018 between the Issuer and Citicorp Trustee Company Limited (as *Note Trustee*). The Notes are issued on and are subject to the terms and conditions (the *Conditions*) set out on the back of this [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note.

This is to certify that:

.....  
of.....  
.....  
.....

is the person registered in the register maintained by the Registrar in relation to the Notes (the *Register*) as the duly registered holder of the Notes represented by this Note Certificate or, if more than one person is so registered, the first-named of such persons (the *Holder*).

The Issuer, for value received, promises to pay to the Holder, and the Holder is entitled to receive, the principal sum of:

**[denomination in words and numerals]**

on the dates and in the amounts specified in or otherwise calculated in accordance with the Conditions or on any other date or dates on which all or any part of that principal amount becomes due and payable in accordance with the Conditions, and to pay interest on the unpaid balance of such principal amount in arrear on the dates and at the rate specified in the Conditions, together with other amounts (if any) payable in accordance with the Conditions, subject to and in accordance with the Conditions.

This [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note shall not be valid for any purpose until this [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note has been authenticated by an authorised signatory on behalf of the Principal Paying Agent (as defined in the Conditions).

This [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note is evidence of entitlement only. Title to the Notes passes only on due registration in the Register and only the Holder is entitled to payment in respect of this Note.

**IN WITNESS WHEREOF** the Issuer has caused this [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note to be signed on its behalf

**GOSFORTH FUNDING 2018-1 PLC**

By: .....

Authorised Signatory

**CERTIFICATE OF AUTHENTICATION**

This is one of the [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Notes referred to in, and entitled to the benefit of, the Trust Deed referred to above.

**[CITIBANK, N.A., LONDON BRANCH]**

[as Principal Paying Agent]

By: .....

Authorised Signatory

(Without recourse, warranty or liability)

Issued in London, on [●] 2018

**TERMS AND CONDITIONS**

As set out in Schedule 3 (*Terms and Conditions*) to the Trust Deed

**TRANSFER**

(To be executed by the registered holder if such holder desires to transfer this [Class A1] [Class A2] [Class A3] [Class M] [Class Z] Note)

**FOR VALUE RECEIVED** \_\_\_\_\_ hereby sells, assigns and transfers unto

**PLEASE INSERT TAX IDENTIFYING  
NUMBER OF TRANSFEREE**

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**(Please print name and address of transferee)**

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### Schedule 3

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions (the "**Conditions**" and any reference to a "**Condition**" shall be construed accordingly) of the Notes in the form (subject to completion and amendment) in which they will be set out in the Trust Deed. A glossary of definitions appears in Condition 18 (Definitions) of these Conditions.*

The Notes, defined in Condition 18 (*Definitions*) below, of Gosforth Funding 2018-1 plc (the "**Issuer**") are constituted pursuant to a trust deed (the "**Trust Deed**", which expression includes such trust deed as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) dated on 24 September 2018 (the "**Closing Date**") and made between the Issuer and Citicorp Trustee Company Limited (in such capacity, the "**Note Trustee**", which expression includes its successors or any further or other trustee under the Trust Deed) as trustee for the Noteholders.

The security for the Notes is created pursuant to, and on the terms set out in, a deed of charge (the "**Deed of Charge**", which expression includes such deed of charge as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) dated on the Closing Date and made between, *inter alios*, the Issuer and Citicorp Trustee Company Limited (in such capacity, the "**Security Trustee**", which expression includes its successors or any further or other trustee under the Deed of Charge).

Payment of principal and interest in respect of the Notes will be made in accordance with a paying agent and agent bank agreement dated on the Closing Date (the "**Paying Agent and Agent Bank Agreement**", which expression includes such paying agent and agent bank agreement as from time to time modified in accordance with the provisions therein and any agreement, deed or other document expressed to be supplemental thereto as from time to time so modified) between the Issuer, the Note Trustee, Citibank, N.A., London Branch, as principal paying agent (in such capacity, the "**Principal Paying Agent**", which expression shall include its permitted successors and assigns), as agent bank (in such capacity, the "**Agent Bank**", which expression will include its permitted successors and assigns), as transfer agent (in such capacity, the "**Transfer Agent**", which expression will include its permitted successors and assigns) and as registrar (in such capacity, the "**Registrar**", which expression will include its permitted successors and assigns). The Registrar will maintain a register (the "**Register**") in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Transaction Documents are available for inspection at the head office for the time being of the Principal Paying Agent, being at the date hereof, Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB. The Noteholders are

bound by, and are deemed to have notice of, all the provisions of, and definitions contained or incorporated in, the Transaction Documents.

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 12 September 2018.

## 1. **FORM, DENOMINATION AND TITLE**

Each Class of Notes that is initially offered and sold in reliance on Regulation S (the "**Regulation S Notes**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") is represented on issue by one or more global notes of such Class, in fully registered form without coupons or talons attached (each, a "**Regulation S Global Note**"), which, (a) in respect of the Regulation S Global Notes representing the Class A Notes, will be deposited with a common safekeeper (the "**Common Safekeeper**") for Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and registered in the name of a nominee of such Common Safekeeper; and (b) in respect of the Regulation S Global Notes representing the Class M Notes and/or the Class Z Notes, will be deposited with a common depository (the "**Common Depository**") for Clearstream, Luxembourg and Euroclear and registered in the name of a nominee of such Common Depository, in each case, on the Closing Date.

Each Class of Notes that is initially offered and sold in reliance on Rule 144A (the "**Rule 144A Notes**") under the Securities Act will be represented on issue by one or more global notes of such Class, in fully registered form without coupons or talons (each, a "**Rule 144A Global Note**" and, together with the Regulation S Global Notes, the "**Global Notes**"), which will either (a) in respect of the Rule 144A Global Note representing the Class A1 Notes (the "**US\$ Rule 144A Global Note**"), be deposited with a custodian for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("**DTC**"); (b) in respect of a Rule 144A Global Note representing any other Class A Note (other than the Class A1 Notes), be deposited with a Common Safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of such Common Safekeeper; or (c) in respect of a Rule 144A Global Note representing the Class M Notes and/or Class Z Notes, be deposited with a Common Depository for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of such Common Depository, in each case, on the Closing Date.

The Notes are issued in registered form in the minimum denominations of (a) in the case of the Class A2 Notes, the Class A3 Notes, the Class M Notes and the Class Z Notes (the "**Sterling Notes**"), £100,000 and integral multiples of £1,000 in excess thereof; and (b) in the case of the Class A1 Notes (the "**US\$ Notes**"), US\$200,000 and integral multiples of US\$1,000 in excess thereof (in each case, an "**Authorised Denomination**").

The registered holder of each Note (or, in the case of a joint holding, the first named thereof) shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (regardless of any notice of ownership, trust or any other interest therein, any writing on the Global Note

or Definitive Note relating thereto, other than the endorsed form of transfer, or any notice of any previous loss or theft of such Note) and no person shall be liable for so treating such registered holder.

For so long as any Notes are represented by a Global Note, transfers and exchanges of beneficial interests in such Global Notes and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of, with respect to the US\$ Rule 144A Global Note, DTC, or, with respect to the Regulation S Global Notes and the Rule 144A Global Notes (other than the US\$ Rule 144A Global Note), Euroclear or Clearstream, Luxembourg.

For so long as the Notes are represented by a Global Note and DTC, Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradeable only in the applicable Authorised Denomination thereof.

Each Regulation S Global Note will be exchangeable, free of charge to the holder, on or after its Individual Exchange Date (as defined below), in whole but not in part, for definitive Notes in registered form (a "**Regulation S Definitive Note**") and each Rule 144A Global Note will be exchangeable, free of charge to the holder, on its Individual Exchange Date (as defined below), in whole but not in part, for definitive Notes in registered form (a "**Rule 144A Definitive Note**"), and together with the Regulation S Definitive Note, the "**Definitive Notes**"), at the request of the holder of the relevant Global Note against presentation and surrender of such Global Note to the Principal Paying Agent if any of the following events (each, an "**Exchange Event**") occurs:

- (a) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form;
- (b) in the case of the US\$ Rule 144A Global Note held on behalf of DTC, the Issuer has been notified that DTC or a successor depositary is no longer willing or able to discharge properly its responsibilities as depositary with respect to the US\$ Rule 144A Global Note or ceases to be a "clearing agency" under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility or cessation on the part of such depositary; or
- (c) in the case of the Global Notes held through Euroclear or Clearstream, Luxembourg, either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently

to cease business or does in fact do so and no alternative clearing system satisfactory to the Note Trustee is then in existence.

**"Individual Exchange Date"** means a day falling not more than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of each of the Registrar and Principal Paying Agent is located.

Definitive Notes of each Class will be issued in registered form in the applicable Authorised Denomination and will be serially numbered without coupons or talons attached. Title to the Definitive Notes and Coupons shall pass by registration.

A Note may be transferred upon surrender of the relevant Definitive Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) the Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Definitive Note are the subject of the transfer, a new Definitive Note in respect of the balance of the Notes will be issued to the transferor.

Within five business days of the surrender of a Definitive Note in accordance with the above paragraph, the Registrar will register the transfer in question and deliver a new Definitive Note of a like principal amount to the Notes transferred to each relevant holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant holder. In this paragraph, **"business day"** means a day on which banks are open for business in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

References to **"Notes"** in these Conditions shall include the Global Notes and the Definitive Notes.

## **2. STATUS, PRIORITY AND SECURITY**

### **(A) Status**

The Class A1 Notes, the Class A2 Notes and the Class A3 Notes are direct, secured and (subject as provided in Condition 5(C) (*Termination of the Original Currency Swap Agreement*)) unconditional obligations of the Issuer and the Class M Notes and the Class Z Notes are direct, secured and (subject as provided in Condition 4(I) (*Deferral of Interest*)) unconditional obligations of the Issuer. All of the Notes are secured by the same security. Payments on each Class of Notes will be made equally amongst all Notes of that Class.

**(B) Priority****(i) Interest**

The Issuer will in accordance with the Issuer Pre-Acceleration Revenue Priority of Payments or, as the case may be, the Issuer Post-Acceleration Priority of Payments make payments of interest on the Class A Notes (to be applied *pro rata* and *pari passu* between the Class A1 Notes, the Class A2 Notes and the Class A3 Notes) ahead of payments of interest on the Class M Notes and the Class Z Notes and make payments of interest on the Class M Notes ahead of payments of interest on the Class Z Notes.

**(ii) Principal**

Prior to a Pass-Through Trigger Event, in accordance with the Issuer Pre-Acceleration Principal Priority of Payments on each Payment Date:

- (a) repayments of principal in respect of the Class A1 Notes will be made in an amount up to the Class A1 Target Amortisation Amount in accordance with item (ii)(a) of the Issuer Pre-Acceleration Principal Priority of Payments;
- (b) repayments of principal in respect of the Class A2 Notes will be made in an amount up to the Class A2 Target Amortisation Amount in accordance with item (iii)(a) of the Issuer Pre-Acceleration Principal Priority of Payments; and
- (c) on each Payment Date following the Class A2 Redemption Date, repayments of principal in respect of the Class A3 Notes will be made from Available Principal Receipts in accordance with the Issuer Pre-Acceleration Principal Priority of Payments.

Following a Pass-Through Trigger Event, in accordance with the Issuer Pre-Acceleration Principal Priority of Payments, on each Payment Date repayments of principal on the Class A Notes shall be paid, *first*, to redeem the Class A1 Notes (to the extent that any principal remains outstanding on the Class A1 Notes following the Pass-Through Trigger Event) until the Class A1 Notes have been redeemed in full (subject to Condition 5(C) (*Termination of the Original Currency Swap Agreement*)), *second*, to redeem the Class A2 Notes until the Class A2 Notes have been redeemed in full, *third*, to redeem the Class A3 Notes until the Class A3 Notes have been redeemed in full, *fourth*, to redeem the Class M Notes until the Class M Notes have been redeemed in full, *fifth*, if any Principal Shortfall Amounts remain outstanding in respect of the US\$ Notes following the Class A1 Sterling Equivalent Redemption Date, to redeem the US\$ Notes until the US\$ Notes are redeemed in full and, *sixth*, to redeem the Class Z Notes.

(C) **Conflict Between the Classes of Notes**

The Trust Deed provides that, except where expressly provided otherwise, where the Note Trustee is required to have regard to the interests of the Noteholders, the Note Trustee shall have regard to the interests of all the Noteholders equally as a Class (subject to the carve out in the definition of "outstanding" for this purpose), **provided that** the Note Trustee shall have regard for so long as there are any Class A Notes outstanding (as that term is defined in the Trust Deed), only to the interests of the Class A Noteholders if, in the Note Trustee's opinion, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class M Noteholders and/or the Class Z Noteholders and if there are no Class A Notes outstanding, the Note Trustee shall have regard for so long as there are any Class M Notes outstanding, only to the interests of the Class M Noteholders if, in the Note Trustee's opinion, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class Z Noteholders.

The Trust Deed also provides that, in the case of a direction from the Class A Noteholders, other than in connection with a direction pursuant to Condition 9 (*Events of Default*) or Condition 10 (*Enforcement of Notes*) or a direction to the Note Trustee to waive or authorise any Note Event of Default or to determine that any Note Event of Default or Potential Note Event of Default shall not be treated as such, the Note Trustee shall take into account the interests of the holders of the Class A1 Notes, the Class A2 Notes and the Class A3 Notes and any conflict between the Class A Noteholders as further described in Condition 11(A) (*Meetings of Noteholders*).

(D) **Security**

As security for, *inter alia*, the payment of all amounts payable in respect of the Notes, the Issuer has entered into the Deed of Charge and, in respect of Scottish Mortgages, the Scottish Supplemental Charge, creating, *inter alia*, the following security (the "**Issuer Security**") in favour of the Security Trustee for

itself and on trust for the other Secured Creditors (as defined in Condition 18 (*Definitions*) below):

- (i) a first fixed charge over the Issuer Share of the Trust Property, other than the Scottish Mortgages;
- (ii) an assignation of security of the Issuer's beneficial interest as a Beneficiary under the Scottish Declaration of Trust to the extent (if any) not already secured pursuant to the charges described at paragraphs (i) above and (iii) below;
- (iii) an assignment by way of first fixed security of the Issuer's rights, title, interest and benefit in and to the Transaction Documents to which the Issuer is a party (other than the Deed of Charge);
- (iv) an assignment by way of first fixed security (which assignment may take effect as a floating charge) over the Issuer's rights, title, interest and benefit in the Issuer Transaction Accounts and each other account (if any) of the Issuer, and all amounts standing to the credit of those accounts (including all interest earned on such amounts); and
- (v) a first floating charge over all the assets and undertaking of the Issuer which are not otherwise effectively subject to a fixed charge or assignment by way of security as described in the preceding paragraphs but extending over all the assets and undertakings of the Issuer situated in, or otherwise governed by, Scots law.

### 3. COVENANTS

Save with the prior written consent of the Note Trustee and the Security Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

#### (A) Negative Pledge

create or permit to subsist any mortgage, Standard Security, pledge, lien, charge, assignation or other Security Interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future;

#### (B) Disposal of Assets

sell, assign, transfer, convey, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

(C) **Equitable Interest**

permit any person other than itself and the Security Trustee (as to itself and on behalf of the other Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

(D) **Bank Accounts**

have an interest in any bank account, other than the Issuer Accounts;

(E) **Restrictions on Activities**

carry on any business other than as described in the Prospectus dated 19 September 2018, and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

(F) **Borrowings**

incur any indebtedness whatsoever other than under the Notes and other than under the Subordinated Loan Agreement or give any guarantee or indemnity in respect of any indebtedness or obligation of any person;

(G) **Merger**

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

(H) **Waiver or Consent**

permit the validity or effectiveness of any of the Trust Deed or the Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

(I) **Employees or premises**

have any employees or premises or subsidiaries; and/or

(J) **Dividends and Distributions**

pay any dividend or make any other distribution to its shareholders or issue any further shares or alter any rights attaching to its shares as at the date of the Deed of Charge other than any dividend to be paid to Holdings to enable Holdings to repay the Holdings Loan.



#### 4. INTEREST

##### (A) Period of Accrual

Each Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date. Each Note (or, in the case of redemption in part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest will continue to accrue on such unpaid amount (before as well as after any judgment) at the rate applicable to such Note up to (but excluding) the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made, or (if earlier) the seventh day after notice is duly given by the Principal Paying Agent to the holder thereof (either in accordance with Condition 14 (*Notice to Noteholders*) or individually) that such payment will be made, **provided that** payment is in fact made.

