

DATED 25 JANUARY 2018, AS AMENDED AND RESTATED  
ON \_\_\_\_ APRIL 2021

KENRICK NO. 3 PLC

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INCORPORATED TERMS MEMORANDUM  
IN RELATION TO  
KENRICK NO. 3 PLC  
£350,000,000 CLASS A MORTGAGE BACKED FLOATING RATE  
NOTES DUE 2054  
£33,100,000 CLASS B MORTGAGE BACKED FLOATING RATE  
NOTES DUE 2054

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**THIS INCORPORATED TERMS MEMORANDUM** is made on 25 January 2018 and amended and restated on \_\_\_\_ April 2021.

**BY:**

- (1) **KENRICK NO. 3 PLC** (registered number 11001450), whose registered office is at 11<sup>th</sup> Floor, 200 Aldersgate Street, London, EC1A 4HD as "**Issuer**";
- (2) **WEST BROMWICH BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (registered number 651B) whose principal office is at 2 Providence Place, West Bromwich, B70 8AF as the "**Cash Manager**", "**Originator**", "**Originator Beneficiary**", "**Originator Trustee**", "**Mortgage Administrator**" and "**Subordinated Loan Provider**";
- (3) **CITICORP TRUSTEE COMPANY LIMITED**, (registered number 235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB as "**Trustee**";
- (4) **CITIBANK, N.A., LONDON BRANCH**, acting through its London branch at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB as "**Principal Paying Agent**", "**Agent Bank**", "**Account Bank**", "**Back-Up Cash Manager**", "**Registrar**" and "**Transfer Agent**";
- (5) **J.P. MORGAN AG** whose registered office is at TaunusTurm, Taunuster 1, 60310 Frankfurt am Main, Germany as "**Fixed Rate Swap Provider**";
- (6) **KENRICK NO.3 HOLDINGS LIMITED** (registered number 11001230) whose registered office is at 11<sup>th</sup> Floor, 200 Aldersgate Street, London, EC1A 4HD as "**Holdings**";
- (7) **MAPLES FIDUCIARY SERVICES (UK) LIMITED** (registered number 9422850) whose registered office is situated at 11<sup>th</sup> Floor, 200 Aldersgate Street, London, EC1A 4HD as "**Corporate Services Provider**" and "**Back-Up Mortgage Administrator Facilitator**";
- (8) **MAPLEFS UK GROUP SERVICES LIMITED** (registered number 10715493) whose registered office is at 11<sup>th</sup> Floor, 200 Aldersgate Street, London, EC1A 4HD as "**Share Trustee**"; and
- (9) **LINK MORTGAGE SERVICES LIMITED** (registered number 00912411) whose registered office is at 6<sup>th</sup> Floor, 65 Gresham Street, London EC2V 7NQ as "**Back-Up Mortgage Administrator**",

for the purpose of identification as set out below.

## SCHEDULE 1 MASTER DEFINITIONS SCHEDULE

### 1. DEFINITIONS

Except where the context otherwise requires, the following defined terms used in the Transaction Documents have the meanings set out below (as the same may be amended, restated, supplemented replaced and/or novated from time to time):

**"Account Bank"** means Citibank, N.A., London Branch in its capacity as such under the Account Bank Agreement;

**"Account Bank Agreement"** means the agreement so named dated on or about the Closing Date between the Issuer, the Cash Manager, the Account Bank and the Trustee;

**"Account Bank Mandate"** means, in relation to the Transaction Account and the Swap Collateral Account, the resolutions, instructions, Authorised Representatives and Call-back Contacts relating to such Transaction Account or Swap Collateral Account (as applicable) substantially in the form set out in Schedule 1 (*Form of Account Bank Mandate*) of the Account Bank Agreement, as may be amended from time to time, provided that where any such amendment:

- (a) relates to the rights of the Trustee thereunder, no such amendment shall be effective without the Trustee's prior written consent; and
- (b) relates to the Authorised Representatives or Call-back Contacts, such amendment shall only be effective upon the expiry of five Business Days' written notice to the Account Bank (or such shorter notice period as the Account Bank may agree in its absolute discretion);

**"Account Bank's Termination Notice"** shall have the meaning given to in clause 10.2 (*Change of Account Bank, Trustee or Cash Manager*) of the Account Bank Agreement;

**"Account Details"** means the details of each of the Accounts set out in Schedule 4 of the Incorporated Terms Memorandum;

**"Accounting Reference Date"** means, in each year, the date represented and warranted by the Issuer in Paragraph 8 (*Accounting Reference Date*) of Part 1 of Schedule 6 (*Issuer Representations and Warranties*) of the Trust Deed;

**"Accounting Reference Period"** means the period from (but excluding) an Accounting Reference Date to (but including) the next Accounting Reference Date;

**"Accounts"** means, together or in combination, the Collection Account and the Issuer Accounts, each an **"Account"**;

**"Accounts Final Delivery Date"** means the date which is 180 days after its Accounting Reference Date;

**"Accrued Interest"** means as at any date (the "**determination date**") on or after the Closing Date and in relation to any Mortgage Loan, interest on such Mortgage Loan (not being interest which is currently payable on the determination date) which has accrued (but is not yet due and payable) from and including the first day of the calendar month immediately prior to the determination date to and including the determination date;

