

**24 September 2018**

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

**VIRGIN MONEY PLC**  
(as *Issuer Cash Manager* and *VM Issuer Account Bank*)

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

---

---

**VM ISSUER ACCOUNT BANK AGREEMENT**

---

---



**Freshfields Bruckhaus Deringer**

Freshfields Bruckhaus Deringer LLP  
65 Fleet Street  
London

## CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION .....	1
2. APPOINTMENT .....	1
3. THE ACCOUNT .....	2
4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS OF THE ISSUER.....	4
5. PAYMENTS.....	5
6. MANDATES AND STATEMENTS.....	5
7. ACKNOWLEDGEMENT BY THE VM ISSUER ACCOUNT BANK.....	6
8. CERTIFICATION, INDEMNITY AND CONSEQUENCES OF AN ENFORCEMENT NOTICE.....	7
9. TRANSFER AND TERMINATION.....	8
10. FURTHER ASSURANCE .....	9
11. CONFIDENTIALITY.....	9
12. COSTS OF THE VM ISSUER ACCOUNT BANK .....	11
13. NOTICES .....	11
14. WITHHOLDING.....	11
15. LIABILITY .....	12
16. CONFLICT OF INTEREST .....	12
17. NO RESPONSIBILITY .....	13
18. MERGER .....	13
19. ENTIRE AGREEMENT .....	13
20. OBLIGATIONS AS CORPORATE OBLIGATIONS.....	14
21. CONFLICT OF LAW.....	14
22. CONTINUATION OF OBLIGATIONS .....	14
23. AMENDMENTS .....	14
24. WAIVERS.....	14
25. ASSIGNMENT .....	14
26. THE SECURITY TRUSTEE.....	15
27. THIRD PARTY RIGHTS .....	15
28. FORCE MAJEURE AND ILLEGALITY .....	15
29. SEVERABILITY.....	15
30. COUNTERPARTS .....	16

31. GOVERNING LAW.....16

32. JURISDICTION.....16

SCHEDULE 1 FORM OF VM ISSUER ACCOUNT BANK MANDATE .....17

SCHEDULE 2.....20

    PART I VM ISSUER ACCOUNT BANK REPRESENTATIONS AND WARRANTIES .....20

    PART II ISSUER REPRESENTATIONS AND WARRANTIES.....21

**THIS AGREEMENT** is made on 24 September 2018

**BETWEEN:**

- (1) **GOSFORTH FUNDING 2018-1 PLC** a public limited company incorporated in England and Wales (registered number 11444253), whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the **Issuer**);
- (2) **VIRGIN MONEY PLC**, a public limited company incorporated under the laws of England and Wales (registered number 6952311) whose registered office is at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL (**Virgin Money**), in its capacity as cash manager to the Issuer under the Issuer Cash Management Agreement (the **Issuer Cash Manager**) and as account bank to the Issuer pursuant to this Agreement (the **VM Issuer Account Bank**); and
- (3) **CITICORP TRUSTEE COMPANY LIMITED** a private limited company incorporated in England and Wales (registered number 00235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the **Security Trustee**, which expression shall include the security trustee or security trustees for the time being under the Deed of Charge).

**IT IS AGREED** as follows:

## **1. DEFINITIONS AND INTERPRETATION**

### **Definitions**

- 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 Agreement (as the same may be amended, varied or supplemented from time to time with the consent of the parties hereto) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the recitals hereto, and this Agreement shall be construed in accordance with the interpretation provisions set out in clause 2 (*Principles of Interpretation and Construction*) of that Master Definitions and Construction Schedule. In the event of a conflict between the Master Definitions and Construction Schedule and this Agreement, this Agreement shall prevail.

## **2. APPOINTMENT**

- 2.1 The Issuer hereby appoints Virgin Money plc, to be the VM Issuer Account Bank with respect to the VM Issuer Account and as its lawful agent, in its name and on its behalf, to perform the services of the VM Issuer Account Bank under this Agreement.
- 2.2 Virgin Money plc hereby accepts such appointment on the terms and subject to the conditions of this Agreement.
- 2.3 This Agreement sets forth all the duties of the VM Issuer Account Bank. The VM Issuer Account Bank (in such capacity) shall not be bound by (and shall be deemed not to have notice of) the provisions of any agreement except (i) this Agreement and (ii) any other Transaction Document to which it is a party. No implied duties or

obligations of the VM Issuer Account Bank shall be read into this Agreement or any instruction to the VM Issuer Account Bank.

- 2.4 The parties acknowledge that the VM Issuer Account Bank holds any amounts standing to the credit of the VM Issuer Account as banker and not as trustee and, as a result, such money will not be held in accordance with the Client Money Rules.