Whenever it is necessary to compute an amount of interest in respect of the Notes for any period (including any Interest Period), such interest shall be calculated (a) in respect of the Sterling Notes, on the basis of actual days elapsed in a 365 day year (or, if any portion of an Interest Period falls in a leap year, the sum of (i) the actual number of days in any portion of such period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of such period falling in a non-leap year divided by 365); and (b) in respect of the US\$ Notes, on the basis of actual days lapsed in a 360 day year.

##### (B) Payment Dates and Interest Periods

Subject to Condition 4(I) (*Deferral of Interest*) in respect of the Class M Notes and the Class Z Notes, interest on the Notes is payable quarterly in arrear on the 25<sup>th</sup> day of February, May, August and November in each year (or, if such day is not a Business Day, the next succeeding Business Day) (each a "**Payment Date**"), the first Payment Date being the Payment Date falling in November 2018 in respect of the Interest Period commencing on the Closing Date.

##### (C) Rates of Interest

The rate of interest payable in respect of each Class of Notes (each, a "**Rate of Interest**" and together the "**Rates of Interest**") will be determined by the Agent Bank on the relevant Interest Determination Date in accordance with the provisions below. There will be no minimum or maximum Rate of Interest provided that, if a Rate of Interest for any Interest Period is determined to be less than zero, that Rate of Interest for such Interest Period shall be zero.

##### (I) *For the Sterling Notes (other than the Class Z Notes)*

The Rate of Interest applicable to each Class of Sterling Notes (other than the Class Z Notes) for each Interest Period shall be the aggregate of:

- (a) the Relevant Margin; and
- (b) Compounded Daily SONIA (as defined below), determined by the Agent Bank at or about 11.00 a.m. (London time) on the Sterling Interest Determination Date.

If the Rate of Interest cannot be determined in accordance with the provisions of these Conditions by the Agent Bank, the Rate of Interest shall be (i) determined as at the last preceding Sterling Interest Determination Date (though substituting, where a different Relevant Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Relevant Margin relating to the relevant Interest Period in place of the Relevant Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Sterling Interest Determination Date, the initial Rate of Interest which would have been applicable to such Notes for the first Interest Period for the purposes of determining Compounded Daily SONIA had the rate of interest been determined using Compounded Daily SONIA for a period equal in duration to the first such Interest Period but ending on (and excluding) the Payment Date falling in February 2022 (but applying the Relevant Margin applicable to the first such Interest Period),

provided further that, on the occurrence of the events described in Condition 11(F)(a)(iii) (*Additional Right of Modification*) (the “**Relevant Time**”), the Issuer (acting on the advice of the Issuer Cash Manager) shall, without undue delay, use commercially reasonable endeavours to propose an Alternative Base Rate in accordance with Condition 11(F)(a)(iii) (*Additional Right of Modification*) (the “**Relevant Condition**”). For the avoidance of doubt, if an Alternative Base Rate proposed by or on behalf of the Issuer (including any Alternative Base Rate which was proposed prior to the Relevant Time pursuant to the Relevant Condition) has failed to be implemented in accordance with the Relevant Condition as a result of Noteholder objections to the modification, the Issuer shall not be obliged to propose an Alternative Base Rate under this Condition 4(C) (*Rates of Interest*).

(II) *For the US\$ Notes*

The Rate of Interest applicable to the Class A1 Notes for each Interest Period shall be the aggregate of:

- (a) the Relevant Margin; and
- (b) US Dollar LIBOR, determined by the Agent Bank as described below:

- (i) the Agent Bank shall determine the rate for three month deposits in US Dollars ("**3 month US\$ LIBOR**") in the London interbank market displayed on the Reuters Screen page LIBOR01 as at or about 11.00 a.m. (London time) on the US\$ Interest Determination Date; or in the case of the first Interest Period only, the rate obtained by linear interpolation of the rate for 2 month and 3 month deposits in US dollars in the market; or
- (ii) if such rate does not appear on that page, the Agent Bank will:
  - (A) request each of the Reference Banks to provide the Agent Bank a quotation of the rate at which deposits in US dollars are offered by it at approximately 11.00 a.m. (London time) on the US\$ Interest Determination Date to prime banks in the London interbank market for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean (rounded upwards, if necessary, to five decimal places) of such quotations; or
- (iii) if such rate does not appear on that page and only two or three of the requested banks provide offered quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with the provisions of sub-paragraph (b) above on the basis of the offered quotations of those banks providing such quotations; or
- (iv) if only one or none of the Reference Banks provides the Agent Bank with such an offered quotation, US\$ LIBOR with respect to such Interest Period will be the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by three major banks in New York, selected by the Agent Bank (in consultation with the Issuer), at approximately 11:00 a.m. (New York time), on the first day of the relevant Interest Period for loans in US dollars to leading European banks for a term approximately equal to such Interest Period and an amount that is representative for a single transaction in the market at that time. If no such bank or banks is or are so agreed or such bank or banks as so agreed does or do not provide such a quotation or quotations, then the Rate of Interest for the relevant Interest Period shall be the Rate of Interest in effect for the last preceding

Interest Period to which sub-paragraph (b) shall have applied but taking account of any change in the Relevant Margin.

For the purposes of these Conditions:

“**Compounded Daily SONIA**” means, in respect of an Interest Period, the rate of return of a daily compound interest investment during the Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank on the Interest Determination Date in question, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-5LBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Interest Period;

“**do**” is the number of London Banking Days in the relevant Interest Period;

“**i** is a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period; and

“**n**, for any day **i**, means the number of calendar days from and including such day **i** up to but excluding the following London Banking Day.

“**London Banking Day**” or “**LBD**” is any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

“**SONIA<sub>i-5LBD</sub>**” means, in respect of any London Banking Day falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling five London Banking Days prior to the relevant London Banking Day **i**.

“**SONIA Reference Rate**” means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors

(on the London Banking Day immediately following such London Banking Day).

If, in respect of any London Banking Day in the relevant Interest Period, the Agent Bank determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant Business Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event that the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined; or (ii) any rate that is to replace the SONIA Reference Rate, the Agent Bank will, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

"**Reference Banks**" means, for the purposes of determining US\$ LIBOR, the principal London offices of four major banks in the London inter-bank market, as agreed between the Issuer (or the Issuer Cash Manager on its behalf) and the Mortgages Trustee (or the Trust Property Cash Manager on its behalf), from time to time.

"**Relevant Margin**" shall be:

- (a) for the Class A1 Notes, 0.45 per cent. per annum up to and excluding the relevant Step-Up Date and thereafter 0.90 per cent. per annum;
- (b) for the Class A2 Notes, 0.6993 per cent. per annum up to and excluding the relevant Step-Up Date and thereafter 1.2793 per cent. per annum;
- (c) for the Class A3 Notes, 0.8193 per cent. per annum up to and excluding the relevant Step-Up Date and thereafter 1.5193 per cent. per annum; and
- (d) for the Class M Notes, 1.3193 per cent. per annum up to and excluding the relevant Step-Up-Date and thereafter 2.5193 per cent. per annum.

“**Relevant Screen Page**” means the Reuters Screen SONIA Page or any other screen page as specified by the Issuer (or any replacement thereto).

(III) ***For the Class Z Notes***

The Rate of Interest applicable to the Class Z Notes for each Interest Period shall be at all times a fixed rate of 0.00 per cent. per annum.

(D) **Determination of Rates of Interest and Calculation of Interest Amounts**

- (a) The Agent Bank shall, as soon as practicable on each Interest Determination Date, determine and notify the Issuer, the Issuer Cash Manager, the Note Trustee and the Paying Agents of (i) the Rates of Interest applicable to the Notes (other than the Class Z Notes) for the relevant Interest Period and (ii) (I) the Sterling amount (the "**Sterling Interest Amount**") payable in respect of each Interest Period in respect of interest on each Class of Sterling Notes; (II) the US Dollars amount (the "**US\$ Interest Amount**" and, together with the Sterling Interest Amount, the "**Interest Amount**") payable in respect of each Interest Period in respect of interest on the Class A1 Notes.
- (b) The Interest Amount in respect of each Class of Notes shall be determined by applying the relevant Rate of Interest to the Principal Amount Outstanding of the relevant Note of the relevant Class, multiplying the sum by the applicable day count fraction described in Condition 4(A) (*Period of Accrual*) and rounding the resultant figure to the nearest penny or cent, as applicable (half a penny or cent being rounded upwards).

(E) **Publication of Rates of Interest, Interest Amounts and other Notices**

As soon as possible after receiving each notification pursuant to Condition 4(D) (and in any event no later than the second Business Day thereafter), the Agent Bank will cause the Rate of Interest and the Interest Amount applicable to each Class of Notes for each Interest Period and the Payment Date falling at the end of such Interest Period to be notified to the Issuer, the Issuer Cash Manager, the Note Trustee, the Paying Agents and to each stock exchange, competent listing authority and/or quotation system (if any) on or by which the Notes are then listed, quoted and/or traded and will cause notice thereof to be given to the relevant Class of Noteholders in accordance with Condition 14 (*Notice to Noteholders*). The Interest Amounts and Payment Dates so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

(F) **Determination and/or Calculation by Trustee**

If the Agent Bank does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Amount for any Class of Notes in accordance with the foregoing paragraphs, the Note Trustee or an Appointee

on its behalf may (i) determine the Rate of Interest at such rate as (having such regard as it shall think fit to the procedure described above) it may in its sole discretion deem fair and reasonable in all the circumstances and/or (as the case may be) (ii) calculate the Interest Amount for such Class of Notes in the manner specified in paragraph (D) above, and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.

**(G) Notifications to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 (*Interest*) (in the absence of wilful default, bad faith or manifest error) shall be binding on the Issuer, the Issuer Cash Manager, the Agent Bank, the Note Trustee and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Issuer, the Agent Bank, the Note Trustee or the Issuer Cash Manager in connection with the exercise or non-exercise by them or any of them of their rights, powers, duties and discretions hereunder.

**(H) Agent Bank**

The initial Agent Bank is Citibank, N.A., acting through its principal London office. In the event of Citibank, N.A., London Branch being unwilling to act as the Agent Bank, or resigning pursuant to the Paying Agent and Agent Bank Agreement, the Issuer shall, with the approval of the Note Trustee, appoint a successor Agent Bank. The resignation of the Agent Bank will not take effect until a successor approved by the Note Trustee has been appointed.

**(I) Deferral of Interest**

Interest on the Class M Notes and/or the Class Z Notes shall be payable in accordance with this Condition 4 (*Interest*) unless, whilst there are Class A Notes outstanding, the aggregate funds (if any) calculated in accordance with the Issuer Pre-Acceleration Revenue Priority of Payments as being available to the Issuer on any Payment Date for application in or towards the payment of interest which is, subject to this Condition 4(I) (*Deferral of Interest*), due on the Class M Notes and/or the Class Z Notes on such Payment Date (such aggregate available funds being referred to in this Condition 4(I) (*Deferral of Interest*)) as the "**Class M Residual Amount**" or the "**Class Z Residual Amount**", as applicable) are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Condition 4(I) (*Deferral of Interest*), due on the Class M Notes and/or the Class Z Notes on such Payment Date, there shall be payable on such Payment Date, by way of interest on each Class M Note and/or Class Z Note, a *pro rata* share of the Class M Residual Amount or the Class Z Residual Amount, as applicable, or where the Class M Residual Amount or the Class Z Residual Amount, as applicable, is nil, nil.

If, by virtue of the provisions of this Condition 4(I) (*Deferral of Interest*), a *pro rata* share of either (i) the Class M Residual Amount or the Class Z Residual Amount or (ii) no amount is paid to the Class M Noteholders or the Class Z Noteholders, as applicable, in accordance with such provisions, the

Issuer shall create a provision in its accounts for the shortfall equal to the amount by which the aggregate amount of interest paid on the Class M Notes and/or the Class Z Notes on any Payment Date in accordance with this Condition 4(I) (*Deferral of Interest*) falls short of the aggregate amount of interest which would have been payable on the Class M Notes and/or the Class Z Notes on that Payment Date pursuant to the other provisions of these Conditions but for this Condition 4(I) (*Deferral of Interest*). Such shortfall shall accrue interest at a rate for each Interest Period during which it is outstanding equal to the Rate of Interest for the Class M Notes or, as the case may be, the Class Z Notes applicable for such Interest Period. A *pro rata* share of such shortfall plus any interest accrued thereon shall be aggregated with the amount of, and treated for the purpose of this Condition as if it were, interest due (subject to the other provisions of this Condition 4(I) (*Deferral of Interest*)) on each Class M Note or, as the case may be, Class Z Note on the next succeeding Payment Date.

In the event of a delivery of a Class M Note Acceleration Notice and/or a Class Z Note Acceleration Notice (as described in Condition 9 (*Events of Default*)), all amounts of interest then due but not paid in respect of the Class M Notes and/or the Class Z Notes will themselves bear interest at the applicable rate of interest until both the unpaid interest and the interest on that interest are paid.

Any amount of interest in respect of the Class M Notes and/or the Class Z Notes otherwise payable under these Conditions (or which would have been payable but for an insufficiency of funds on any date), which is not paid by virtue of this Condition 4(I) (*Deferral of Interest*) together with accrued interest thereon shall become payable on the Final Redemption Date or on such earlier date as the Class M Notes and/or the Class Z Notes become immediately due and payable.

Payments of interest due on a Payment Date in respect of the Class A Notes will not be deferred. In the event of the delivery of a Class A Note Acceleration Notice (as described in Condition 9 (*Events of Default*)), the amount of interest that was due but not paid on such Payment Date will itself bear interest at the applicable Rate of Interest until both the unpaid interest and the interest on that interest are paid.

## **5. REDEMPTION AND CANCELLATION**

### **(A) Final Redemption**

Unless previously redeemed in full as provided in this Condition 5 (*Redemption and Cancellation*), the Issuer shall redeem each Class of Notes at its then Principal Amount Outstanding together with all accrued interest on the Final Redemption Date in respect of such Class of Notes.

The Issuer may not redeem the Notes in whole or in part prior to those respective dates except as provided in Condition 5(B) (*Mandatory Redemption of the Notes in Part*), 5(E) (*Optional Redemption in Full*) or 5(F) (*Optional*



*Redemption for Tax and Other Reasons*) below, but without prejudice to Condition 9 (*Events of Default*).

**(B) Mandatory Redemption of the Notes in Part**

Prior to the delivery of a Note Acceleration Notice, on each Payment Date, other than a Payment Date on which the Notes are to be redeemed under Condition 5(A) (*Final Redemption*), 5(E) (*Optional Redemption in Full*) or 5(F) (*Optional Redemption for Tax and Other Reasons*), the Issuer shall repay principal in respect of the Notes on each Payment Date as follows:

- (a) prior to the occurrence of a Pass-Through Trigger Event, the amount of Issuer Available Principal Receipts available on such Payment Date (in accordance with and subject to the Issuer Pre-Acceleration Principal Priority of Payments) shall be applied to repay principal in respect of the Class A Notes by reference to the Sterling Equivalent Principal Amount Outstanding of each such Class of Notes in an amount equal to, the lesser of:
- (1) in the case of the Class A1 Notes and the Class A2 Notes, the amount required to reduce:
- (aa) the Sterling Equivalent Principal Amount Outstanding of the Class A1 Notes to the amount set out under the heading “Target Sterling Equivalent Principal Amount Outstanding - Class A1 Notes” (the “**Class A1 Target Amortisation Amount**”); and
- (bb) in respect of the Class A2 Notes, the Principal Amount Outstanding of the Class A2 Notes to the amount set out under the heading “Target Principal Amount Outstanding - Class A2 Notes” (the “**Class A2 Target Amortisation Amount**”),

in each case, alongside the relevant Payment Date in the table below; and

<b>Payment Date falling in</b>	<b>Class A1 Target Principal Balance in US Dollars converted at the Original Exchange Rate</b>	<b>Target Sterling Equivalent Principal Amount Outstanding - Class A1 Notes</b>	<b>Target Principal Amount Outstanding - Class A2 Notes</b>
November 2018	542,305,198.17	413,862,859.67	402,795,711.72
February 2019	496,612,787.36	378,992,473.28	381,871,052.33
May 2019	452,518,866.03	345,341,981.94	361,678,414.91

<b>Payment Date falling in</b>	<b>Class A1 Target Principal Balance in US Dollars converted at the Original Exchange Rate</b>	<b>Target Sterling Equivalent Principal Amount Outstanding - Class A1 Notes</b>	<b>Target Principal Amount Outstanding - Class A2 Notes</b>
August 2019	409,940,547.37	312,848,130.17	342,179,841.74
November 2019	368,853,475.68	281,492,330.81	323,364,179.25
February 2020	329,201,613.63	251,231,818.70	305,205,765.36
May 2020	291,005,713.42	222,082,430.97	287,714,103.45
August 2020	254,119,715.54	193,932,701.60	270,822,306.14
November 2020	218,490,617.29	166,742,181.32	254,506,101.07
February 2021	183,919,459.00	140,359,033.08	238,674,375.43
May 2021	150,384,126.74	114,766,380.54	223,317,002.24
August 2021	118,331,229.82	90,305,055.76	208,638,504.47
November 2021	87,321,990.73	66,640,203.56	194,437,945.68
February 2022	57,147,687.70	43,612,536.88	180,619,742.57
May 2022	28,053,349.98	21,409,051.00	167,296,105.32
August 2022	0.00	0.00	154,185,387.80
November 2022	0.00	0.00	121,234,848.31
February 2023	0.00	0.00	89,131,033.28
May 2023	0.00	0.00	58,112,579.72
August 2023	0.00	0.00	0.00

(2) the amount of such Issuer Available Principal Receipts;

in each case in accordance with the Issuer Pre-Acceleration Principal Priority of Payments and,

(b) following the redemption in full of the Class A2 Notes, in the case of the Class A3 Notes, the amount of Issuer Available Principal Receipts available on such Payment Date (in accordance with and subject to the

Issuer Pre-Acceleration Principal Priority of Payments) shall be applied to repay principal in respect of the Class A3 Notes;

- (c) prior to the occurrence of a Pass-Through Trigger Event, there shall be no repayment of principal on the Class M Notes or the Class Z Notes; and
- (d) following the occurrence of a Pass-Through Trigger Event, the amount of Issuer Available Principal Receipts available on such Payment Date in respect of each of the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class M Notes and the Class Z Notes in accordance with and subject to the relevant Priority of Payments in the manner described in and subject to the Deed of Charge.