**"acquire"** means in respect of a Mortgage Loan included in the Mortgage Portfolio (together with the relevant Related Security) the creation of a beneficial interest under the declaration or declarations of trust (being the Originator Trust) by the Originator Trustee in favour of the Issuer (in respect of the Issuer Interest) and the Originator Beneficiary (in respect of the Originator Interest) pursuant to the Originator Trust Deed in relation to such Mortgage Loan (together with the relevant Related Security) and the words "**acquired**" and "**acquisition**" and all related expressions shall (where appropriate) be construed accordingly;

**"Additional Interest"** shall have the meaning given to this term in Condition 8.11 (*Interest Deferred*) of the Notes;

**"Additional Services"** shall have the meaning given to this term in clause 8.1 (*Termination of the Cash Manager*) of the Corporate Services Agreement;

**"Additional Trust Property"** has the meaning given to it in clause 2.2 (*Declaration and Confirmation of Sub-Trust*) of the Collection Account Declaration of Trust;

**"Adjusted Fixed Rate Loan Balance"** means, in respect of a Calculation Period, the Fixed Rate Loan Balance on the first Business Day of the calendar month in which the Calculation Period commences (excluding for such purposes (i) any Further Advances made in breach of the Further Advance Conditions and (ii) any Product Switches made in breach of the Product Switch Conditions), as notified by the Mortgage Administrator or, following a Mortgage Administrator Report Failure Event, the Cash Manager;

**"Advance Date"** means in respect of a Further Advance, the date on which that Further Advance is made by the Originator to the relevant Borrower;

**"Advance Period"** means each period from, and including, the fifth Business Day prior to the last Business Day in each calendar month (or in respect of the first Advance Period, from the Closing Date) to but excluding the fifth Business Day prior to the last Business Day in the next calendar month;

**"Agency Agreement"** means the agreement so named dated on or about the Closing Date between the Issuer, the Agent Bank, the Principal Paying Agent, the Transfer Agent, the Registrar and the Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**"Agent Bank"** means Citibank, N.A., acting through its London Branch in its capacity as agent bank pursuant to the Agency Agreement;

**"Agents"** means the Agent Bank, the Paying Agents, the Transfer Agent and the Registrar (or any successors duly appointed) and "**Agent**" means any one of them;

**"Agents' Fees"** means the fees payable to the or for the account of the Paying Agents, the Agent Bank, the Registrar and the Transfer Agent in accordance with the terms of the Agency Agreement;

**"Agents' Liabilities"** means any Liabilities due and payable by the Issuer to the Agents in accordance with the terms of the Agency Agreement together with interest as provided in the Agency Agreement;

**"Agreed Format"** shall have the meaning given to this term in clause 2.3(b) (*Appointment*) of the Back-Up Mortgage Administration Agreement;

**"AIFMR"** means Regulation (EU) No. 231/2013;

**"Alternative Base Replacement Rate"** has the meaning given to it in clause 16.2(g) (*Additional Right of Modification of Transaction Documents*) of the Trust Deed;

**"Alternative Insurance Recommendations"** means the recommendations contained in the Offer Conditions provided by the Originator to Borrowers who elect to arrange independent buildings insurance for their Properties;

**"Ancillary Rights"** means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including, without limitation, any guarantees or indemnities in respect of such Right;

**"Applicable Law"** means any law or regulation including, but not limited to:

- (a) any domestic or foreign statute or regulation;
- (b) any rule or practice of any Authority, stock exchange or self-regulatory organisation by which any party is bound or accustomed to comply;
- (c) any agreement between any Authorities; and
- (d) any customary agreement between any Authority and any party;

**"Appointee"** means any delegate, agent, nominee, custodian, attorney or manager appointed by the Trustee pursuant to the provisions of the Trust Documents;

**"Arranger"** means, in relation to the Notes, each of J.P. Morgan Securities plc and Lloyds Bank plc in their capacity as the arrangers;

**"Arrears of Interest"** means as at any date (the "**determination date**") on or after the Closing Date and in relation to any Mortgage Loan, interest (which has not been capitalised) on such Mortgage Loan which is currently due, payable and unpaid on or before that determination date;

**"Asset Agreement"** means any agreement in relation to a Mortgage Loan between the Originator (as lender) and an Obligor or Obligors (as borrower(s) or guarantor(s)) and "Asset Agreements" means all or some of them as the context may require;

**"Asset Jurisdiction"** means England and Wales;

**"Asset Records"** means the original and/or any copies of the Asset Agreements and all documents and records, in whatever form or medium, relating to the Asset Agreements including all computer tapes and discs specifying, among other things, Obligor details and the amount and dates on which scheduled payments are due and are paid under the Asset Agreements;

**"Auditors"** means in respect of the Issuer, KPMG Audit plc or such other firm of accountants as may be appointed by the Issuer with the prior approval of the Trustee;