### 3. THE ACCOUNT

#### **Instructions from the Issuer Cash Manager to the VM Issuer Account Bank**

- 3.1 (a) Subject to Clause 3.5 (*No Negative Balance*) and paragraph (a) of Clause 8.2 (*VM Issuer Account Bank Indemnities*) and Clause 8.3 (*Consequences of an Enforcement Notice*), the VM Issuer Account Bank shall comply with any direction of the Issuer Cash Manager to effect a payment by debiting the VM Issuer Account, provided that, such direction from the Issuer Cash Manager complies with the relevant Account Mandate and, provided further that, such direction is legal and passes the reasonable checks carried out as part of the proper operation of the VM Issuer Account Bank's payment processing system.
- (b) Subject to paragraph (a) of Clause 8.2 (*VM Issuer Account Bank Indemnities*), the VM Issuer Account Bank shall be entitled to rely on any direction if such direction (i) is in writing (including via email) or is given by the internet banking service or electronic banking service (including SWIFT) provided by the VM Issuer Account Bank and (ii) otherwise complies with the VM Issuer Account Bank Mandate or in the case of an electronic instruction, the relevant procedures of the VM Issuer Account Bank applicable from time to time (such direction shall constitute an irrevocable instruction).
- (c) Whilst Virgin Money no longer performs the role of Issuer Cash Manager, the Issuer Cash Manager shall give all directions through the SWIFT network unless the SWIFT network is unavailable, whereupon it shall give directions as agreed between the Issuer Cash Manager and the VM Issuer Account Bank from time to time.
- (d) If the VM Issuer Account Bank refuses to comply with any direction it shall notify the Issuer in writing and give the reasons for refusing to take such action or make such payment, unless there is a requirement not to give such notification by law or order of any court or pursuant to any direction or requirement of any central bank or any governmental or other regulatory authority.
- (e) The Issuer unconditionally agrees to the use of any form of telephonic or electronic monitoring or recording by the VM Issuer Account Bank according to the VM Issuer Account Bank's standard operating procedures or as the VM Issuer Account Bank deems appropriate for security and service purposes. Such recording of discussion between the Issuer and the VM Issuer Account Bank (or Issuer Cash Manager on its behalf), or a transcript thereof, shall be provided to the Issuer by the VM Issuer Account Bank if reasonably requested in relation to any proceedings brought in connection with this Agreement and may be used by any party as evidence in such proceedings.

## **Representations, Warranties and Covenants of the VM Issuer Account Bank**

- 3.2 (a) The VM Issuer Account Bank hereby represents and warrants in accordance with Part I of Schedule 2 (*VM Issuer Account Bank Representations and Warranties*) to this Agreement, on the date of this Agreement and on each date on which an amount is credited to the VM Issuer Account.
- (b) The VM Issuer Account Bank shall, as soon as reasonably practicable, notify the Issuer in the event that any of the representations and warranties set out in Part I of Schedule 2 (*VM Issuer Account Bank Representations and Warranties*) to this Agreement ceases to be true.
- (c) The VM Issuer Account Bank shall provide such information or evidence relating to the VM Issuer Account as the Security Trustee or Issuer Cash Manager may require.

## **Interest**

- 3.3 (a) Subject to paragraph (d) of Clause 3.3 (*Interest*), interest shall accrue from day to day on the cleared balance from time to time on the VM Issuer Account (the *VM Issuer Account Balance*), and shall be paid monthly at a rate of interest per annum equal to LIBOR for one month sterling deposits (which, for the purpose of this Agreement, shall be a rate determined by the VM Issuer Account Bank on the first Business Day of the calendar month),        per cent. (provided that the rate shall never be less than zero) (the *VM Issuer Account Rate*). In respect of the period from (and including) the Closing Date to (but excluding) the first Business Day of the immediately following calendar month, the relevant VM Issuer Account Rate shall be an interpolated rate for deposits in sterling LIBOR for such period (which, for the purpose of this Agreement, shall be a rate determined by the VM Issuer Account Bank on the Closing Date),        per cent. (provided that the rate shall never be less than zero). Interest shall be calculated on the basis of the actual number of days elapsed and a 365 day year with payment made for value on the first Business Day of the calendar month to the VM Issuer Account.
- (b) On any day, interest shall be calculated by reference to cleared amounts deposited into the VM Issuer Account as at the close of business on the previous day.
- (c) On any day on which interest is payable by the VM Issuer Account Bank under this Agreement, the VM Issuer Account Bank shall pay the amount of interest then due in immediately available, freely transferable, cleared funds by no later than the close of business on the following Business Day.
- (d) Notwithstanding the above, the Issuer and VM Issuer Account Bank may agree to vary the VM Issuer Account Rate from time to time.

## **VM Issuer Account Bank's Costs and Expenses**

- 3.4 The Issuer hereby agrees that the costs and expenses (if any) of the VM Issuer Account Bank for the operation of the VM Issuer Account shall be debited from the VM Issuer Account quarterly in arrears on a date to be agreed between the Issuer and VM Issuer Account Bank from time to time in accordance with the Issuer Pre-

Acceleration Revenue Priority of Payments. The charges shall be reasonable, provided that, subject to paragraph (a) of Clause 9.3 (*Termination by VM Issuer Account Bank*), if there are insufficient funds standing to the credit of the VM Issuer Transaction Account to pay such charges the VM Issuer Account Bank shall not be relieved of its obligations under this Agreement including, but not limited to, such charges in respect of the VM Issuer Transaction Account.