(C) **Termination of the Original Currency Swap Agreement**

If the Original Currency Swap Agreement relating to the Class A1 Notes has been terminated, then, on each Payment Date prior to the delivery of a Note Acceleration Notice:

- (a) if, on such Payment Date, the *pro rata* share of the Issuer Available Principal Receipts available under the Issuer Pre-Acceleration Principal Priority of Payments to repay principal of the Class A1 Notes in accordance with Condition 5(B) (*Mandatory Redemption of the Notes in Part*), following conversion into US Dollars at:
  - (i) if no replacement Currency Swap Agreement is in force, the Spot Rate (by the Issuer Cash Manager); or
  - (ii) if a replacement Currency Swap Agreement is in force, the Replacement Exchange Rate,

is **less than** the amount that would have been payable (in US Dollars) by the Original Currency Swap Provider in respect of principal if the Original Currency Swap Agreement had not been terminated, the shortfall amounts (such amounts being "**Principal Shortfall Amounts**") shall only be paid from any Principal Excess Amounts (as defined below);
- (b) if, on such Payment Date, the *pro rata* share of the Issuer Available Principal Receipts available under the Issuer Pre-Acceleration Principal Priority of Payments to pay principal of the Class A1 Notes in accordance with Condition 5(B) (*Mandatory Redemption of the Notes in Part*), following conversion into US Dollars at:
  - (i) if no replacement Currency Swap Agreement is in force, the Spot Rate (by the Issuer Cash Manager); or
  - (ii) if a replacement Currency Swap Agreement is in force, the Replacement Exchange Rate,

is **greater than** the amount that would have been payable (in US Dollars) by the Original Currency Swap Provider in respect of principal if the Original Currency Swap Agreement had not been terminated, the excess amounts (such amounts being "**Principal Excess Amounts**") shall be used to pay any Principal Shortfall Amounts, with any excess being transferred to the Swap Excess Reserve Account for application (subject to the terms of the Transaction Documents) on subsequent Payment Dates to pay any future Principal Shortfall Amounts; and

- (c) if that Payment Date falls on or following the Class A1 Sterling Equivalent Redemption Date:
  - (i) if the Class A1 Notes have not been redeemed in full, following application of any amounts held in the Swap Excess Reserve Account towards the redemption of the Class A1 Notes, any Principal Amount Outstanding of the Class A1 Notes shall only be paid subject to and in accordance with item (vi) of the Issuer Pre-Acceleration Principal Priority of Payments; or
  - (ii) if the Class A1 Notes have been redeemed in full, any amounts held in the Swap Excess Reserve Account shall be transferred to the Transaction Account (after conversion into Sterling by the Issuer Cash Manager at the applicable Spot Rate) and credited to the Issuer Revenue Ledger for application in accordance with the Issuer Pre-Acceleration Revenue Priority of Payments.

On or after the delivery of a Note Acceleration Notice, any amounts held in the Swap Excess Reserve Account shall be transferred to an Issuer Transaction Account (after conversion into Sterling by the Issuer Cash Manager at the applicable Spot Rate) and applied in accordance with the Issuer Post-Acceleration Priority of Payments.

**(D) Note Principal Payments, Principal Amount Outstanding and Pool Factor**

The principal amount redeemable (the "**Note Principal Payment**") in respect of each Note of a particular Class of Notes on any Payment Date under Condition 5(B) (*Mandatory Redemption of the Notes in Part*) above shall be (i) in the case of any Sterling Note, the amount required as at that Payment Date to be applied in redemption of the Notes of that Class; and (ii) in the case of any US\$ Note, the US Dollars amount to be received on that Payment Date by or on behalf of the Issuer (aa) if a Currency Swap Agreement is in force, from the Currency Swap Provider; or (bb) if no Currency Swap Agreement is in force, following conversion by the Issuer Cash Manager at the applicable Spot Rate, in each case, divided by the number of Notes of that Class in the relevant denomination then outstanding, **provided always that** no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On the day falling two Business Days prior to each Payment Date (the "**Payment Calculation Date**"), the Issuer shall determine (or cause the Issuer Cash Manager to determine) (i) the amount of any Note Principal Payment

payable in respect of each Note of the relevant Class on the immediately following Payment Date, (ii) the Principal Amount Outstanding of each such Note, the Sterling Equivalent Principal Amount Outstanding of each US\$ Note and (iii) the fraction expressed as a decimal to the fifth decimal point (the "**Pool Factor**"), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (ii) above) and the denominator is 100,000 (or, in the case of the US\$ Notes, 200,000). Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note, the Sterling Equivalent Principal Amount Outstanding of each US\$ Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

With respect to the Notes of each Class, the Issuer will cause each determination of the Note Principal Payment, the Principal Amount Outstanding, the Sterling Equivalent Principal Amount Outstanding and the Pool Factor to be notified forthwith, and in any event not later than 3.00 p.m. (London time) on the Payment Calculation Date, to the Note Trustee, the Paying Agents, the Agent Bank and (for so long as the Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment, the Principal Amount Outstanding, the Sterling Equivalent Principal Amount Outstanding and the Pool Factor to be given to Noteholders in accordance with Condition 14 (*Notice to Noteholders*) by no later than the Business Day prior to the relevant Payment Date.

If the Issuer does not at any time for any reason determine (or cause the Issuer Cash Manager to determine), a Note Principal Payment, the Principal Amount Outstanding or, as applicable, the Sterling Equivalent Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this paragraph, such Note Principal Payment, Principal Amount Outstanding, the Sterling Equivalent Principal Amount Outstanding and Pool Factor may be determined by the Note Trustee or an agent on its behalf in accordance with this paragraph (D) and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager and the Noteholders.

(E) **Optional Redemption in Full**

- (i) On any Payment Date on or following the relevant Step-Up Date for a Class of Notes (or, in the case of the Class Z Notes only, on any Payment Date on or following the Step-Up Dates for each other Class of Notes) and having given not more than 30 nor fewer than 5 days' prior written notice to the Note Trustee and the Noteholders of that relevant Class of Notes in accordance with Condition 14 (*Notice to Noteholders*) and to the Basis Rate Swap Provider and the Currency Swap Provider, the Issuer may redeem all (but not some only) of the Notes of that Class at their Principal Amount Outstanding together with any accrued interest, **provided that**, prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by

two directors of the Issuer to the effect that it will have the funds, not subject to any interest of any other person, required to redeem that Class of Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with that Class of Notes outstanding in accordance with the Deed of Charge and the relevant Priority of Payments and **provided that** a Class of Notes may not be redeemed pursuant to this Condition unless all Classes of Notes more senior to such Class of Notes has been redeemed in full.

- (ii) On any Payment Date on which the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes is (or will be) equal to or less than 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes as at the Closing Date and having given not more than 30 nor fewer than 5 days' prior notice to the Note Trustee and the Noteholders in accordance with Condition 14 (*Notice to Noteholders*) and to the Basis Rate Swap Provider and the Currency Swap Provider, the Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding together with any accrued interest, **provided that**, prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to any interest of any other person, required to redeem the Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with the Notes outstanding in accordance with the Deed of Charge and the relevant Priority of Payments.

(F) **Optional Redemption for Tax and other Reasons**

If the Issuer at any time satisfies the Note Trustee immediately prior to the giving of the notice referred to below that on the next Payment Date:

- (i) either:
- (a) by reason of a change in Tax law after the Closing Date, the Issuer would be required to deduct or withhold from any payment of principal or interest or any other amount under any of the Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; or
  - (b) by reason of a change in Tax law after the Closing Date, the Issuer would be required to deduct or withhold from any payment under the relevant Swap Agreement any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; or
  - (c) by reason of a change in Tax law after the Closing Date, the Issuer would become subject to United Kingdom corporation tax in an accounting period on an amount which materially exceeds the aggregate Issuer Profit Amount retained during that accounting period; and

- (ii) such obligation of the Issuer cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer may, having given not more than 90 nor fewer than 30 days' notice to the Note Trustee and the Noteholders in accordance with Condition 14 (*Notice to Noteholders*) and to the Basis Rate Swap Provider and the Currency Swap Provider redeem all (but not some only) of the Notes on the immediately succeeding Payment Date at their aggregate Principal Amount Outstanding together with any interest accrued thereon **provided that** (in any case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee (A) a certificate signed by two directors of the Issuer stating that the circumstances referred to in (a), (b) or (c) above prevail and setting out details of such circumstances and (B) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to make such deduction or withholding or has or will become subject to such additional amount of tax. The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in (a), (b) or (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem the Notes as aforesaid if the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the Notes as aforesaid and any amounts required under the relevant Priority of Payments and the Deed of Charge to be paid in priority to or *pari passu* with the Notes outstanding in accordance with the terms and conditions thereof.

(G) **Limited Recourse**

If at any time following:

- (i) the occurrence of either:
- (A) the Final Redemption Date or any earlier date upon which all of the Notes of each Class are due and payable; or
  - (B) the service of an Enforcement Notice; and
- (ii) realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable under any Class of Notes then the amount remaining to be paid (after such application in full of the amounts first referred to in (ii) above) under such Class of Notes (and any Class of Notes junior to that Class of Notes) shall, on the day following such application in full of the amounts referred to in (ii) above, cease to be due and payable by the Issuer.

For the purposes of this Condition 5(G), "**Realisation**" means, in relation to any Charged Property, the deriving, to the greatest extent practicable, in accordance with the provisions of the Transaction Documents, of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by an obligor.

(H) **No purchase**

The Issuer may not purchase any Note of any Class.

(I) **Cancellation**

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold.

**6. PAYMENTS**

(A) **Global Notes**

Payments of principal and interest in respect of any Global Note will be made only against presentation (and, in the case of final redemption of a Global Note or in circumstances where the unpaid principal amount of the relevant Global Note would be reduced to zero (including as a result of any other payment of principal due in respect of such Global Note) surrender) of such Global Note at the Specified Office of the Principal Paying Agent. A record of each payment so made, distinguishing between payments of principal and payments of interest and, in the case of partial payments, of the amount of each partial payment will be endorsed on the schedule to the relevant Global Note by or on behalf of the relevant Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made.

Payments in respect of the Sterling Notes will be made in Sterling by Sterling cheque drawn on a bank in London at the Specified Office of the Principal Paying Agent or, at the option of the Noteholder, by transfer to a Sterling account maintained by the payee with a bank in London.

Payments in respect of the US\$ Notes will be made in US dollars by US dollar cheque drawn on a bank in (a) in the case of a Regulation S Global Note, London; or (b) in the case of the US\$ Rule 144A Global Note, New York City at the Specified Office of the Principal Paying Agent or, in either case, at the option of the Noteholder, by transfer to a US dollar account maintained by the payee with a bank in London (in the case of a Regulation S Global Note) or New York City (in the case of the US\$ Rule 144A Global Note).

Each payment in respect of a Global Note will be made to the person shown as the holder in the Register at the close of business in the place of the Registrar's Specified Office on the Clearing System Business Day immediately prior to the due date for such payment (the "**Record Date**").

"**Clearing System Business Day**" means Monday to Friday inclusive, except 25 December and 1 January.



**(B) Definitive Notes**

Payments of principal and interest in respect of Definitive Notes will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Definitive Note, at the Specified Office of the Principal Paying Agent or, in respect of Definitive Notes previously represented by the US\$ Rule 144A Global Note, a Paying Agent with a Specified Office in New York City and appointed by the Issuer for such purpose following an Exchange Event.

Each payment in respect of a Definitive Note will be made to the person shown as the holder in the Register at the close of business in the place of the Registrar's Specified Office fifteen days prior to the due date for such payment.

**(C) Laws and Regulations**

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

**(D) Payment of Interest following a failure to pay Principal**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof or default is otherwise made in the payment thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 4(A) (*Period of Accrual*) will be paid in accordance with this Condition 6 (*Payments*).

**(E) Change of Agents**

The initial Principal Paying Agent and its initial Specified Office are listed at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Principal Paying Agent with a Specified Office in the United Kingdom. The Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents or their Specified Offices to be given in accordance with Condition 14 (*Notice to Noteholders*).

**(F) No payment on non-Business Day**

Where payment is to be made by transfer to an account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on

the due date for payment. A holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (a) the due date for a payment not being a Business Day or (b) a cheque mailed in accordance with this Condition 6(F) (*No Payment on non-Business Day*) arriving after the due date for payment or being lost in the mail.

**(G) Payment of Interest**

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day (as defined in Condition 6(F) (*No Payment on non-Business Day*)) or by reason of non-compliance with Condition 6(A) (*Global Notes*) or Condition 6(B) (*Definitive Notes*)), then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given by the Issuer in accordance with Condition 14 (*Notice to Noteholders*).

**7. PRESCRIPTION**

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void if the relevant Global Note is not surrendered for payment within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this Condition 7 (*Prescription*) the "**relevant date**", in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes of the relevant Class due on or before that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

**8. TAXATION**

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. No Paying Agent nor the Issuer will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts in connection with FATCA. Neither the Issuer nor any Paying Agent will have any obligation to pay additional amounts or otherwise indemnify a holder or any other person for

any withholding deducted or withheld by any party on account of FATCA as a result of any person not receiving payments free of FATCA withholding.

"**FATCA**" means the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), any inter-governmental agreement or implementing legislation adopted by another jurisdiction or any agreement with the US Internal Revenue Service in connection with these provisions.

## 9. EVENTS OF DEFAULT

### (A) Class A Noteholders

The Note Trustee in its absolute discretion may, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer and each Swap Provider of a Note Event of Default (as defined below) in respect of the Class A Notes (a "**Class A Note Acceleration Notice**"), and shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, give such notice (1) if so directed in writing by the holders of more than 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding of the Class A Notes then outstanding or (2) if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the holders of the Class A Notes then outstanding, declaring (in writing) the Notes of each Class outstanding to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived (each a "**Note Event of Default**"):

- (i) default being made for a period of seven Business Days in the payment of any amount of principal on the Class A Notes when and as the same ought to be paid in accordance with these Conditions or default being made for a period of 15 Business Days in the payment of any amount of interest on the Class A Notes when and as the same ought to be paid in accordance with these Conditions; or
- (ii) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes, the Trust Deed, the Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 30 days following the service by the Note Trustee on the Issuer of a notice in writing requiring the same to be remedied and the Note Trustee has confirmed that the failure to perform or observe is in its sole opinion materially prejudicial to the interests of the holders of the Class A Notes; or
- (iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (iv) below, ceases or threatens to cease to carry on its business or (in the sole opinion of the Note Trustee) a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as that section may be amended,

modified or re-enacted) or becomes unable to pay its debts within the meaning of section 123(2) of the Insolvency Act 1986 (as that section may be amended, modified or re-enacted); or

- (iv) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the holders of the Class A Notes then outstanding; or
- (v) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, application to the court 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 such proceedings are not, in the opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or (in the sole opinion of the Note Trustee) any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or (in the sole opinion of the Note Trustee) any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or (in the sole opinion of the Note Trustee) any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to judicial proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally.

For the purposes of this Condition 9(A) (*Class A Noteholders*), the Class A1 Notes, the Class A2 Notes and the Class A3 Notes shall be treated as a single class of Notes ranking equally.

**(B) Class M Noteholders**

This Condition 9(B) (*Class M Noteholders*) shall have no effect if, and for as long as, any Class A Notes are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may, subject to its being indemnified and/or secured and/or prefunded to its satisfaction, give written notice to the Issuer and each Swap Provider of a Note Event of Default (as defined below) in respect of the Class M Notes (a "**Class M Note Acceleration Notice**") and shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, give such notice (1) if so directed in writing by the holders of more than 25 per cent. in aggregate

Principal Amount Outstanding of the Class M Notes then outstanding or (2) if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the holders of the Class M Notes then outstanding, declaring (in writing) the Notes of each Class outstanding to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events (each a "**Note Event of Default**"):

- (i) default being made for a period of seven Business Days in the payment of any amount of principal on any Class M Note when and as the same ought to be paid in accordance with these Conditions or default being made for a period of 15 Business Days in the payment of any amount of interest on any Class M Note when and as the same ought to be paid in accordance with these Conditions; or
- (ii) the occurrence of any of the events in Condition 9(A)(ii), (iii), (iv) or (v) above **provided that** the references in Condition 9(A)(ii) and Condition 9(A)(iv) to Class A Notes and Class A Noteholders shall be read as references to Class M Notes and Class M Noteholders, respectively.

(C) **Class Z Noteholders**

This Condition 9(C) (*Class Z Noteholders*) shall have no effect if, and for as long as, any Class A Notes or Class M Notes are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may, subject to its being indemnified and/or secured and/or prefunded to its satisfaction, give written notice to the Issuer and each Swap Provider of a Note Event of Default (as defined below) in respect of the Class Z Notes (a "**Class Z Note Acceleration Notice**" and in these Conditions, a Class A Note Acceleration Notice, a Class M Note Acceleration Notice and a Class Z Note Acceleration Notice can each be referred to, as the context requires, as a "**Note Acceleration Notice**"), and shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, give such notice (1) if so directed in writing by the holders of more than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes then outstanding or (2) if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the holders of the Class Z Notes then outstanding, declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events (each a "**Note Event of Default**"):

- (i) default being made for a period of seven Business Days in the payment of any amount of principal on any Class Z Note when and as the same ought to be paid in accordance with these Conditions or default being made for a period of 15 Business Days in the payment of any amount of interest on any Class Z Note when and as the same ought to be paid in accordance with these Conditions; or
- (ii) the occurrence of any of the events in Condition 9(A)(ii), (iii), (iv) or (v) above **provided that** the references in Condition 9(A)(ii) and

Condition 9(A)(iv) to Class A Notes and Class A Noteholders shall be read as references to Class Z Notes and Class Z Noteholders, respectively.

**(D) Following Service of a Note Acceleration Notice**

For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with Condition 9(A) (*Class A Noteholders*), Condition 9(B) (*Class M Noteholders*) or Condition 9(C) (*Class Z Noteholders*) above, all Classes of the Notes then outstanding shall immediately become due and repayable, without further action or formality, at their Principal Amount Outstanding together with accrued interest as provided in the Trust Deed.

No Noteholder may take any steps or proceedings or other action directly against the Issuer **provided that** if the Note Trustee has become bound to deliver a Note Acceleration Notice or to instruct the Security Trustee to give an Enforcement Notice to the Issuer and has failed to do so within 30 days of becoming so bound and such failure is continuing, the holders of more than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class then outstanding may, as applicable, (a) deliver a Note Acceleration Notice to the Issuer and each Swap Provider in accordance with this Condition 9 (*Events of Default*) and/or (b) instruct the Security Trustee to give an Enforcement Notice to the Issuer in accordance with Condition 10 (*Enforcement of Notes*). For the purposes of this Condition 9(D), the Class A1 Notes, the Class A2 Notes and the Class A3 Notes shall be treated as a single class of Notes ranking equally.

**10. ENFORCEMENT OF NOTES**

**(A) Instruction to Enforce**

At any time after a Note Acceleration Notice has been given to the Issuer, the Note Trustee:

- (i) may in its absolute discretion; and
- (ii) shall if it has been directed to do so:
  - (A) in writing by the holders of more than 25 per cent. in aggregate of the Sterling Equivalent Principal Amount Outstanding of the Most Senior Class then outstanding; or
  - (B) by or pursuant to an Extraordinary Resolution passed at a meeting of the holders of the Most Senior Class then outstanding,

subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction in accordance with the Trust Deed, instruct the Security Trustee (subject to it being indemnified and/or secured

and/or prefunded to its satisfaction) to take enforcement steps in relation to the Issuer Security.

**(B) Enforcement Notice**

Under the terms of the Deed of Charge, if the Note Trustee provides the Security Trustee with a copy of a Note Acceleration Notice given to the Issuer or if the Noteholders give an instruction under Condition 9(D) (*Following Service of a Note Acceleration Notice*) and instruct it (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) to take enforcement steps in relation to the Issuer Security, the Security Trustee is required to give a notice (an "**Enforcement Notice**") to the Issuer declaring the whole of the Issuer Security to be enforceable.

Amounts available for distribution on enforcement of the Issuer Security shall be distributed in accordance with the terms of the Deed of Charge.

No Noteholder may take any steps or proceedings or other action directly against the Issuer or in respect of the Issuer Security **provided that** if the Security Trustee has become bound to deliver an Enforcement Notice to the Issuer and has failed to do so within 30 days of becoming so bound and such failure is continuing, the holders of more than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class A Notes then outstanding (or, following redemption in full of the Class A Notes, the Class M Notes or, following redemption in full of the Class M Notes, the Class Z Notes) may, as applicable, (a) deliver an Enforcement Notice to the Issuer and each Basis Rate Swap Provider and Currency Swap Provider in accordance with this Condition 10 (*Enforcement of Notes*) and (b) to the extent legally possible, take enforcement steps in relation to the Issuer Security, **provided that** no Noteholder nor any party on its behalf shall initiate or join any person in initiating any Insolvency Proceeding in relation to the Issuer. For the purposes of this Condition 10(B) (*Enforcement Notice*), the Class A1 Notes, the Class A2 Notes and the Class A3 Notes shall be treated as a single class of Notes ranking equally.

**11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER**

**(A) Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of a Class or Classes of Noteholders to consider any matter affecting their interests, including the sanctioning by an Extraordinary Resolution of a modification of any provision of the Notes of the relevant Class or Classes (including these Conditions) or the provisions of any of the Transaction Documents.

Subject as provided in the following paragraph, the quorum at any meeting of the Noteholders of any Class convened to consider an Extraordinary Resolution will be two or more persons (or if the Notes are in global form, one or more persons) holding or representing more than half of the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes of that Class then outstanding or, at any adjourned meeting, two or more persons (or if the

Notes are in global form, one or more persons) being or representing Noteholders of that Class then outstanding, whatever the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes then outstanding so held or represented.

The quorum at any meeting of the Noteholders of any Class for passing an Extraordinary Resolution to sanction any of the following matters, but excluding any modification or amendment made pursuant to Condition 11(E) (*Modifications and Determinations by Note Trustee*) (each a "**Basic Terms Modification**"), namely:

- (i) any change in the amount payable or, where applicable, any modification of the method of calculating the amount payable or any modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal, premium or interest in respect of the Notes (other than any Base Rate Modification (as defined in Condition 11(F) (*Additional Right of Modification*)));
- (ii) any alteration in the priority in which payments are made to Noteholders pursuant to any Priority of Payment;
- (iii) any alteration of the quorum or majority required to pass an Extraordinary Resolution; and
- (iv) any alteration of this definition,

shall be two or more persons (or if the Notes are in global form one or more persons) holding or representing not less than three quarters or, at any adjourned and reconvened meeting, not less than one quarter of the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes then outstanding of such Class.

A written resolution signed by or on behalf of the holders of not less than 90 per cent. of the Sterling Equivalent Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of such Class of Noteholders. Any resolution passed by way of Electronic Consents given by holders through the relevant Clearing System(s) in accordance with these Conditions and the Trust Deed shall also be binding on the relevant Noteholders.

The Trust Deed provides that, except in the case of an Extraordinary Resolution directing the Note Trustee to give a Note Acceleration Notice or to instruct the Security Trustee to give an Enforcement Notice or to take enforcement steps in relation to the Issuer Security, as to which the provisions of Condition 9 (*Events of Default*) or, as the case may be, Condition 10 (*Enforcement of Notes*) shall apply, and in relation to a direction to the Note Trustee to waive or authorise any Note Event of Default or not to treat as such any Note Event of Default or Potential Note Event of Default, as to which the provisions of the Trust Deed shall apply:



- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders of one Class only of the Class A Notes shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders of more than one Class of the Class A Notes but does not give rise to a conflict of interest between the holders of any of the Classes of the Class A Notes so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Class A Notes of all the Classes so affected; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders of more than one Class of the Class A Notes and gives or may give rise to a conflict of interest between the holders of any of the Classes of Class A Notes so affected shall be deemed to have been duly passed only if passed at separate meeting of the holders of each Class of the Class A Notes so affected.

Sanction of a Basic Terms Modification requires an Extraordinary Resolution of each Class of Notes then outstanding.

The Trust Deed contains similar provisions in relation to directions in writing from Class A Noteholders upon which the Note Trustee is bound to act.

**(B) Class Z Noteholders**

No Extraordinary Resolution of the Class Z Noteholders shall take effect for any purpose while any Rated Notes remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders and the Class M Noteholders or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and the Class M Noteholders.

**(C) Class M Noteholders**

No Extraordinary Resolution of the Class M Noteholders shall take effect for any purpose while any Class A Notes remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders.

**(D) Class A Noteholders**

An Extraordinary Resolution (other than an Extraordinary Resolution in respect of a Basic Terms Modification) passed at any meeting of the Class A Noteholders shall be binding on the Class M Noteholders and the Class Z Noteholders irrespective of the effect upon them.

**(E) Modifications and Determinations by Note Trustee**

Without the consent of any of the Noteholders, the Note Trustee may:

- (a) agree with the Issuer and/or any other person, or direct the Security Trustee to agree with the Issuer and/or any other person, in making any amendment or modification to the Conditions or the Transaction Documents:
  - (i) (including a Basic Terms Modification) which in the opinion of the Note Trustee is made to correct a manifest error or is of a formal, minor or technical nature; or
  - (ii) (other than a Basic Terms Modification) which is, in the opinion of the Note Trustee, not materially prejudicial to the interests of the Noteholders of any Class;
- (b) waive or authorise, or direct the Security Trustee to waive or authorise, any actual or proposed breach by the Issuer of any Transaction Document, if in the Note Trustee's sole opinion, the interests of the Noteholders of each Class will not be materially prejudiced thereby; and
- (c) determine that any Note Event of Default or Potential Note Event of Default shall not be treated as such, if in the Note Trustee's sole opinion, the interests of the Noteholders of each Class will not be materially prejudiced thereby,

**provided always that** the Note Trustee shall not exercise any powers under paragraph (a), (b) or (c) in contravention of any express direction given by an Extraordinary Resolution, or by a request in writing of the holders of more than 25 per cent. in aggregate Sterling Equivalent Principal Amount Outstanding, of the Most Senior Class then outstanding, but no such direction or request shall affect any modification, waiver, authorisation or determination previously given or made).

The Note Trustee may also, without the consent of any of the Noteholders, give its consent or direct the Security Trustee to give its consent to any modification or to the execution of any new transaction document required in order to accommodate necessary changes to be made to the Liquidity Reserve Required Amount **provided that** the Issuer or the Trust Property Cash Manager certifies to the Note Trustee that such modification or execution is required in order to accommodate necessary changes to be made to the Liquidity Reserve Required Amount.

Any such modification, amendment, waiver, consent or authorisation shall be binding on the Noteholders and, if the Note Trustee so requires, shall be notified by the Issuer to the Noteholders and the Rating Agencies in accordance with Condition 14 (*Notice to Noteholders*) as soon as practicable thereafter.

(F) **Additional Right of Modification**

(a) Notwithstanding the provisions of Condition 11(E) (*Modifications and Determinations by Note Trustee*), the Note Trustee shall be obliged, without any consent or sanction of the Noteholders, or (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or which, as a result of the relevant amendment, would be further contractually subordinated to any Secured Creditor than would otherwise have been the case prior to such amendment) any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Conditions or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents that the Issuer considers necessary:

(i) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, **provided that** in relation to any amendment under this Condition 11(F)(a)(i) (*Additional Right of Modification*):

(A) the Issuer or the Issuer Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and

(B) in the case of any modification to a Transaction Document proposed by any of the Seller, a Swap Provider, the Administrator and/or an Issuer Account Bank in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):

(I) the Seller, the relevant Swap Provider, the Administrator and/or the relevant Account Bank, as the case may be, certifies in writing to the Issuer and the Note Trustee that such modification is necessary for the purposes described in paragraph (B)(x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Note Trustee that it has received the same from the Seller, the relevant Swap Provider, the Administrator and/or the relevant Account Bank, as the case may be);

- (II) either:
- (aa) the Seller, the relevant Swap Provider, the Administrator and/or the relevant Account Bank, as the case may be, obtains from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer and the Note Trustee that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing any Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Note Trustee; or
  - (bb) the Issuer or the Issuer Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee that the Rating Agencies have been informed of the proposed modification and neither of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and
- (III) the Seller pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee or any other Transaction Party in connection with such modification;
- (ii) for the purpose of enabling any Class of Notes to comply with the criteria set out in Article 13 (*Level 2B securitisations*) of the Commission Delegated Regulation (EU) 2015/61 supplementing Regulation (EU) 575/2013 with regard to the liquidity coverage requirement for Credit Institutions (as amended, replaced and/or supplemented from time to time and to the extent permitted by applicable law), **provided that** in relation to any amendment under this Condition 11(F)(a)(ii)

(*Additional Right of Modification*) the Issuer or the Issuer Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee that such modification is required solely for such purpose and has been drafted solely for such purpose,

(the certificate to be provided by the Issuer Cash Manager on behalf of the Issuer, the Seller, the Swap Provider, the Administrator, the relevant Issuer Account Bank and/or the relevant Transaction Party, as the case may be, pursuant to paragraphs (i) or (ii) above being a "**Modification Certificate**"); and

(iii) for the purpose of changing the base rate (in respect of the Class A1 Notes) from 3 month US\$ LIBOR to an alternative base rate (any such rate, an "**Alternate Base Rate**") and make such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Base Rate Modification**"), **provided that**, in relation to any amendment under this Condition 11(F)(a)(iii) (*Additional Right of Modification*):

(A) the Issuer Cash Manager, on behalf of the Issuer, certifies to the Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(I) such Base Rate Modification is being undertaken due to:

- (1) a material disruption to the London Inter-Bank Offered Rate ("**LIBOR**"), an adverse change in the methodology of calculating LIBOR or LIBOR ceasing to exist or be published;
- (2) the insolvency or cessation of business of the LIBOR administrator (in circumstances where no successor LIBOR administrator has been appointed);
- (3) a public statement by the LIBOR administrator that it will cease publishing LIBOR permanently or indefinitely (in circumstances where no successor LIBOR administrator has been appointed that will continue publication of LIBOR);
- (4) a public statement by the supervisor of the LIBOR administrator that LIBOR has been or will be permanently or

indefinitely discontinued or will be changed in an adverse manner;

- (5) a public statement by the supervisor of the LIBOR administrator that means LIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
- (6) the reasonable expectation of the Issuer Cash Manager that any of the events specified in sub-paragraphs (1), (2), (3), (4) or (5) will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

(II) such Alternative Base Rate is:

- (1) a base rate published, endorsed, approved or recognised by the Federal Reserve or the Bank of England, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
- (2) the Sterling Over Night Index Average or the Broad Treasuries Repo Financing Rate (or any rate which is derived from, based upon or otherwise similar to either of the foregoing);
- (3) a base rate utilised in a material number of publicly listed new issues of Sterling-denominated and US\$-denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
- (4) a base rate utilised in a publicly-listed new issue of Sterling-denominated and US\$-denominated asset backed floating rate notes where the originator of the relevant assets is an affiliate of Clydesdale; or
- (5) such other base rate as the Issuer Cash Manager reasonably determines, and

- (B) either:
- (I) the Issuer Cash Manager, on behalf of the Issuer, obtains from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer and the Note Trustee that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency and would not result in any Rating Agency placing any Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Note Trustee; or
  - (II) the Issuer Cash Manager on behalf of the Issuer certifies in writing to the Note Trustee that the Rating Agencies have been informed of the proposed modification and neither of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and
- (C) the Seller pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Note Trustee or any other Transaction Party in connection with such modification;

**provided that:**

- A at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee;
- B the Modification Certificate or Base Rate Modification Certificate (as applicable) in relation to such modification shall be provided to the Note Trustee (and in respect of paragraphs (i)(B)(I) and/or (i)(B)(II)(aa), to the Issuer) both at the time the Note Trustee is notified of the proposed modification and on the date that such modification takes effect;

- C the consent of each Secured Creditor which is party to the relevant Transaction Document or whose ranking in any Priority of Payments is affected has been obtained; and
- D the Issuer (or the Issuer Cash Manager on its behalf) certifies in writing to the Note Trustee (which certification may be in the Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 14 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and Noteholders representing at least 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not contacted the Issuer or the Principal Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer or Principal Paying Agent that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Principal Paying Agent or the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 11(A) (*Meetings of Noteholders*).