### **No Negative Balance**

- 3.5 (a) Notwithstanding any other provision of this Agreement, the VM Issuer Account Bank shall not be required to act on any instruction received from the Issuer Cash Manager to the extent that to do so would cause the VM Issuer Account to have a negative balance and shall incur no liability from any non-payment or non-distribution in such circumstances.
- (b) The VM Issuer Account Bank shall be under no obligation to monitor the VM Issuer Account for the purpose of preventing the VM Issuer Account from becoming overdrawn. No liability whatsoever shall attach to a VM Issuer Account Bank should the VM Issuer Account become overdrawn at any time.

### **Transaction Account Terms**

- 3.6 The Issuer must comply with any reasonable security measures required by the VM Issuer Account Bank to prevent the security details of the VM Issuer Account from becoming known to or accessible by any unauthorised person.

## **4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS OF THE ISSUER**

### **Representations and Warranties of the Issuer**

- 4.1 The Issuer represents and warrants in accordance with Part II of Schedule 2 (*Issuer Representations and Warranties*) to this Agreement, on the date of this Agreement and on each date on which an amount is credited to the VM Issuer Account.

### **Issuer Undertakings**

- 4.2 The Issuer undertakes to the VM Issuer Account Bank that:
- (a) it will provide to the VM Issuer Account Bank all documentation and other information required by the VM Issuer Account Bank from time to time to comply with all applicable regulations in relation to the VM Issuer Account as soon as reasonably practicable upon reasonable request by the VM Issuer Account Bank; and
- (b) it will not supply to the VM Issuer Account Bank any personal data or sensitive data, whether relating to such party, its personnel, customers or other data subjects.

## 5. PAYMENTS

### Instructions from the Issuer Cash Manager

- 5.1 (a) The Issuer Cash Manager shall no later than 3.00 p.m. (London time) on any date on which amounts are required to be transferred out of the VM Issuer Account submit to the VM Issuer Account Bank instructions in compliance with the relevant mandates as to any payments to be made out of the VM Issuer Account on the relevant date.
- (b) The VM Issuer Account Bank shall comply with such instructions and shall effect the payments specified therein not later than the time specified for payment (**provided that** the VM Issuer Account Bank shall not have any liability to any person if it fails to effect timely payment by reason of those matters contemplated by Clause 28 (*Force Majeure and Illegality*)) on the relevant date even if the instructions comply with the relevant Account Mandate.

### Confirmation of Payment Instructions

- 5.2 The VM Issuer Account Bank agrees that it will in relation to an irrevocable instruction received by written request (including by email), ensure upon request that the Issuer Cash Manager receives a written confirmation (including by email) when payment amounts are debited from the VM Issuer Account.

### No duty to Verify Instructions

- 5.3 (a) The VM Issuer Account Bank is under no duty to ensure that funds withdrawn from the VM Issuer Account are actually applied for the purpose for which they were withdrawn or, subject to Clause 3.1 (*Instructions from Issuer Cash Manager to the VM Issuer Account Bank*) above, that any instruction is accurate in accordance with the terms of any agreement or arrangement.
- (b) The VM Issuer Account Bank shall be entitled to rely upon any order, judgment, award, decision, decree, certification, delivered to it by a court and reasonably believed by the VM Issuer Account Bank to be genuine without being required to determine its authenticity or the correctness of any fact stated therein or the validity of the service thereof.
- (c) Subject to Clause 13 (*Notices*), the VM Issuer Account Bank may act in reliance upon any instrument or signature reasonably believed by it to be genuine and may assume that any person purporting to give receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorised to do so.

## 6. MANDATES AND STATEMENTS

### Signing and Delivery of Mandates

- 6.1 The Issuer hereby confirms that it has delivered to the VM Issuer Account Bank, prior to the Closing Date, the mandate relating to the VM Issuer Account in the form set out in Schedule 1 (*Form of VM Issuer Account Bank Mandate*) duly executed and the VM Issuer Account Bank hereby confirms to the Security Trustee that the mandate



relating to the VM Issuer Account has been provided to it and is operative, that the VM Issuer Account has been opened in its books in the name of the Issuer and that it agrees to accept on deposit all monies transferred to the VM Issuer Account from time to time subject to the mandate as set out in Schedule 1 (*Form of VM Issuer Account Bank Mandate*) and this Agreement.