- (b) Notwithstanding anything to the contrary in this Condition 11(F) (*Additional Right of Modification*) or any Transaction Document:
  - (i) when implementing any modification pursuant to this Condition 11(F) (*Additional Right of Modification*) (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or Liability, on any certificate (including any Modification Certificates or Base Rate Modification Certificate (as applicable)) or evidence



provided to it by the Issuer (or the Issuer Cash Manager on behalf of the Issuer) or the relevant Transaction Party, as the case may be, pursuant to this Condition 11(F) (*Additional Right of Modification*) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

- (ii) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee would have the effect of (A) exposing the Note Trustee to any Liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee in the Transaction Documents and/or these Conditions.
- (c) Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:
  - (i) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
  - (ii) the Secured Creditors; and
  - (iii) the Noteholders in accordance with Condition 14 (*Notice to Noteholders*).

**(G) Exercise of Note Trustee's Functions**

Where the Note Trustee is required, in connection with the exercise of its rights, powers, trusts, authorities, duties and discretions, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a Class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer, the Note Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

**(H) New Secured Creditors**

Subject to the Issuer providing the certificate and obtaining the confirmations stipulated pursuant to, and referred to below and in, Clause 12.9 of the Deed of Charge, the prior consent of the Note Trustee, the Security Trustee, the Noteholders and the other Secured Creditors will not be required or obtained

in relation to the accession of any New Secured Creditor pursuant to an Accession Undertaking in the Deed of Charge. Accordingly, each Secured Creditor (other than the Note Trustee and the Security Trustee) shall be deemed to have consented to the admission of any company as a New Secured Creditor without the necessity for any approval by means of an Extraordinary Resolution or otherwise of the Noteholders or for any other Secured Creditor who is party to any Transaction Document to concur in or consent to any deed admitting any New Secured Creditor. In addition, each other Secured Creditor is deemed to:

- (a) subject to the Issuer securing the confirmations set out in the Trust Deed, consent to any consequential changes to the Priorities of Payments set out in the Issuer Cash Management Agreement and/or the Deed of Charge as are required and any other amendment to the Transaction Documents as may be required to give effect to the Accession Undertaking save to the extent that any such change or amendment results in an alteration to the ranking of any such Secured Creditor in which event such change or amendment shall not become effective without the prior written consent of such Secured Creditor; and
- (b) agree that, upon the accession of any New Secured Creditor as provided above, any deed, agreement or other document to which such New Secured Creditor is a party shall be subject to the Security Interests set out in Clause 3 (*Issuer Security*) of the Deed of Charge.

The Note Trustee, without seeking any approval by means of an Extraordinary Resolution or otherwise of the Noteholders, shall be obliged to concur in and to effect any modifications to the Transaction Documents that are required to accommodate the accession of a New Secured Creditor, **provided that** (i) it receives a certificate from the Issuer confirming that such modifications are made only in order to accommodate such accession and the Note Trustee and Security Trustee shall not be required or entitled to look behind such certificate; and (ii) the modifications to the Transaction Documents would not have the effect of (a) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties (the entry into such new Transaction Document not being grounds which would constitute an increase in the obligations or duties of the Note Trustee and/or the Security Trustee, such determination being made based on the terms of that new Transaction Document), or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions.

The Issuer shall, in order to provide the certificate under Clause 12.9(b) of the Deed of Charge to the Note Trustee and the Security Trustee, obtain the following confirmations: (i) the Basis Rate Swap Provider providing written confirmation to the Issuer consenting to such modification of those documents to which they are a party, to the Basis Rate Swap Agreements and to the Swap Collateral Account Bank Agreements (such consent to be given at the Basis

Rate Swap Provider's sole discretion); (ii) the Currency Swap Provider providing written confirmation to the Issuer consenting to such modification of those documents to which they are a party, to the Currency Swap Agreement to which it is a party (such consent to be given at that Currency Swap Provider's sole discretion); and (iii) the Issuer Cash Manager or (following the date on which the Seller ceases to be the Issuer Cash Manager) any successor Issuer Cash Manager providing certification to the Issuer, in writing, that such modifications are required in order to accommodate the addition of a New Secured Creditor.

For the avoidance of doubt, should the proposed amendment under Clause 12.9 of the Deed of Charge involve an amendment to the Priorities of Payment (as referenced in Clause 12.9(a)(i) of the Deed of Charge), this would be a Basic Terms Modification which would require the Note Trustee to secure the Noteholders' consent, **provided that** any change or amendment resulting in any change in the number of entities ranking *pari passu* with any existing Secured Creditor would not be a Basic Terms Modification.

## 12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving them from taking enforcement proceedings or enforcing the Issuer Security unless indemnified and/or secured and/or prefunded to their satisfaction. The Note Trustee and the Security Trustee are also entitled to be paid their costs and expenses in priority to any interest payments to Noteholders.

The Note Trustee and the Security Trustee and their related companies are entitled to enter into business transactions with, and to act as trustee for, the Issuer, the Trust Property Cash Manager, the Seller, any person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security and/or any of its subsidiary or associated companies and/or the related companies of any of them without accounting for any profit resulting therefrom.

The Note Trustee and the Security Trustee are not responsible for any loss, expense or liability which may be suffered as a result of any asset comprised in the Issuer Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons whether or not on behalf of the Note Trustee and the Security Trustee.

Furthermore, the Note Trustee and the Security Trustee will be relieved of liability for making searches or other enquiries in relation to the assets comprising the Issuer Security. The Note Trustee and the Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related security. The Note Trustee and the

Security Trustee will not be obliged to take any action which might result in their incurring personal liability. The Note Trustee and the Security Trustee are not obliged to monitor or investigate the performance of any other person under the Transaction Documents and are entitled to assume, until they have actual knowledge to the contrary, that all such persons are properly performing their duties, unless they receive express notice to the contrary.

The Note Trustee and the Security Trustee will not be responsible for any deficiency which may arise because they are liable to tax in respect of the proceeds of any Issuer Security.

Similar provisions in respect of the indemnification of the Note Trustee and the Security Trustee are set out in the Transaction Documents.

### **13. REPLACEMENT OF NOTES**

If a Global Note or any Definitive Note is lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's and the Paying Agent's reasonable requests for evidence and indemnity. The Noteholder must surrender any defaced or mutilated Global Note or, as the case may be, Definitive Note before replacements will be issued.

### **14. NOTICE TO NOTEHOLDERS**

#### **(A) Publication of Notice**

For so long as any Global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, the Issuer shall deliver any notice to the Noteholders to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to Noteholders. If the Notes are no longer held in Euroclear and/or Clearstream, Luxembourg and/or DTC any notice to Noteholders shall be validly given if published in the Financial Times, or, if such newspaper shall cease to be published or, if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom and so long as the Notes are listed on a recognised stock exchange by delivery in accordance with the notice requirements of that exchange. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required. Any notice delivered to Euroclear and/or Clearstream, Luxembourg and/or DTC, as aforesaid shall be deemed to have been given on the day of such delivery.

#### **(B) Note Trustee's Discretion to Select Alternative Method**

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then

prevailing and to the requirements of the stock exchanges, competent listing authorities and/or quotation systems on or by which the Notes are then listed, quoted and/or traded and **provided that** notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

#### **15. SUBSTITUTION**

The Note Trustee may, without the consent of the Noteholders, concur (subject to such amendment of the Trust Deed and the other Transaction Documents and other such conditions as the Note Trustee may require under Clause 16 (*Substitution*) of the Trust Deed) with the Issuer in substituting in place of the Issuer (or any previous substitute under this Condition 15 (*Substitution*)) a single purpose company incorporated in any jurisdiction that meets the criteria established from time to time by the Rating Agencies for a single purpose company in England and Wales (or such other jurisdiction in which the Issuer or any such single purpose company is incorporated and/or subject to taxation) as the principal debtor in respect of the Transaction Documents (including the Notes) and the other secured obligations. In the case of such a substitution the Note Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed **provided that** such change would not in the opinion of the Note Trustee be materially prejudicial to the interests of the Noteholders of any Class.

#### **16. GOVERNING LAW AND JURISDICTION**

The Transaction Documents and the Notes and any non-contractual obligation arising from or in connection with them, are governed by, and shall be construed in accordance with, English law other than certain provisions of the Transaction Documents particular to the law of Scotland (which are governed by, and shall be construed in accordance with, Scots law). The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and/or the Transaction Documents (including disputes which may arise out of or in connection with any non-contractual obligation arising from or in connection with the Notes and/or the Transaction Documents) and the parties to the Transaction Documents irrevocably submit to the exclusive jurisdiction of the courts of England.

#### **17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes 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.

#### **18. DEFINITIONS**

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Trust Deed or the Master Definitions and Construction Schedule. In respect of any Transaction

Document defined or described in these Conditions (including this Condition 18 (*Definitions*)), such definition shall encompass such Transaction Document as it may be amended, restated, varied or supplemented from time to time.

"**£**", "**GBP**" or "**Sterling**" means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

"**3 month US\$ LIBOR**" has the meaning given to it in Condition 4(C) (*Rate of Interest*);

"**Account Bank Agreements**" means each of the following account bank agreements:

- (a) the First Account Bank Agreement; and
- (b) the Second Account Bank Agreement;

"**Actual Class A Subordination Percentage**" means, on each Payment Calculation Date, the quotient of (a) the aggregate Principal Amount Outstanding of the Class M Notes and the Class Z Notes and (b) the aggregate of the GBP Equivalent of the Principal Amount Outstanding of the Class A Notes, the Class M Notes and the Class Z Notes, in each case, that will be outstanding on the immediately succeeding Payment Date following the application of any Issuer Available Principal Receipts in or towards the redemption of such Notes (as calculated by the Issuer Cash Manager).

"**Administration Agreement**" means the administration agreement entered into on or about the Closing Date, between the Mortgages Trustee, the Seller, the Issuer, the Security Trustee, the Administrator and the Back-Up Administrator Facilitator;

"**Agent**" means, as the context may require, each Paying Agent, the Registrar, the Agent Bank and the Transfer Agent;

"**Appointee**" means any attorney, manager, agent, delegate, nominee, receiver, custodian, co-trustee or other person appointed by the Note Trustee under the Trust Deed or by the Security Trustee under the Deed of Charge (as applicable) to discharge any of its functions;

"**Bank of England Base Rate**" means the base rate of the Bank of England for the time being as displayed on [www.bankofengland.co.uk](http://www.bankofengland.co.uk);

"**Basis Rate Swap Agreements**" means the ISDA master agreements, schedules, credit support annex (in the case of the Fixed Rate Mortgage Loans and the Tracker Rate Mortgage Loans) and confirmations thereto to be entered into on or about the Closing Date, as amended from time to time, between the Basis Rate Swap Provider and the Issuer;

"**Basis Rate Swap Provider**" means Clydesdale;

**"Beneficiaries"** means the Seller or the Issuer as beneficiaries of the Mortgages Trust;

**"Beneficiaries Deed"** means the beneficiaries deed entered into on or about the Closing Date, between the Issuer and the Seller;

**"Borrower"** or **"Borrowers"** means, in relation to each Mortgage Loan, the individuals who are named and defined as borrower under that Mortgage Loan or such other person or persons (other than a guarantor) who shall become legally obligated to comply with such borrower's obligations under the related Mortgage Loan;

**"Business Day"** means:

- (a) when used with respect to the definition of Payment Calculation Date, Payment Date, US\$ Interest Determination Date or in the Conditions (excluding Condition 18 (*Definitions*)) except as provided in this paragraph (a), a day (other than a Saturday or Sunday) in respect of on which banks are generally open for business in London and New York and, for the purpose of Condition 6(F) (*No Payment on non-Business Day*), in the case of surrender (or, in the case of part payment only, endorsement) of the Global Note or Definitive Note, any day on which banks are open for business in the place in which such Global Note or Definitive Note is surrendered (or, as the case may be, endorsed); and
- (b) when used in any other context, a day (other than a Saturday or Sunday) in respect of on which banks are generally open for business in London;

**"Charged Property"** means all the property of the Issuer which is subject to the Issuer Security;

**"Class"** shall be a reference to a Class of the Notes being the Class A Notes, the Class M Notes and the Class Z Notes, or any sub-Class of the Class A Notes, as the context may require;

**"Class A Noteholders"** means the holders of the Class A Notes;

**"Class A Notes"** means, as the context may require, any or all of the Class A1 Notes, the Class A2 Notes and the Class A3 Notes;

**"Class A1 Noteholders"** means the holders of the Class A1 Notes;

**"Class A1 Notes"** means the Issuer's US\$557,895,000 Mortgage Backed Floating Rate Notes due 2060;

**"Class A1 Sterling Equivalent Redemption Date"** means the Payment Date on which the Sterling Equivalent Principal Amount Outstanding of the Class A1 Notes equals zero;

**"Class A2 Noteholders"** means the holders of the Class A2 Notes;

"**Class A2 Notes**" means the Issuer's £409,935,000 Mortgage Backed Floating Rate Notes due 2060;

"**Class A3 Noteholders**" means the holders of the Class A3 Notes;

"**Class A3 Notes**" means the Issuer's £441,684,000 Mortgage Backed Floating Rate Notes due 2060;

"**Class M Noteholders**" means the holders of the Class M Notes;

"**Class M Notes**" means the Issuer's £49,956,000 Mortgage Backed Floating Rate Notes due 2060;

"**Class Z Noteholders**" means the holders of the Class Z Notes;

"**Class Z Notes**" means the Issuer's £99,911,000 Mortgage Backed Fixed Rate Notes due 2060;

"**Clearing Systems**" means Clearstream, Luxembourg, Euroclear and DTC;

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*;

"**Closing Date**" means 24 September 2018;

"**Clydesdale**" means Clydesdale Bank plc (as successor to Virgin Money plc);

"**Collection Account**" means the collection account in the name of the Seller held with the Collection Bank;

"**Collection Account Declaration of Trust**" means the deed entered into on or about the Closing Date, between, *inter alios*, the Mortgages Trustee, the Seller and the Collection Bank whereby the Seller declared a trust over its interest in the Collection Account in favour of the Mortgages Trustee and itself;

"**Collection Bank**" means Clydesdale;

"**Common Depository**" means a common depository for Euroclear and Clearstream, Luxembourg;

"**Common Safekeeper**" means a common safekeeper for Euroclear and Clearstream, Luxembourg;

"**Corporate Services Agreement**" means the corporate services agreement entered into on or about the Closing Date, as amended from time to time, between, *inter alios*, the Corporate Services Provider, the Issuer, the Mortgages Trustee and Holdings;

"**Corporate Services Provider**" means Law Debenture Corporate Services Limited;



**"Currency Swap Agreement"** means the Original Currency Swap Agreement and any replacement currency swap agreement entered into by the Issuer and a Currency Swap Provider to hedge the currency exposures on the US\$ Notes;

**"Currency Swap Provider"** means the Original Currency Swap Provider and any replacement currency swap provider that enters into a replacement Currency Swap Agreement;

**"Deed of Charge"** means the deed of charge dated on or about the Closing Date between, *inter alios*, the Issuer and the Security Trustee;

**"Deemed Principal Amount Outstanding"** means, on any day, in respect of any US\$ Note, the Sterling equivalent (calculated by the Issuer Cash Manager using the Original Exchange Rate and rounded to the nearest whole penny) of an amount equal to:

(a) the Principal Amount Outstanding of that US\$ Note on the Closing Date;

*less*

(b) the aggregate of all Note Principal Payments that would have been paid in respect of that US\$ Note in accordance with Condition 5(B) (*Mandatory Redemption in Part*) up to (and including) that day if the Original Currency Swap Agreement had still been in force, provided that for the purposes of calculating the Class A1 Target Amortisation Amount in relation to a Payment Date only, the amount of any Note Principal Payment which would have been paid on the US\$ Note on such Payment Date in accordance with Condition 5(B) (*Mandatory Redemption in Part*) will not be taken into account;