### **Amendment or Revocation**

- 6.2 The VM Issuer Account Bank agrees that it shall notify the Issuer, as applicable, as soon as it is reasonably practicable, if it receives any amendment or revocation of a mandate to the extent that such amendment or revocation affects the VM Issuer Account (other than a change of Authorised Signatory) and the Issuer shall notify the Security Trustee as soon as it is reasonably practicable and shall seek the consent of the Security Trustee to make any such amendment or revocation to the extent that such amendment or revocation affects that account (other than a change of Authorised Signatory) **provided, however, that** unless such mandate is revoked, the VM Issuer Account Bank may continue to comply with the relevant amended mandate unless it receives notice in writing from the Security Trustee (in respect of (a) below) or the Issuer (in respect of (b) below) to the effect that:
- (a) an Enforcement Notice has been served; or
  - (b) that the appointment of Virgin Money as Issuer Cash Manager under the Issuer Cash Management Agreement has been terminated.

### **Statements**

- 6.3 The VM Issuer Account Bank shall provide upon request from the Issuer Cash Manager written statements to the Issuer Cash Manager, the Issuer and, upon request, the Security Trustee, within three Business Days after the date that such statement is prepared.

## **7. ACKNOWLEDGEMENT BY THE VM ISSUER ACCOUNT BANK**

Notwithstanding anything to the contrary in the mandates:

- (a) the VM Issuer Account Bank hereby waives any right it has or may hereafter acquire to combine, consolidate or merge any account held with it, with any other account of the Issuer Cash Manager, the Administrator, the Issuer, Virgin Money, the Security Trustee or any other person or with any liabilities of the Issuer Cash Manager, the Administrator, the Issuer, Virgin Money, the Security Trustee or any other person and the VM Issuer Account Bank undertakes that, in the event that it breaches the foregoing obligations, then it shall immediately re-credit the relevant account with the amount required to restore the balance on such account to that amount which it would have been if no such breach had occurred and the other parties to this Agreement agree that such re-crediting shall discharge the VM Issuer Account Bank's liability for such breach in full;
- (b) save as contemplated in Clause 3.4 (*VM Issuer Account Bank's Costs and Expenses*), the VM Issuer Account Bank hereby agrees that it may not exercise any lien or to the extent permitted by law any set-off or transfer or

combine or withhold payment of any sum standing to the credit of or to be credited to the VM Issuer Account in or towards satisfaction of any liability or liabilities owed to it by the Issuer Cash Manager, the Administrator, the Issuer, Virgin Money, the Security Trustee or any other person and the VM Issuer Account Bank undertakes that in the event that it breaches the foregoing obligations, then it shall immediately re-credit the VM Issuer Account with the amount required to restore the balance on such Account to that amount which it would have been if no such breach had occurred and the other parties hereto agree that such re-crediting shall discharge the VM Issuer Account Bank's liability for such breach in full; and

- (c) the provisions of clause 6 (*Restrictions on Exercise of Certain Rights*) of the Deed of Charge shall prevail in the event that and to the extent that they conflict with the provisions of this Clause 7.

## **8. CERTIFICATION, INDEMNITY AND CONSEQUENCES OF AN ENFORCEMENT NOTICE**

### **VM Issuer Account Bank to Comply with Issuer Cash Manager's Instructions**

- 8.1 Unless otherwise directed by the Security Trustee pursuant to Clause 8.3 (*Consequences of an Enforcement Notice*), in making any transfer or payment from the VM Issuer Account in accordance with this Agreement, the VM Issuer Account Bank shall be entitled to act as directed by the Issuer Cash Manager pursuant to paragraph (b) of Clause 3.1 (*Instructions from Issuer Cash Manager to the VM Issuer Account Bank*) and Clause 5 (*Payments*), and to rely as to the amount of any such transfer or payment on the Issuer Cash Manager's instructions in accordance with the Account Mandate, and the VM Issuer Account Bank shall have no liability to the Issuer Cash Manager, the Issuer or the Security Trustee as a result of acting in accordance with such instructions or otherwise, except in the case of its wilful default or negligence or material breach of its obligations under this Agreement or that of its officers or employees.

### **VM Issuer Account Bank Indemnities**

- 8.2 (a) In accordance with the relevant Priority of Payments, the Issuer shall indemnify the VM Issuer Account Bank against any and all direct Losses and Expenses which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers or duties under this Agreement or in complying with or relying on any instructions delivered by the Issuer or the Issuer Cash Manager, save that this indemnity shall not extend to any loss, cost, damage, charge or expense arising from any material breach by the VM Issuer Account Bank of its obligations under this Agreement or from the wilful default or negligence of the VM Issuer Account Bank or its officers or employees.
- (b) Paragraph (a) of this Clause 8.2 shall survive notwithstanding any termination of this Agreement or the resignation of the VM Issuer Account Bank.

## Consequences of an Enforcement Notice

8.3 The VM Issuer Account Bank acknowledges that, if it receives notice in writing from (a) the Security Trustee that it has served an Enforcement Notice, or (b) the Issuer or (following the delivery of an Enforcement Notice) the Security Trustee that the appointment of Virgin Money as Issuer Cash Manager under the Issuer Cash Management Agreement has been terminated all rights, authority and power of the Issuer Cash Manager in respect of the VM Issuer Account shall be terminated and be of no further effect and the VM Issuer Account Bank agrees that it shall, upon receipt of such notice from the Security Trustee comply with the directions of the Security Trustee in the case of (a) above, or in the case of (b) above, any successor Issuer Cash Manager appointed by the Issuer (subject to such successor Issuer Cash Manager having entered into an agreement with the VM Issuer Account Bank on substantially the same terms as this Agreement) in relation to the operation of the VM Issuer Account.

## 9. TRANSFER AND TERMINATION

### Transfer Events

- 9.1 (a) The Issuer Cash Manager shall procure that all amounts standing to the credit of the VM Issuer Account are transferred to an Issuer Transaction Account if any of the following events occur as soon as reasonably practicable, and subject to any requirement of law:
- (i) a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on the VM Issuer Account held with the VM Issuer Account Bank; or
  - (ii) an Insolvency Event occurs in relation to the VM Issuer Account Bank; or
  - (iii) the VM Issuer Account Bank fails to perform any of its obligations under this Agreement and such failure remains unremedied for three Business Days after the Administrator, the Issuer or (following the delivery of an Enforcement Notice) the Security Trustee has given notice of such failure (**provided that** such failure is not by reason of those matters contemplated by Clause 28 (*Force Majeure and Illegality*)).
- (b) In the event of a transfer pursuant to paragraph (a) above, the VM Issuer Account Bank shall assist the other parties hereto to effect an orderly transfer of the banking arrangements set out under this Agreement, including paying to the order of the Issuer Cash Manager all amounts standing to the credit of the VM Issuer Account with interest accrued to (but excluding) the date of actual payment.
- (c) The Issuer Cash Manager shall ensure that no amounts are transferred into the VM Issuer Account whilst any of the events listed in 9.1(a) above are continuing.

### **Automatic Termination**

9.2 This Agreement shall automatically terminate (if not terminated earlier pursuant to this Clause 9) on the date falling 90 days after the Final Discharge Date.

### **Termination by VM Issuer Account Bank**

- 9.3 (a) The VM Issuer Account Bank may terminate this Agreement and cease to operate the VM Issuer Account at any time:
- (i) on giving not less than six months' prior written notice thereof to the Issuer Cash Manager, the Administrator, the Issuer, the Security Trustee and Virgin Money ending on any Business Day; and
  - (ii) notwithstanding anything to the contrary in this Agreement, on giving not less than one month's prior written notice thereof to the Issuer Cash Manager, the Administrator, the Issuer, the Security Trustee and Virgin Money, in the event of fraud, material default or material breach of the terms and conditions applicable to the VM Issuer Account, the VM Issuer Account Bank may resign from its role as VM Issuer Account Bank.
- (b) In the event of such termination and cessation, the VM Issuer Account Bank shall assist the other parties to effect an orderly transition of the banking arrangements set out under this Agreement for a period of 30 calendar days (including paying to the order of the Issuer Cash Manager, or Virgin Money as the case may be all amounts standing to the credit of the VM Issuer Account with interest accrued to (but excluding) the date of actual payment) which transition may be by appointment of a replacement VM issuer account bank on terms substantially similar to those set out in the Agreement and where the rights of the Issuer thereunder are charged in favour of the Security Trustee on the terms set out in the Deed of Charge.

### **Notice of Termination**

9.4 If the appointment of any VM Issuer Account Bank is terminated or a VM Issuer Account Bank resigns pursuant to this Clause 9, the Issuer (or the Issuer Cash Manager on its behalf) shall confirm in writing to the Administrator, the resignation or termination of the VM Issuer Account Bank.

## **10. FURTHER ASSURANCE**

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

## **11. CONFIDENTIALITY**

Each party to this Agreement agrees at all times, up to and including the second anniversary of the Final Discharge Date, that it shall keep confidential and will not disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any party to the Transaction Documents, which it may have obtained as a result of the execution or

performance of any Transaction Document, **provided however that** the provisions of this Clause 11 shall not apply:

- (a) to the disclosure of any information to the Security Trustee or the Note Trustee or to any other person who is a party to any of the Transaction Documents as expressly permitted by the Transaction Documents;
- (b) to the disclosure of any information by such party to any of its Affiliates **provided that**, before any such disclosure, the party shall make the relevant employees of the Affiliate aware of their obligations of confidentiality under the relevant Transaction Document and shall at all times procure compliance with such obligations by such employees;
- (c) to the disclosure of any information which is or becomes public knowledge otherwise than as a result of the wrongful conduct of the recipient;
- (d) to the extent that such disclosure is required pursuant to any law, regulation or order of any court or pursuant to any direction or requirement (whether or not having the force of law) of any central bank or any governmental or other regulatory or taxation authority including any stock exchange, industry guidelines or industry best practice adopted by issuers of residential mortgage backed securities;
- (e) to the disclosure of any information to professional advisers (including, without prejudice to the generality of the foregoing, consultants, auditors or lawyers) who receive the same under a duty of confidentiality;
- (f) to the disclosure of any information with the consent of the parties hereto;
- (g) to the disclosure to the Rating Agencies or any of them of such information as may be requested by any of them for the purposes of setting or reviewing the rating assigned to the Notes (or any of them) and the corresponding disclosure of such information to those persons who are entitled to view the 17g-5 Information Provider's Website;
- (h) to any disclosure for the purposes of collecting in or enforcing the Trust Property or any of it;
- (i) in the case of the Security Trustee or the Note Trustee, in connection with transferring or purporting to transfer its rights and obligations to a successor Security Trustee or Note Trustee, respectively;
- (j) to the extent that the recipient needs to disclose the same to any of the employees of the Seller, **provided that**, before any such disclosure the recipient procures the Seller to make the relevant employees of the Seller aware of its obligations of confidentiality under the relevant Transaction Document and shall at all times procure compliance with such obligations by such employees; and
- (k) to the extent that the recipient needs to disclose the same for the exercise, protection or enforcement of any of its rights under any of the Transaction Documents.

## 12. COSTS OF THE VM ISSUER ACCOUNT BANK

- 12.1 The Issuer shall pay in accordance with the relevant Priority of Payments, reasonable costs and any amounts in respect of Irrecoverable VAT thereon (including reasonable legal costs and expenses) of the VM Issuer Account Bank in connection with the negotiation of this Agreement and the establishment of the VM Issuer Account.
- 12.2 The Issuer shall pay to the VM Issuer Account Bank all properly incurred out-of-pocket expenses incurred by the VM Issuer Account Bank in performance of its role under this Agreement and/or any reasonably and properly incurred expenses of any transfers of all or part of any amounts including but not limited to charges imposed by any banks or other third parties in relation to any such transfer.

## 13. NOTICES

- 13.1 The provisions of clause 22 (*Notices*) of the Deed of Charge shall apply to this Agreement as if set out in full, *mutatis mutandis*.
- 13.2 Notwithstanding the provisions of Clause 13.1 above, irrevocable instructions to a VM Issuer Account Bank to effect payment on any date will not be deemed to have been received unless and until actual receipt of such instructions in legible form by the VM Issuer Account Bank.
- 13.3 The VM Issuer Account Bank agrees that, upon receipt of any such payment instructions in an illegible form, it will immediately notify the party from whom such payment instructions were received.

## 14. WITHHOLDING

The VM Issuer Account Bank shall make all payments under this Agreement in full without any deduction or withholding (whether in respect of set-off, counterclaim, duties, Taxes, charges or otherwise whatsoever) unless a deduction or withholding is required by law, in which event the VM Issuer Account Bank shall:

- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;
- (b) pay to the relevant taxation or other authorities within the period for payment permitted by applicable law the full amount of the deduction or withholding;
- (c) furnish to the Issuer within the period for payment permitted by the relevant law, either:
  - (i) an official receipt of the relevant taxation authorities involved in respect of all amounts so deducted or withheld; or
  - (ii) if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and
- (d) account to the Issuer in full by credit to the VM Issuer Account of an amount equal to the amount of any rebate, repayment or reimbursement of any deduction or withholding which the VM Issuer Account Bank has made

pursuant to this Clause 14 and which is subsequently received by the VM Issuer Account Bank.

## **15. LIABILITY**

- 15.1 Notwithstanding any other provision of this Agreement, the VM Issuer Account Bank shall only be liable to the Issuer, Virgin Money and/or the Security Trustee for any loss, liability, claim, action, damages or expenses arising directly from the performance of its obligations under this Agreement suffered by or occasioned to the Issuer and/or the Security Trustee (the *Liabilities*) to the extent that they are caused by the negligence, fraud or wilful default or material breach by the officers, directors or employees of the VM Issuer Account Bank of its obligations under this Agreement or any other Transaction Document to which it is a party.
- 15.2 The liability of the VM Issuer Account Bank under this Agreement shall be limited to the amount of the Issuer's actual loss (such loss shall be determined as at the date of default of the VM Issuer Account Bank or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the VM Issuer Account Bank at the time of entering into the Agreement, or at the time of accepting any relevant instructions, which increase the amount of the loss. In no event shall the VM Issuer Account Bank be liable to any party to this Agreement in any event for any loss of business, goodwill, opportunity or profits or for any indirect, consequential, punitive or special loss or damage whether or not the VM Issuer Account Bank has been advised of the possibility of such loss or damages.
- 15.3 The Issuer agrees that the VM Issuer Account Bank shall not be under any duty to give any amounts held by it hereunder any greater degree of care than it gives to amounts held for their general banking customers.
- 15.4 The VM Issuer Account Bank may consult lawyers (or other reputable professional advisors) whose advice or services it considers necessary and rely upon any advice properly obtained from reputable advisers. The VM Issuer Account Bank shall notify, to the extent permissible to do so, the other parties to this Agreement of the adviser with which such advice is sought, the issue for which the advice was sought and the relevant advice received. The VM Issuer Account Bank shall be protected and incur no liability in respect of any action taken, or omitted, or permitted to be taken, or omitted, in accordance with such advice taken in accordance with this Clause 15.