**"Distribution Date"** means the seventh Business Day of each month;

**"DTC"** means The Depository Trust Company;

**"Electronic Consent"** means consent given by way of electronic consents communicated through the electronic communications system of the relevant Clearing System(s) to the Principal Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the relevant Clearing System(s);

**"English Mortgage"** means a mortgage secured by way of first priority legal charge over a Mortgaged Property located in England or Wales;

**"English Mortgage Loan"** means a Mortgage Loan, secured by an English Mortgage;

**"Euroclear"** means Euroclear Bank S.A./N.V.;

**"Extraordinary Resolution"** has the meaning given to it in Schedule 4 (*Provisions for Meetings of Noteholders*) of the Trust Deed;

**"Final Redemption Date"** means, in respect of each Class of Notes, the Payment Date falling in August 2060;

**"First Account Bank Agreement"** means the account bank agreement entered into on or about the Closing Date between the First Issuer Account Bank, the First Mortgages Trustee Account Bank, the Issuer, the Mortgages Trustee, the Issuer Cash Manager, the Trust Property Cash Manager and the Security Trustee;

**"Fitch"** means Fitch Ratings Limited;

**"Global Notes"** means the Regulation S Global Notes and the Rule 144A Global Notes;

**"Holdings Loan"** means the £12,501.75 loan agreement dated 7 August 2018 made between Holdings and Law Debenture Trustees Limited;

**"Insolvency Proceedings"** means, in respect of a company, the winding-up, liquidation, dissolution or administration of such company or any equivalent or analogous proceedings under the law of the jurisdiction in which such company carries on business including but not limited to the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, protection or relief of debtors by presentation of a petition or the filing of documents with the court or otherwise;

**"Interest Amount"** has the meaning given to it in Condition 4(D) (*Determination of Rates of Interest and Calculation of Interest Amounts*);

**"Interest Determination Date"** means, as the context requires, the US\$ Interest Determination Date and the Sterling Interest Determination Date;

**"Interest Period"** means the period from (and including) a Payment Date (or in respect of the first Interest Period, the Closing Date) to (but excluding) the next following Payment Date;

**"Investor's Currency"** means the currency or currency unit of an investor's financial activities;

**"Issuer Account Banks"** means each of Citibank, N.A., London Branch (the **"First Issuer Account Bank"**) and Elavon Financial Services DAC, UK Branch (the **"Second Issuer Account Bank"**);

**"Issuer Accounting Period"** means an accounting period of the Issuer for the purposes of United Kingdom corporation tax as defined in Chapter 2, Part 2 of the Corporation Tax Act 2009;

**"Issuer Accounts"** means the Issuer Transaction Accounts, the Issuer Swap Collateral Accounts and also includes any additional or replacement bank account opened in the name of the Issuer from time to time with the prior written consent of the Security Trustee;

**"Issuer Available Principal Receipts"** for the Issuer in respect of any Payment Date will be calculated by the Issuer Cash Manager on the Payment Calculation Date immediately preceding that Payment Date and will be an amount equal to:

- (a) the Mortgages Trustee Available Principal Receipts paid by the Mortgages Trustee to the Issuer during the period from (but excluding) the immediately preceding Payment Date to (and including) that Payment Date; *plus*
- (b) any amounts already standing to the credit of the Issuer Principal Ledger; *less*
- (c) the amount of any Issuer Principal Receipts Reduction; *plus*
- (d) any VM Issuer Account Recovered Amount, to the extent that such amount is applied to reduce any Issuer Principal Receipts Reduction; *plus*
- (e) all Issuer Available Revenue Receipts which are to be applied on that Payment Date to credit any Principal Deficiency Ledger for any Class of Notes issued by the Issuer.

**"Issuer Available Revenue Receipts"** for the Issuer in respect of any Payment Date will be calculated by the Issuer Cash Manager on the Payment Calculation Date immediately preceding that Payment Date and will be an amount equal to (without double counting):

- (a) all amounts received by the Issuer in accordance with the Mortgages Trustee Revenue Priority of Payments, in each case during the period from (but excluding) the immediately preceding Payment Date to (and including) that Payment Date; *plus*
- (b) amounts to be received by the Issuer under the Basis Rate Swap Agreements from (but excluding) the immediately preceding Payment Date to (and including) the relevant Payment Date (other than (i) swap collateral standing to the credit of or to be credited to the Issuer Swap Collateral Account; (ii) any early termination amount received by the Issuer under a Basis Rate Swap Agreement to the extent used to purchase any replacement basis rate swap on or prior to the Payment Date following the Payment Date immediately following the termination of such Basis Rate Swap Agreement; and (iii) any amount received by the Issuer by way of any premium paid by any replacement basis rate swap provider which shall be applied to pay any termination payment under such basis rate swap being replaced); *plus*
- (c) interest payable to the Issuer on the Issuer Transaction Accounts and the VM Issuer Account and income received from any Permitted Investments which has been or will be received on or before the relevant Payment Date; *plus*
- (d) amounts standing to the credit of the Liquidity Reserve Fund (including the proceeds of any Further Subordinated Loan) (except that such

amounts shall not be used to pay item (viii) of the Issuer Pre-Acceleration Revenue Priority of Payments); *less*

(e) the amount of any Issuer Revenue Receipts Reduction; *plus*

(f) any VM Issuer Account Recovered Amount, to the extent that such amount is applied to reduce any Issuer Revenue Receipts Reduction; *plus*

(g) the amount of Issuer Available Principal Receipts (if any) which are to be applied on the relevant Payment Date to pay items (i) to (vii) and item (ix) of the Issuer Pre-Acceleration Revenue Priority of Payments;

**"Issuer Cash Management Agreement"** means the cash management agreement dated on or about the Closing Date, as amended from time to time, between the Issuer Cash Manager, the Issuer and the Security Trustee;

**"Issuer Cash Management Services"** means the cash management services provided by the Issuer Cash Manager to the Issuer pursuant to the terms of the Issuer Cash Management Agreement;

**"Issuer Cash Manager"** means Clydesdale or such other person or persons for the time being acting under the Issuer Cash Management Agreement as agent for the Issuer for the purposes of, *inter alia*, managing all cash transactions on behalf of the Issuer;

**"Issuer Cash Swap Collateral Account"** means the account opened in the name of the Issuer at the Issuer Cash Swap Collateral Account Bank for the purposes of holding cash collateral posted in connection with the Swap Agreements;

**"Issuer Cash Swap Collateral Account Bank"** means Elavon Financial Services DAC, UK Branch;

**"Issuer Post-Acceleration Priority of Payments"** means the order of priority of payments set out in the Deed of Charge following the service of a Note Acceleration Notice;

**"Issuer Pre-Acceleration Principal Priority of Payments"** means the order of priority of payments set out in the Deed of Charge pursuant to which, prior to the service of a Note Acceleration Notice, the Issuer, or the Issuer Cash Manager on its behalf, will apply any Issuer Available Principal Receipts on each Payment Date;

**"Issuer Pre-Acceleration Priority of Payments"** means the Issuer Pre-Acceleration Revenue Priority of Payments and/or the Issuer Pre-Acceleration Principal Priority of Payments, as the context may require;

**"Issuer Pre-Acceleration Revenue Priority of Payments"** means the order of priority of payments set out in the Deed of Charge pursuant to which, prior to the service of a Note Acceleration Notice, on (a) each Payment Date or (b) in certain circumstances, the date when due, the Issuer Cash Manager will apply Issuer Available Revenue Receipts;

**"Issuer Principal Receipts Reduction"** means, following a VM Issuer Account Loss, the amount applied to reduce Issuer Available Principal Receipts in accordance with the provisions of the Issuer Cash Management Agreement;

**"Issuer Profit Amount"** means the amount as referred to in item (xii) of the Issuer Pre-Acceleration Revenue Priority of Payments and item (xiii) of the Issuer Post-Acceleration Priority of Payments;

**"Issuer Revenue Receipts Reduction"** means, following a VM Issuer Account Loss, the amount applied to reduce Issuer Available Revenue Receipts in accordance with the provisions of the Issuer Cash Management Agreement;

**"Issuer Securities Swap Collateral Account"** means the custody account opened in the name of the Issuer at the Issuer Securities Swap Collateral Account Bank for the purposes of holding securities posted as collateral in connection with the Swap Agreements;

**"Issuer Securities Swap Collateral Account Bank"** means Elavon Financial Services DAC, UK Branch;

**"Issuer Swap Collateral Accounts"** means each Issuer Cash Swap Collateral Account and each Issuer Securities Swap Collateral Account;

**"Issuer Transaction Accounts"** means the two accounts in the name of the Issuer held at the Issuer Account Banks;

**"Liquidity Reserve Fund"** means the liquidity reserve fund established in the name of the Issuer on the Closing Date in an initial amount of £26,546,706;

**"London Stock Exchange"** means London Stock Exchange plc;

**"Master Definitions and Construction Schedule"** means the master definitions and construction schedule relating to the Transaction Documents dated on or about the Closing Date, as the same may be amended, restated and supplemented from time to time;

**"Minimum Class A Subordination Percentage"** means 10.5 per cent;

**"Moody's"** means Moody's Investors Service Limited;

**"Mortgage"** means for any Mortgage Loan, the first priority legal charge over a freehold or leasehold Mortgaged Property located in England and Wales or the first ranking Standard Security over a heritable or long leasehold Mortgaged Property located in Scotland;

**"Mortgage Loan"** means any mortgage loan which is sold and assigned by the Seller to the Mortgages Trustee from time to time under the terms of the Mortgage Sale Agreement and referred by its mortgage loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies due or owing with respect to that Mortgage Loan under the relevant mortgage conditions by a Borrower on the security of a

Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same;

**"Mortgaged Properties"** means the residential properties which are security for the Mortgage Loans and **"Mortgaged Property"** means any one of them;

**"Mortgage Sale Agreement"** means the mortgage sale agreement entered into on or about the Closing Date between the Seller, the Mortgages Trustee, the Trust Property Cash Manager, the Security Trustee and the Issuer;

**"Mortgages Trust"** means the trust of the trust property held by the Mortgages Trustee under the Mortgages Trust Deed;

**"Mortgages Trustee"** means Gosforth Mortgages Trustee 2018-1 Limited;

**"Mortgages Trustee Account Banks"** means each of Citibank, N.A., London Branch (the **"First Mortgages Trustee Account Bank"**) and Elavon Financial Services DAC, UK Branch (the **"Second Mortgages Trustee Account Bank"**);

**"Mortgages Trustee Available Principal Receipts"** in relation to any Trust Calculation Date, means Principal Receipts received during the previous Trust Calculation Period:

- (a) *less* the amount of any Mortgages Trustee Principal Receipts Reduction, and
- (b) *plus*
  - (i) any VM Mortgages Trustee Account Recovered Amount, to the extent that such amount is applied to reduce the Mortgages Trustee Principal Receipts Reduction; and
  - (ii) any cash amounts standing to the credit of the Trust Replenishment Ledger at the relevant Trust Calculation Date;

**"Mortgages Trustee Available Revenue Receipts"** will be calculated by the Trust Property Cash Manager on each Trust Calculation Date and will be an amount equal to the sum of (in each case in the immediately preceding Trust Calculation Period):

- (a) Revenue Receipts on the Mortgage Loans received during the immediately preceding Trust Calculation Period;
  - (i) *less* the amount of any Mortgages Trustee Revenue Receipts Reduction, and
  - (ii) *plus* any VM Mortgages Trustee Account Recovered Amount, to the extent that such amount is applied to reduce the Mortgages Trustee Revenue Receipts Reduction; and

(b) interest payable to the Mortgages Trustee on the Mortgages Trustee Transaction Accounts and the VM Mortgages Trustee Account, and income received from any Permitted Investments which has been received prior to the relevant Distribution Date; and

(c) payments made by the Seller to the Mortgages Trustee to fund any Non-Cash Borrow-back as a result of payment holidays with respect to any Mortgage Loan in the Mortgage Portfolio during the immediately preceding Trust Calculation Period;

**"Mortgages Trustee Principal Receipts Reduction"** means, following a VM Mortgages Trustee Account Loss, the amount applied to reduce Mortgages Trustee Available Principal Receipts in accordance with the provisions of the Mortgages Trust Deed;

**"Mortgages Trustee Revenue Receipts Reduction"** means, following a VM Mortgages Trustee Account Loss, the amount applied to reduce Mortgages Trustee Available Revenue Receipts in accordance with the provisions of the Mortgages Trust Deed;

**"Most Senior Class"** means:

- (a) the Class A Notes; or
- (b) if no Class A Notes are then outstanding, the Class M Notes; or
- (c) if no Class A Notes or Class M Notes are then outstanding, the Class Z Notes;

**"New Mortgage Loans"** means additional Mortgage Loans sold by the Seller to the Mortgages Trustee and transferred on a Transfer Date;

**"Northern Rock plc"** means the new savings and mortgage bank which was created upon the completion of the legal and capital restructure of NR plc on 1 January 2010;

**"Noteholders"** means the Class A Noteholders, the Class M Noteholders and the Class Z Noteholders;

**"Notes"** means, as the context may require, any or all of the Class A Notes, the Class M Notes and the Class Z Notes;

**"NR plc"** means the original Northern Rock plc which was nationalised by the UK Government in February 2008;

**"Original Currency Swap Agreement"** means, in relation to the US\$ Notes, the ISDA master agreement, schedule, credit support annex and confirmations thereto relating to the US\$ Notes to be entered into on or about the Closing Date, as amended from time to time, between the Original Currency Swap Provider and the Issuer;

**"Original Currency Swap Provider"** means Lloyds Bank Corporate Markets plc;

**"Original Exchange Rate"** means the "Initial Exchange Rate" specified in the Original Currency Swap Agreement;

**"outstanding"** means, in relation to the Notes, all of the Notes other than:

- (a) those which have been redeemed in full in accordance with the Conditions;
- (b) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to the Note Trustee or the Principal Paying Agent in the manner provided for in the Principal Paying Agent and Agent Bank Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with the Condition 14 (*Notice to Noteholders*)) and remain available for payment in accordance with the Conditions;
- (c) those which have become void under the Conditions;
- (d) those mutilated or defaced Notes which have been surrendered or cancelled and in respect of which replacement Notes have been issued pursuant to the Conditions;
- (e) any Global Note, to the extent that it shall have been exchanged for the related Definitive Notes pursuant to the provisions contained therein and the Conditions; and
- (f) the Principal Amount Outstanding of (and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to the Conditions,

**provided that** for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Noteholders;
- (ii) the determination of how many (ii) and which Notes are for the time being outstanding for the purposes of Condition 11 (*Meeting of Noteholders, Modifications and Waiver*), Condition 15 (*Substitution*), Condition 9 (*Events of Default*) and the percentages referred to in Condition 10 (*Enforcement of Notes*) and the Provisions for Meetings of Noteholders; and
- (iii) any right, discretion, power or authority, whether contained in the Trust Deed or the Deed of Charge or provided by law, which the Note Trustee or the Security Trustee is required to exercise in or by reference to the interests of the Noteholders or any Class of them,

(A) prior to the delivery of a Note Acceleration Notice, except for the purpose of considering and, if thought fit, passing an Extraordinary Resolution to sanction a proposed Basic Terms Modification, any US\$ Notes outstanding following the Class A1 Sterling Equivalent Redemption Date shall be deemed not to remain outstanding; and (B) those Notes (if any) which are for the time being held by Clydesdale or any holding company of Clydesdale or by any



person for the benefit of Clydesdale or any holding company of Clydesdale shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

**"Pass-Through Trigger Event"** means the occurrence of one of the following:

- (a) the Step-Up Date;
- (b) an Insolvency Event in respect of the Seller;
- (c) a material breach of the Transaction Documents by the Seller;
- (d) a debit entry is made on the Principal Deficiency Sub-Ledger for the Class Z Notes, that is in excess of 1% of the total balance outstanding in respect of all Note Classes, that has not been cured on the next following Payment Date;
- (e) a Seller Share Event that has not been cured prior to the expiration of the Seller Share Event Cure Period;
- (f) the Liquidity Reserve Fund is not fully funded;
- (g) the aggregate Current Balance of the Mortgage Loans in the Mortgage Portfolio which are then in arrears for 3 months or more is greater than or equal to 4% of the aggregate Current Balance of all Mortgage Loans in the Mortgage Portfolio;
- (h) a Relevant Event has occurred and is continuing; or
- (i) if on a Trust Calculation Date immediately prior to performing the calculations, the balance on the Trust Replenishment Ledger is greater than or equal to 5% of the aggregate Current Balance of all the Mortgage Loans in the Mortgage Portfolio as at the last day of the Trust Calculation Period immediately preceding the Relevant Trust Calculation Date;

**"Paying Agent and Agent Bank Agreement"** means the paying agent and agent bank agreement dated on or about the Closing Date, as amended from time to time, between, *inter alios*, the Paying Agents, the Agent Bank and the Issuer;

**"Payment Calculation Date"** means the day falling two Business Days prior to each Payment Date;

**"Payment Date"** means the 25<sup>th</sup> day of February, May, August and November in each year (or, if such day is not a Business Day, the next succeeding Business Day), with the first Payment Date being the Payment Date falling in November 2018;

**"Potential Note Event of Default"** means any event which may become (with the passage of time, the giving of notice, or the making of any determination or any combination thereof) a Note Event of Default;

**"Principal Amount Outstanding"** means, on any date in relation to a Note, the principal amount outstanding of that Note as at the Closing Date less the aggregate of all Note Principal Payments that have been paid in respect of that Note on or prior to that date;

**"Principal Excess Amounts"** has the meaning given to it in Condition 5(C) (*Termination of the applicable Original Currency Swap Agreement*);

**"Principal Receipts"** means any payment which the records of the Administrator show is received in respect of principal in respect of any Mortgage Loan, whether as all or part of a Mortgage Payment in respect of such Mortgage Loan, on redemption (including partial redemption) of such Mortgage Loan, on enforcement or on the disposal of such Mortgage Loan or otherwise (including payments pursuant to any insurance policy and such portion of the Repurchase Price in respect of any repurchases of Mortgage Loans by the Seller pursuant to the Mortgage Sale Agreement that represents the principal amount outstanding of such Mortgage Loan and including all proceeds of enforcement of an All Monies Mortgage representing principal that are due to the All Monies Mortgage Trustee) (and which may include the amount of any overpayment in respect of any Mortgage Loan), but excluding any amount of principal recovered in respect of a Denominator Reduction Amount and any Non-Trust Amounts;

**"Principal Shortfall Amounts"** has the meaning given to it in Condition 5(C) (*Termination of the applicable Original Currency Swap Agreement*);

**"Priority of Payments"** means the Issuer Pre-Acceleration Revenue Priority of Payments, the Issuer Pre-Acceleration Principal Priority of Payments and the Issuer Post-Acceleration Priority of Payments and each of them, a **"Priority of Payment"**;

**"Prospectus"** means the prospectus in respect of the Notes dated 19 September 2018;

**"Provisions for Meetings of Noteholders"** means the provisions for meetings of noteholders as set out in Schedule 4 (*Provisions for Meetings of Noteholders*) to the Trust Deed;

**"Rating Agencies"** means Fitch and Moody's;

**"Reference Banks"** has the meaning given to it in Condition 4(C) (*Rate of Interest*);

**"Registers of Scotland"** means the Land Register of Scotland and/or the General Register of Sasines;

**"Regulation S"** means Regulation S under the Securities Act;

**"Regulation S Global Note"** means the global notes representing the Regulation S Notes, in substantially the form set out in Schedule 1, Part A (*Form of Regulation S Global Note*) of the Trust Deed, in registered form without talons or coupons attached;

**"Regulation S Notes"** means the Notes of each Class that are initially offered and sold in reliance on Regulation S;

**"Related Security"** means the security for repayment of a Mortgage Loan including the relevant Mortgage and all other matters applicable to the Mortgage Loan, acquired as part of the Initial Mortgage Portfolio assigned to the Mortgages Trustee, or any in respect of any New Mortgage Loans acquired following the Closing Date;

**"Relevant Trust Calculation Date"** means each Trust Calculation Date and the date on which the Mortgages Trust terminates;

**"Replacement Exchange Rate"** means, following any termination of the Original Currency Swap Agreement (or any replacement Currency Swap Agreement) and the entry into of a replacement Currency Swap Agreement, the exchange rate as specified in that replacement Currency Swap Agreement;

**"Revenue Receipts"** means any payment received in respect of any Mortgage Loan, whether as all or part of a monthly payment in respect of such Mortgage Loan, on redemption (including partial redemption) of such Mortgage Loan, on enforcement of such Mortgage Loan (including the proceeds of sale thereof and including all proceeds of enforcement of an All Monies Mortgage representing revenues that are due to the Mortgage Trustee), on the disposal of such Mortgage Loan or otherwise (including payments pursuant to any insurance policy and payments of Repurchase Price by the Seller) which in any such case is not a Principal Receipt and any recovery (whether of principal or interest) in respect of a Denominator Reduction Amount (other than a recovery of a Recovered Amount in respect of a prior VM Mortgages Trustee Account Loss), other than any Non-Trust Amounts;

**"Rule 144A"** means Rule 144A of the Securities Act;

**"Rule 144A Global Notes"** means the global notes representing the Rule 144A Notes, in substantially the form set out in Schedule 1, Part B (*Form of Rule 144A Global Note*) of the Trust Deed, in registered form without talons or coupons attached;

**"Rule 144A Notes"** means the Notes of each Class that are initially offered and sold in reliance on Rule 144A;

**"Scottish Declaration of Trust"** means the declaration of trust in respect of Scottish Mortgage Loans and their Related Security made by Clydesdale in favour of the Mortgages Trustee and by the Mortgages Trustee on the Closing Date pursuant to the Mortgage Sale Agreement as updated by any trust supplement;

**"Scottish Mortgage"** means a Mortgage secured over a Scottish Mortgaged Property;

**"Scottish Mortgage Loan"** means a Mortgage Loan secured by a Scottish Mortgage;

**"Scottish Mortgaged Property"** means a Mortgaged Property located in Scotland;

**"Scottish Supplemental Charge"** means an assignation in security of the interest of the Issuer as a Beneficiary under the Scottish Declaration of Trust granted by the Issuer in favour of the Security Trustee on the Closing Date pursuant to the Deed of Charge;

**"Second Account Bank Agreement"** means the account bank agreement entered into on or about the Closing Date between the Second Issuer Account Bank, the Second Mortgages Trustee Account Bank, the Issuer, the Mortgages Trustee, the Issuer Cash Manager, the Trust Property Cash Manager and the Security Trustee;

**"Secured Creditors"** means the Note Trustee, the Security Trustee (and any receiver appointed pursuant to the Deed of Charge), the Basis Rate Swap Provider, the Currency Swap Provider, the Subordinated Loan Provider, the Issuer Cash Manager, the Corporate Services Provider, the Issuer Account Banks, the Issuer Swap Collateral Account Banks, the VM Issuer Account Bank, the Paying Agents, the Agent Bank, the Transfer Agent, the Registrar and the Noteholders and any party who accedes to the Deed of Charge as a Secured Creditor;

**"Security Interest"** means any mortgage or sub-mortgage, Standard Security, charge or sub-charge (whether legal or equitable), encumbrance, pledge, lien, hypothecation, assignment by way of security, assignation in security, or other security interest or title retention arrangement or right of set-off and any agreement, trust or arrangement having substantially the same economic or financial effect as any of the foregoing (other than a lien arising in the ordinary course of business or by operation of the law);

**"Seller Share Event"** means, on a Trust Calculation Date which occurs whilst any Notes remain outstanding, the Seller Share on that Trust Calculation Date either is or would be less than the Minimum Seller Share for such Trust Calculation Date (determined, for the purposes of this calculation only, on the assumption that distributions of the Mortgages Trustee Available Principal Receipts due on the immediately following Distribution Date are made in accordance with the Mortgages Trustee Principal Priority of Payments as if no Seller Share Event had occurred but taking into account any Mandatory Seller Cash Contribution made on the immediately following Distribution Date);

**"Specified Office"** means as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and the Agent Bank Agreement;

**"Spot Rate"** means, on any day, the spot rate of exchange available that day offered by a bank selected by the Issuer Cash Manager for the purchase of US Dollars with Sterling, provided that in no event shall the Issuer Cash Manager be liable to the Issuer or any other person for the spot rate of exchange so

obtained (including if a spot rate of exchange more favourable to the Issuer could have been obtained from another bank);

**"Standard Security"** means a heritable security created by a standard security over any interest in land in Scotland in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970;

**"Step-Up Date"** means:

- (a) in respect of the Class A1 Notes, the Payment Date falling in August 2023;
- (b) in respect of the Class A2 Notes, the Payment Date falling in August 2023;
- (c) in respect of the Class A3 Notes, the Payment Date falling in August 2023; and
- (d) in respect of the Class M Notes, the Payment Date falling in August 2023.

**"Sterling Equivalent Principal Amount Outstanding"** means:

- (a) in relation to any Sterling Note, the Principal Amount Outstanding of that Sterling Note; and
- (b) in relation to any US\$ Note:
  - (i) if the Original Currency Swap Agreement has not terminated early, the Sterling equivalent of the Principal Amount Outstanding of that US\$ Note converted at the Original Exchange Rate (and rounded to the nearest whole penny); or
  - (ii) if the Original Currency Swap Agreement has terminated early (and irrespective of whether a replacement Currency Swap Agreement has been entered into), the Deemed Principal Amount Outstanding,

as calculated by the Issuer Cash Manager;

**"Sterling Interest Determination Date"** means, in respect of the Sterling Notes, the fifth London Banking Day before the Payment Date for which the rate will apply;

**"Subordinated Loan Provider"** means Clydesdale;

**"Subscription Agreement"** means the subscription agreement dated on or around 14 September 2018 between, *inter alios*, the Issuer, the Seller, the Mortgages Trustee and the Joint Lead Managers, relating to the sale of the Notes;

**"Swap Agreements"** means the Basis Rate Swap Agreements and the Currency Swap Agreement;

**"Swap Excess Reserve Account"** means a US Dollars account to be opened by the Issuer Cash Manager in the name of the Issuer with an Issuer Account Bank as soon as reasonably practicable following the termination of the Original Currency Swap Agreement;

**"Swap Providers"** means each Basis Rate Swap Provider and the Currency Swap Provider;

**"Target Amortisation Amount"** means, as the context may require, the Class A1 Target Amortisation Amount, or the Class A2 Target Amortisation Amount (as such terms are defined in Condition 5(B) (*Mandatory Redemption of the Notes in Part*));

**"Tax"** shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed or levied by or on behalf of any Tax Authority in the jurisdiction in which the Issuer is incorporated or subject to taxation or the jurisdiction in which the Swap Counterparty is incorporated or subject to taxation (as the case may be) and **"Taxes"**, **"taxation"**, **"taxable"** and comparable expressions shall be construed accordingly;

**"Tax Authority"** means any government, state, municipal, local, federal or other fiscal, revenue customs or excise authority, body or official anywhere in the world;

**"Transaction Account Banks"** means the Mortgages Trustee Account Banks and the Issuer Account Banks.

**"Transaction Documents"** means the Notes, the Administration Agreement, the Corporate Services Agreement, the Account Bank Agreements, the VM Mortgages Trustee Account Bank Agreement, the VM Issuer Account Bank Agreement, the Swap Collateral Account Bank Agreement, the Collection Account Declaration of Trust, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Beneficiaries Deed, the Deed of Charge, the Trust Deed, the Scottish Declaration of Trust, the Scottish Supplemental Charge, the Paying Agent and Agent Bank Agreement, the Issuer Cash Management Agreement, the Trust Property Cash Management Agreement, the Basis Rate Swap Agreements, the Currency Swap Agreement, the Subordinated Loan Agreement, the Master Definitions and Construction Schedule and such other related documents which are referred to in the terms of the above documents and any other document designated as a Transaction Document by the Issuer;

**"Transfer Date"** means the relevant date of transfer of New Mortgage Loans and their Related Security to the Mortgages Trustee pursuant to the terms of the Mortgage Sale Agreement;

**"Transfer Order"** means the Northern Rock plc Transfer Order 2009, made under Section 8 of the Banking (Special Provisions) Act 2008;

**"Trust Calculation Date"** means the day falling one Business Day prior to each Distribution Date;

**"Trust Calculation Period"** means the period from (and including) the first date of each calendar month (or, in the case of the first Trust Calculation Period, the Closing Date) to (and including) the last day of the same calendar month;

**"Trust Property Cash Management Agreement"** means the cash management agreement dated on or about the Closing Date, as amended from time to time, between the Trust Property Cash Manager, the Issuer, the Mortgages Trustee and the Security Trustee;

**"Trust Property Cash Management Services"** means the cash management services provided by the Trust Property Cash Manager to the Mortgages Trustee pursuant to the terms of the Trust Property Cash Management Agreement; and

**"Trust Property Cash Manager"** means Clydesdale or such other person or persons for the time being acting, under the Trust Property Cash Management Agreement, as agent for the Issuer for the purposes of, *inter alia*, managing all cash transactions on behalf of the Issuer and the Mortgages Trustee;

**"US\$"**, **"US Dollars"** or **"US dollars"** means the lawful currency of the United States of America;

**"US\$ Interest Determination Date"** means, in respect of the Class A1 Notes, the second Business Day prior to the first day of the Interest Period for which the rate will apply or, in respect of the first Interest Period, the second Business Day prior to the Closing Date;

**"US\$ Notes"** means the Class A1 Notes;

**"US\$ Rule 144A Global Note"** means the Rule 144A Global Note representing the US\$ Notes;

**"VM Issuer Account"** means an account set up in the name of the Issuer held with Clydesdale;

**"VM Issuer Account Bank"** means Clydesdale;

**"VM Issuer Account Bank Agreement"** means the account agreement entered into on or about the Closing Date between the VM Issuer Account Bank, the Issuer, the Issuer Cash Manager and the Security Trustee;

**"VM Issuer Account Loss"** means upon the occurrence of an Insolvency Event in respect of Clydesdale, the amount standing to the credit of the VM Issuer Account on the date of such Insolvency Event if such amount is not

withdrawn from the VM Issuer Account and transferred to an Issuer Transaction Account on such date;

**"VM Issuer Account Recovered Amount"** means the receipt by or on behalf of the Issuer of any amount of cash that previously represented all or part of a VM Issuer Account Loss;

**"VM Issuer Permitted Cash Amount"** means:

- (a) prior to an Insolvency Event in respect of Clydesdale or a Pass-Through Trigger Event, on each Payment Calculation Date, an amount equal to the greater of zero and the product of:
  - (i) the Actual Class A Subordination Percentage minus the Minimum Class A Subordination Percentage;
  - (ii) the aggregate of the GBP Equivalent of the Principal Amount Outstanding of the Class A Notes, the Class M Notes and the Class Z Notes that will be outstanding on the immediately succeeding Payment Date following the application of any Issuer Available Principal Receipts in or towards the redemption of such Notes (as calculated by the Issuer Cash Manager);
  - (iii) 1.00 minus the Minimum Class A Subordination Percentage; and
  - (iv) 0.3; and
- (b) following an Insolvency Event in respect of Clydesdale or a Pass-Through Trigger Event, zero;

**"VM Mortgages Trustee Account"** means an account set up in the name of the Mortgages Trustee held with Clydesdale.

**"VM Mortgages Trustee Account Bank"** means Clydesdale;

**"VM Mortgages Trustee Account Bank Agreement"** means the account agreement entered into on or about the Closing Date between the VM Mortgages Trustee Bank, the Mortgages Trustee, the Trust Property Cash Manager and the Security Trustee;

**"VM Mortgages Trustee Account Loss"** means, upon the occurrence of an Insolvency Event in respect of Clydesdale, the amount standing to the credit of the VM Mortgages Trustee Account on the date of such Insolvency Event if such amount is not withdrawn from the VM Mortgages Trustee Account and transferred to a Mortgages Trustee Transaction Account on such date;

**"VM Mortgages Trustee Account Recovered Amount"** means the receipt by or on behalf of the Mortgages Trustee of an amount of cash received that previously represented all or part of a VM Mortgages Trustee Account Loss;



**"VM Mortgages Trustee Permitted Cash Amount"** means:

- (a) prior to an Insolvency Event in respect of Clydesdale, an amount of cash deposits equal to  $A - B$  where:
  - A = the Seller Share (as calculated on the previous Trust Calculation Date); and
  - B = the Minimum Seller Share (as calculated on the previous Trust Calculation Date); and
- (b) following an Insolvency Event in respect of Clydesdale, zero.