## **16. CONFLICT OF INTEREST**

The VM Issuer Account Bank, its officers, directors and employees may become the owner of, and/or acquire any interest in, the Notes with the same rights that it or they would have had if the VM Issuer Account Bank were not appointed under this Agreement, and may engage or be interested in any financial or other transaction with the Issuer and Virgin Money and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or other obligations of the Issuer or Virgin Money as freely as if the VM Issuer Account Bank was not appointed under this Agreement. The VM Issuer Account Bank shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transaction without regard to the interests of the Issuer or Virgin Money and

shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

**17. NO RESPONSIBILITY**

The VM Issuer Account Bank shall have no liability or responsibility, in the case of any default by the Issuer or Virgin Money under any of the Transaction Documents.

**18. MERGER**

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

**19. ENTIRE AGREEMENT**

- (a) Each party to this Agreement agrees that:
  - (i) it has not entered into this Agreement in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Agreement; and
  - (ii) 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.
- (b) This Clause 19 shall not exclude any liability for fraudulent misrepresentation.
- (c) Nothing in this Clause shall have the effect of limiting or restricting any liability of a Transaction Party arising as a result of any wilful default, fraud, illegal dealing, negligence or material breach of this Agreement or breach of trust by such person.



## **20. 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 Agreement.

## **21. CONFLICT OF LAW**

Notwithstanding anything else herein contained, the VM Issuer Account Bank may refrain without liability from doing anything that would or might in its opinion be contrary to any law of any jurisdiction (including but not limited to England & Wales) or any directive or regulation of any agency of any jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

## **22. CONTINUATION OF OBLIGATIONS**

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

## **23. AMENDMENTS**

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

## **24. WAIVERS**

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

## **25. ASSIGNMENT**

- (a) The VM Issuer Account Bank may not (i) in relation to its obligations and rights under this Agreement, operate through any branch other than the branch specified on page 1 of this Agreement and/or (ii) assign or transfer any of its rights or obligations hereunder without obtaining the prior written consent of the Security Trustee;

- (b) The Issuer may not assign or transfer any of its rights or obligations hereunder without obtaining the written consent of the VM Issuer Account Bank and the Security Trustee.

## **26. THE SECURITY TRUSTEE**

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

## **27. THIRD PARTY RIGHTS**

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

## **28. FORCE MAJEURE AND ILLEGALITY**

- 28.1 The VM Issuer Account Bank shall not be obliged to perform any of its obligations under this Agreement to the extent that, but only for so long as it is prevented from doing so, by any future law or regulation, any future act of governmental authority, fire, flood and other catastrophe, terrorist activity, act of god, war, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, accident or mechanical and electrical breakdown.
- 28.2 The VM Issuer Account Bank shall not be obliged to perform any of its obligations under this Agreement to the extent that, in the reasonable opinion of the VM Issuer Account Bank, (but only for so long as it is prevented from doing so), performance of such obligation would be illegal or would result in the VM Issuer Account Bank being in breach of English law and any rule, regulation, decree, order, award, decision or judgment of a relevant court, government agency, regulatory authority, stock exchange or self-regulatory organisation to which the VM Issuer Account Bank is subject.
- 28.3 The VM Issuer Account Bank shall notify the Issuer if the VM Issuer Account Bank is unable to perform its obligations pursuant to Clause 28.1 or Clause 28.2 above, and it shall use reasonable endeavours to comply with its obligations as soon as it is reasonably practicable after the events specified in Clause 28.1 or Clause 28.2 above have ceased to apply.

## **29. SEVERABILITY**

Where any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the

remaining provisions or obligations under this Agreement, or of such provision or obligation in any other jurisdiction, shall not be affected or impaired thereby.

### **30. COUNTERPARTS**

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

### **31. GOVERNING LAW**

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

### **32. JURISDICTION**

#### **Submission to Jurisdiction**

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

#### **Inconvenient Forum and Enforcement Abroad**

32.2 Each party:

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

## Schedule 1 Form of VM Issuer Account Bank Mandate

Resolution of the Board of Directors of Gosforth Funding 2018-1 plc (the *Company* or the *Issuer*)

At a meeting of the Board of Directors of the Company held at Fifth Floor, 100 Wood Street, London EC2V 7EX on 12 September 2018:

### IT WAS RESOLVED THAT:

1. The VM Issuer direct sort code , WSS Reference in the name of the Issuer held with Virgin Money Plc (the *Bank*) (the *VM Issuer Account*) will be used as an account for the benefit of the Company, in its capacity as Issuer.
2. The mandate given to the Bank by virtue of this document (the *Mandate*) is given on the basis that the Bank complies with the procedure set out in, and the terms of, this document.
3. In relation to the VM Issuer Account, the Bank is hereby authorised to honour and comply with all cheques, drafts, bills, payments by way of the Clearing House Automated Payment System, promissory notes, acceptances, negotiable instruments and orders expressed to be drawn, accepted, made or given and all directions or instructions given in writing or by way of agreed electronic payment systems by the Company or Virgin Money (the *Issuer Cash Manager*) in respect of the VM Issuer Account to the extent that compliance with the same should not result in a debit balance; (and subject to paragraph 5) **provided that** (i) any such cheques, drafts, bills, promissory notes, acceptances, negotiable instruments, directions, orders or instructions, and/or endorsements are signed by any two people whose names and/or signatures are set out in Schedule 1 (*Form of VM Issuer Account Bank Mandate*), as required by that Schedule; and (ii) any such electronic payment systems comply with the procedures of the relevant banking system. The Bank is hereby authorised to act on any information given by two Directors or by one Director and the Secretary of the Issuer regarding any changes to Schedule 1 (*Form of VM Issuer Account Bank Mandate*).
4. The mandate given to the Bank by virtue of these resolutions shall remain in force, unless and until the Bank has received a notice of amendment from the Issuer.
5. These resolutions shall be communicated to the Bank and remain in force until an amendment resolution shall be passed by the Board of Directors and a copy thereof and of such consent, certified by any two of the Directors and/or the Secretary, shall be received by the Bank.
6. The Issuer authorises the Issuer Cash Manager under the Issuer Cash Management Agreement to instruct the Bank in relation to the VM Issuer Account and authorises the Bank to act on instructions reasonably purported to be given by the Issuer Cash Manager in the manner set forth in the VM Issuer Account Bank Agreement.

Capitalised terms in this document shall except where the context otherwise requires and save as otherwise defined herein bear the meanings ascribed to them in the Master Definitions and Construction Schedule signed by Clifford Chance LLP and

Freshfields Bruckhaus Deringer LLP for the purposes of identification on or about the date of this document.

.....  
Authorised Signatory

**Schedule 1**  
**to the VM Issuer Account Bank Mandate**

The following sets out the signatories for the VM Issuer Account, in accordance with paragraph 3 of the VM Issuer Account Bank Mandate.

## Schedule 2

### Part I VM Issuer Account Bank Representations and Warranties

The VM Issuer Account Bank represents and warrants that:

- 1.1 it is duly incorporated under the laws of England and Wales;
- 1.2 this Agreement and the other Transaction Documents to which it is a party have been duly authorised by the VM Issuer Account Bank and constitute valid, legally binding and enforceable obligations of the VM Issuer Account Bank;
- 1.3 all authorisations, consents and approvals required by the VM Issuer Account Bank in connection with:
  - (a) the execution of this Agreement; and
  - (b) the performance by the VM Issuer Account Bank of the obligations expressed to be undertaken by it under this Agreement,are in full force and effect;
- 1.4 it is an institution authorised to carry on banking business, including accepting deposits under the Financial Services and Markets Act 2000; and
- 1.5 it is a bank within the meaning of section 991 of the Income Tax Act 2007 and will be paying interest on the VM Issuer Account in the ordinary course of its business for the purposes of section 878 of the Income Tax Act 2007,

**provided that**, the VM Issuer Account Bank will incur no liability under this Agreement if any of the above representations and warranties become inaccurate or untrue as a result of the introduction of, change in, or change in the interpretation, administration or application of any law or regulation, or any practice or concession of the HM Revenue & Customs occurring after the date of this Agreement.

## **Part II Issuer Representations and Warranties**

The Issuer represents and warrants that:

- 1.1 it is duly incorporated under the laws of England and Wales;
- 1.2 it is not subject to any insolvency procedure;
- 1.3 it has the power to enter into and perform its obligations under this Agreement which constitutes its legally binding and enforceable obligations;
- 1.4 this Agreement and the underlying transaction to which it relates will not conflict in any material respect with:
  - (a) any applicable law or regulation or any official or judicial order or control;
  - (b) its constitutional documents; or
  - (c) any agreement to which it is a party or which is binding upon it or its assets;
- 1.5 neither it nor any of its assets enjoys a right of immunity from set off, proceedings or execution in respect of its obligations under this Agreement; and
- 1.6 all governmental and other consents and/or approvals that are required to have been obtained by it with respect to this Agreement or payments under it including but not limited to all exchange control approvals from a central bank or other similar authority, have been obtained and are in full force and effect and all conditions of any such consents and/or approvals have been (or as applicable will be) complied with.



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

**Issuer**

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

\_\_\_\_\_  
Signature

**Issuer Cash Manager and VM Issuer Account Bank**

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

\_\_\_\_\_  
Signature

**Security Trustee**

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

\_\_\_\_\_  
Signature