## Schedule 4

### PROVISIONS FOR MEETINGS OF NOTEHOLDERS

#### 1. DEFINITIONS

1.1 As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:

**Block Voting Instruction** shall mean an English language document issued by a Paying Agent and dated in which:

- (a) it is certified that Notes (represented by a Global Note and not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any adjourned such meeting) are (to the satisfaction of such Paying Agent) held to its order or under its control and that no such Notes will cease to be so held until the first to occur of:
  - (i) the conclusion of the meeting specified in such document or, if applicable, of any adjourned such meeting; and
  - (ii) the surrender to that Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such Note which is to be released or (as the case may require) the Note or Notes ceasing with the agreement of that Paying Agent to be held to its order or under its control and the giving of notice by that Paying Agent to the Issuer in accordance with paragraph 17 hereof the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Note or Notes so held should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
- (c) the aggregate principal amount of the Notes so held are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such document (each hereinafter called a *proxy*) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (c) above as set out in such document;

**Meeting** shall mean a meeting of Noteholders (whether originally convened or re-convened following an adjournment);

**Notes** and **Noteholders** shall mean:

- (a) in connection with a meeting of Class A Noteholders of any Class or Classes, Class A Notes of such Class or Classes and Class A Noteholders of such Class or Classes, respectively;
- (b) in connection with a meeting of the Class M Noteholders, Class M Notes and Class M Noteholders respectively; and
- (c) in connection with a meeting of Class Z Noteholders, Class Z Notes and Class Z Noteholders respectively;

**Voting Certificate** shall mean an English language certificate issued by a Paying Agent and dated in which it is stated that on the date thereof Notes (represented by a Global Note and not being Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) are (to the satisfaction of such Paying Agent) held to its order or under its control and that no such Notes will cease to be so held until the first to occur of:

- (a) the conclusion of the meeting specified in such certificate or if applicable, of any adjourned such meeting;
- (b) the surrender of the certificate to the Paying Agent who issued the same; and
- (c) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Notes represented by such certificate;

**24 hours** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and

**48 hours** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.

## 1.2 Issue of Voting Certificate/Block Voting Instructions

A holder of a Note represented by a Global Note may obtain a Voting Certificate in respect of such Note from a Paying Agent or require a Paying Agent to issue a Block Voting Instruction in respect of such Note or by such Note (to the satisfaction of such Paying Agent) being held to its order or under its control, in each case not less than 48 hours before the time fixed for the relevant meeting. The holder of any Voting Certificate or the proxies named in any Block Voting Instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Noteholders be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates and the person holding the same to the order or under the control of such Paying Agent shall be deemed for such purposes not to be the holder of those Notes.

## 1.3 References to Blocking/Release of Notes

Where Notes are represented by a Global Note or are held in definitive form in a clearing system references to blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

## 1.4 Issue of Forms of Proxy

A holder of Definitive Notes may, by an instrument in writing in the English language (a *Form of Proxy*) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Relevant Paying Agent not less than 48 hours before the time fixed for the relevant meeting, appoint any person (*a proxy*) to act on his or its behalf in connection with any meeting of the Noteholders and any adjourned such meeting. Any holder of a Definitive Note may obtain an uncompleted and unexecuted Form of Proxy from the Relevant Paying Agent:

(i) Any holder of Definitive Notes which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a *representative*) in connection with any meeting of the Noteholders and any adjourned such meeting; and

(ii) Any proxy appointed pursuant to this paragraph 1.4 shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Noteholders, to be the holder of the Definitive Notes to which such appointment relates and the holder of the Definitive Notes shall be deemed for such purposes not to be the holder.

## 2. CONVENING OF A MEETING

The Issuer or the Note Trustee may convene a Meeting of any Class or Classes at any time and the Issuer or, as the case may be, the Note Trustee shall be entitled to cancel a Meeting convened by it, **provided that**, notice of such cancellation is given to the Noteholders in accordance with the Conditions no

later than 24 hours before the time fixed for the Meeting, and the Note Trustee shall be obliged to convene a Meeting, subject to it being indemnified and/or secured to its satisfaction upon a requisition in writing signed by the holders of not less than one-tenth in aggregate Sterling Equivalent Principal Amount Outstanding of the Notes entitled to vote and the Note Trustee shall be entitled to cancel such Meeting if it is proven to the satisfaction of the Note Trustee that the required quorum will not be reached, **provided that**, notice of such a cancellation is given to the Noteholders in accordance with the Conditions no later than 24 hours before the time fixed for the Meeting. If the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Note Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve.

### 3. NOTICE

At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the Noteholders or, as the case may be the Noteholders of any Class of Notes entitled to vote and the Paying Agents prior to any meeting of the Noteholders. Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that (i) Notes represented by a Global Note may, not less than 48 hours before the time fixed for the meeting, be held to the order or under the control of any Paying Agent (to its satisfaction) for the purpose of obtaining Voting Certificates or appointing proxies and (ii) the holders of Definitive Notes of the relevant Class may appoint proxies by executing and delivering a Form of Proxy in the English language to the specified office of the Relevant Paying Agent not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Note Trustee (unless the meeting is convened by the Note Trustee) and to the Issuer (unless the Meeting is convened by the Issuer).

### 4. CHAIRMAN

A person (who may but need not be a Noteholder) nominated in writing by the Note Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Noteholders present shall choose one of their number to be Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.

## 5. QUORUM

At any such meeting one or more persons present holding Notes or Voting Certificates or being proxies or representatives and holding or representing in the aggregate not less than 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes of the relevant Class or Classes, for the time being outstanding (or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes then outstanding of the relevant Class or Classes), shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be two or more persons (or if the Notes are in global form, one or more persons) present holding Notes or Voting Certificates or being proxies or representatives and holding or representing in the aggregate more than 50 per cent., in Sterling Equivalent Principal Amount Outstanding of the Notes then outstanding of the relevant Class or Classes (or, at any adjourned meeting, two or more persons (or if the Notes are in global form, one or more persons) being or representing Noteholders whatever the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes then outstanding of the relevant Class or Classes, so held or represented), **provided that**, at any meeting the business of which includes the passing of an Extraordinary Resolution to sanction any of the following matters (each a *Basic Terms Modification*) namely:

- (a) any change in the amount payable or, where applicable, any modification of the method of calculating the amount payable or any modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal, premium or interest in respect of the Notes (other than any Base Rate Modification);
- (b) any alteration in the priority in which payments are made to Noteholders pursuant to any Priority of Payments;
- (c) any alteration of the quorum or majority required to pass an Extraordinary Resolution; and
- (d) any alteration of this definition,

the quorum for passing the requisite Extraordinary Resolution shall be two or more persons (or if the Notes are in global form, one or more persons) holding or representing not less than 75 per cent. in Sterling Equivalent Principal Amount Outstanding of the Notes then outstanding of the relevant Class or Classes (or, at any adjourned meeting, two or more persons present (or if the Notes are in global form, one or more persons) holding or representing in the aggregate not less than 25 per cent. in Sterling Equivalent Principal Amount Outstanding of the Notes then outstanding of the relevant Class or Classes).

**6. ADJOURNMENT FOR WANT OF QUORUM**

If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Noteholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding Business Day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Note Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Meeting shall be dissolved as no Meeting may be adjourned more than once for want of a quorum.

**7. NOTICE FOLLOWING ADJOURNMENT**

Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

**8. SHOW OF HANDS**

Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a Voting Certificate or as a proxy or as a representative.

**9. CHAIRMAN'S DECLARATION**

At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the Note Trustee or any person present holding a Definitive Note or a Voting Certificate or being a proxy or representative (whatever the principal amount of the Notes so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof the number or proportion of the votes recorded in favour of or against such resolution.

**10. POLL**

Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

**11. ADJOURNED MEETING**

The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

**12. LIMITATION ON ADJOURNMENTS**

Any poll demanded at any such adjourned meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.

**13. PARTICIPATION**

The Note Trustee and its lawyers and financial advisers and any director, officer or employee of a corporation being a trustee of the Trust Deed and any director or officer of the Issuer and its lawyers and financial advisers and any other person authorised so to do by the Meeting or the Note Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the definition of *outstanding*, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on the Noteholders by Clause 8 (*Proceedings, Actions and Indemnification*) of the Trust Deed unless he either produces Note(s) or a voting certificate or is a proxy or a representative or is the holder of a Definitive Note or Definitive Notes. No person shall be entitled to vote at any meeting in respect of Excluded Notes. Nothing herein shall prevent any of the proxies named in any Block Voting Instruction or Form of Proxy or any representative from being a director, officer or representative of or otherwise connected with the Issuer.

**14. VOTES**

Subject as provided in paragraph 13 at any meeting:

- (a) on a show of hands every person who is present in person and produces a Voting Certificate or is a holder of Notes or is a proxy or representative shall have one vote; and



- (b) on a poll every person who is so present shall have one vote in respect of each £1,000 in aggregate face amount of the outstanding Note(s) (or its equivalent expressed in Sterling on the basis of the applicable Original Exchange Rate) represented or held by him.

Without prejudice to the obligations of the proxies named in any Block Voting Instruction or Form of Proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

#### **15. PROXIES NEED NOT BE NOTEHOLDERS**

The proxies named in any Block Voting Instruction or Form of Proxy and representatives need not be Noteholders.

#### **16. DEPOSIT OF VOTES**

Each Block Voting Instruction together (if so requested by the Note Trustee) with proof satisfactory to the Note Trustee of its due execution on behalf of the relevant Paying Agent and each Form of Proxy shall be deposited by the relevant Paying Agent at such place as the Note Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the Block Voting Instruction or Form of Proxy propose to vote and in default the Block Voting Instruction or Form of Proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. If the Note Trustee requires, a notarially certified copy of each Block Voting Instruction and Form of Proxy shall be deposited with the Note Trustee before the commencement of the meeting or adjourned meeting but the Note Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such Block Voting Instruction or Form of Proxy.

#### **17. VALIDITY OF VOTES**

Any vote given in accordance with the terms of a Block Voting Instruction or Form of Proxy shall be valid notwithstanding the previous revocation or amendment of the Block Voting Instruction or Form of Proxy or of any of the Noteholders' instructions pursuant to which it was executed, **provided that**, no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Definitive Note from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Note Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the Block Voting Instruction or Form of Proxy is to be used. A Voting Certificate and Block Voting Instruction and a Form of Proxy cannot be simultaneously outstanding in respect of the same Note.

## 18. CONFLICTS

The provisions of this Schedule shall have effect subject to the following modifications:

- (a) a resolution of the Class A Noteholders referred to in Condition 9 (*Events of Default*) or 10 (*Enforcement of Notes*) or in paragraph (b) of Clause 12.3 of this Deed shall be deemed to have been duly passed if passed at a single meeting of the holders of the Class A Notes of all Classes;
- (b) subject to sub-paragraph (a) above, a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders of one Class only of the Class A Notes shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Class A Notes of that Class;
- (c) subject to sub-paragraph (a) above, a resolution which, in the sole opinion of the Note Trustee, affects the interest of the holders of more than one Class of the Class A Notes but does not give rise to a conflict of interest between the holders of any of the Classes of the Class A Notes so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Class A Notes of all the Classes so affected;
- (d) subject to sub-paragraph (a) above, a resolution which, in the sole opinion of the Note Trustee, affects the interests of the holders of more than one Class of the Class A Notes and gives or may give rise to a conflict of interest between the holders of any of the Classes of Class A Notes so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of each Class of the Class A Notes so affected; and
- (e) to all such meetings all the provisions to this Schedule shall *mutatis mutandis* apply as though references therein to Class A Notes and Class A Noteholders were references to the Class A Notes of the Class or Classes in question and to the holders of such Class A Notes respectively.

## 19. POWERS

Subject always to the provisions of Clause 12 (*Modification*) of the Trust Deed and the Conditions, a meeting of the Noteholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6) namely:

- (a) power to sanction any compromise or arrangement proposed to be made between the Issuer, the Note Trustee, the Security Trustee, any appointee of the Note Trustee or the Security Trustee and the Noteholders or any of them;

- (b) power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Note Trustee, the Security Trustee, any appointee of the Note Trustee or the Security Trustee, the Noteholders or the Issuer against any other or others of them or against any other party to any of the Transaction Documents or against any of their property whether such rights shall arise under the Trust Deed, any other Transaction Document or otherwise;
- (c) power to assent to any modification of the provisions of the Conditions, the Trust Deed or any other Transaction Document which shall be proposed by the Issuer, the Note Trustee, the Security Trustee, or any Noteholder or any other person;
- (d) power to give any authority or sanction which under the provisions of the Conditions, the Trust Deed or any other Transaction Document is required to be given by Extraordinary Resolution;
- (e) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
- (f) power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of the Trust Deed or the Deed of Charge;
- (g) power to discharge or exonerate the Note Trustee or the Security Trustee and/or any appointee of the Note Trustee or the Security Trustee from all liability in respect of any act or omission for which the Note Trustee or the Security Trustee and/or such appointee may have become responsible under the Trust Deed or the Deed of Charge;
- (h) power to authorise the Note Trustee and/or any appointee of the Note Trustee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution; and
- (i) subject to Condition 15 (*Substitution*) power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or notes of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or notes as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Noteholders to execute an instrument of transfer of the Definitive Notes held by them in favour of the persons with or to whom the Notes are to be exchanged or sold respectively,

**provided that:**

- (i) an Extraordinary Resolution (other than an Extraordinary Resolution sanctioning a Basic Terms Modification) of the Class A Noteholders shall be binding on the Class M Noteholders and the Class Z Noteholders and an Extraordinary Resolution of the Class M Noteholders shall be binding on the Class Z Noteholders irrespective of the effect upon them;
- (ii) no Extraordinary Resolution of the Class M Noteholders (other than an Extraordinary Resolution sanctioning a Basic Terms Modification) shall be effective for any purpose while any Class A Note remains outstanding unless either (a) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders or (b) it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders;
- (iii) no Extraordinary Resolution of the Class Z Noteholders (other than an Extraordinary Resolution sanctioning a Basic Terms Modification) shall be effective for any purpose while any Class A Note or any Class M Note remains outstanding unless either (a) the Note Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the Class A Noteholders and the Class M Noteholders or (b) it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders and Class M Noteholders; and
- (iv) for the avoidance of doubt (in the context of deciding material prejudice in respect of sub-paragraph (i) or (ii) above), only the Note Trustee shall determine in its sole opinion whether the interests of the Noteholders of any Class will not be materially prejudiced.

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of holders of each of the other Classes of the Notes then outstanding.

**20. EXTRAORDINARY RESOLUTION BINDS ALL NOTEHOLDERS**

Subject as provided in this Schedule 4 (*Provisions for Meetings of Noteholders*), any resolution: (i) passed at a meeting of the Noteholders duly convened and held in accordance with the Trust Deed; or (ii) subject to paragraph 21 (*Electronic Consents*) passed by way of electronic consents given by holders through the relevant Clearing System(s) in accordance with the Trust Deed shall be binding upon the Noteholders of all Classes whether present or not present at such meeting and whether or not voting and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly

considered by the Noteholders shall be given by the Issuer to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*) within 14 days of such result being known, **provided that**, the non-publication of such notice shall not invalidate such result.

## 21. ELECTRONIC CONSENTS

21.1 For so long as the Notes are in the form of a Global Note held on behalf of a relevant Clearing System, then, in respect of any resolution passed by way of Electronic Consent:

- (a) when a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant Clearing System(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant Clearing System(s)) and the time and date (the **Relevant Day**) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant Clearing System(s);
- (b) if, on the Relevant Day on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the required proportion of votes, the resolution shall, if the party proposing such resolution (the **Proposer**) so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Note Trustee (unless the Note Trustee is the Proposer). Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in subparagraph 21.1(a) above. For the purpose of such further notice, references to Relevant Day shall be construed accordingly.

21.2 For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer or the Note Trustee (i) which is not then the subject of a meeting that has been validly convened in accordance with the provisions of this Schedule 4 (*Provisions for Meetings of Noteholders*), unless that meeting is or shall be cancelled or dissolved or (ii) **provided that** a written request to convene a meeting in respect of the proposed resolution is not made pursuant to the provisions of this Schedule 4 (*Provisions for Meetings of Noteholders*) before the Relevant Day.

## 22. EXTRAORDINARY RESOLUTION; WRITTEN RESOLUTIONS

The expression **Extraordinary Resolution** when used in the Trust Deed means (a) a resolution passed at a meeting of the Noteholders duly convened and held

in accordance with the provisions of this Schedule 4 (*Provisions for Meetings of Noteholders*) by a majority consisting of not less than three-quarters of the votes cast or (b) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. of the Sterling Equivalent Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders of the relevant Class or Classes.

### **23. MINUTES**

Minutes of all resolutions and proceedings at every meeting of the Noteholders shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.

### **24. FURTHER REGULATIONS**

Subject to all other provisions of the Trust Deed the Note Trustee may without the consent of the Issuer or the Noteholders:

- (a) prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Noteholders and attendance and voting thereat as the Note Trustee may in its sole discretion think fit; and
- (b) interpret the Conditions in the context of the more detailed provisions set out herein.

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

**Issuer**

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

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

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

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

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

**Note Trustee**

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

\_\_\_\_\_  
Signature of director or attorney

\_\_\_\_\_  
Name of director or attorney

in the presence of:

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

Occupation: \_\_\_\_\_