**"Authorised Investments"** means Sterling gilt-edged securities and/or Sterling treasury bills, money market funds and Sterling demand or time deposits, certificates of deposit and unsecured, unsubordinated short-term debt obligations (including commercial paper), provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments are scheduled to mature or can be broken or demanded by the Issuer (at no cost to the Issuer) on or before the three Business Days prior to the next Calculation Date subject to:

- (a) investments with remaining maturities which are greater than or equal to three months, having a short term rating of at least F1+ by Fitch and P-1 by Moody's and a long term rating of AA- by Fitch and Aa3 by Moody's (or, as applicable, Aaa-mf by Moody's and AAmmf by Fitch in respect of money market funds) (or such other short term or long term rating which would not affect the then current rating of the Class A Notes); or
- (b) investments with remaining maturities which are greater than or equal to 30 days but less than three months, having a short term rating of at least F1+ by Fitch and P-1 by Moody's and a long term rating of AA- by Fitch and A2 by Moody's (or, as applicable, Aaa-mf by Moody's and AAmmf by Fitch in respect of money market funds) (or such other short term or long term rating which would not affect the then current rating of the Class A Notes); or
- (c) investments with remaining maturities which are less than 30 days, having a short-term rating of at least F1 by Fitch and P-1 by Moody's and a long term rating of A by Fitch and A2 by Moody's (or, as applicable, Aaa-mf by Moody's and AAmmf by Fitch in respect of money market funds) (or such other short term or long term rating which would not affect the then current rating of the Class A Notes); and
- (d) such investments not consisting, in whole or in part, actually or potentially, of tranches of other asset-backed securities, credit-linked notes, swaps or other derivatives instruments or synthetic securities; and
- (e) the obligors of such investments being incorporated or, if they are natural persons, resident in the European Economic Area;

**"Authorised Person"** means any person who is designated in writing by the Issuer from time to time to give Instructions to the Trustee and the Agents on behalf of the Issuer under the Trust Deed or Agency Agreement;

**"Authorised Recipients"** means the Account Bank, any Citi Organisation and any agents of the Account Bank and third parties (including service providers) selected by any of them, wherever situated;

**"Authorised Representative"** means a person so named in the schedule to Schedule 1 (*Form of Account Bank Mandate*) of the Account Bank Agreement;

**"Authorised Signatory"** means, in relation to any Transaction Party, any person who is duly authorised and in respect of whom a certificate has been provided signed by a director or another duly authorised person of such Transaction Party setting out the name and signature of such person and confirming such person's authority to act;

**"Authority"** means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction, domestic or foreign.

**"Available Issuer Principal"** means, for any Interest Payment Date, an amount equal to the aggregate of (without double counting):

- (a) the Issuer Principal Receipts received by the Issuer during the related Calculation Period;
- (b) any amounts of Available Issuer Revenue to be applied on that Interest Payment Date, pursuant to the Pre-Enforcement Revenue Payments Priorities, in reducing the debit balance of the Principal Deficiency Ledger; and
- (c) any amounts of Available Issuer Revenue to be applied on that Interest Payment Date as Available Issuer Principal, pursuant to item (k) of the Pre-Enforcement Revenue Payments Priorities;

plus

- (d) following a Mortgage Administrator Report Failure Event and subsequent receipt of the relevant Mortgage Administrator Reports, any amount debited from the Mortgage Administrator Failure Reserve Fund, and any Available Issuer Revenue applied to pay or provide for a Reconciliation Amount;

less

- (e) following a Mortgage Administrator Report Failure Event and subsequent receipt of the relevant Mortgage Administrator Reports, any Available Issuer Principal applied to pay or provide for a Reconciliation Amount;

less

- (f) the amount of Issuer Principal Receipts to the extent comprised in paragraph (a) above used by the Issuer in the immediately preceding Calculation Period to pay the Further Advance Consideration;

**"Available Issuer Revenue"** means, for each Interest Payment Date, an amount equal to the aggregate of (without double-counting):



- (a) the Issuer Revenue received by the Issuer during the related Calculation Period;
- (b) interest received by the Issuer in respect of the Transaction Account and income received from or in respect of any Authorised Investments, in each case received during the related Calculation Period;
- (c) all amounts received by the Issuer under or in respect of the Fixed Rate Swap Agreement or any replacement swap agreement (other than Swap Excluded Receipts) at any time;
- (d) any other income of the Issuer received during the related Calculation Period (other than interest and distributions on Swap Collateral);
- (e) any General Reserve Release Amount;
- (f) any amount of Available Issuer Principal to be applied in accordance with item (e) of the Pre-Enforcement Principal Payments Priorities once the Notes have been redeemed in full;
- (g) any amounts released from the Mortgage Administrator Failure Reserve Fund, following the subsequent receipt of the relevant Mortgage Administrator Reports, to the extent not required to pay or provide for a Reconciliation Amount;
- (h) any amount of Available Issuer Principal to be applied on that Interest Payment Date in reducing the debit balance of the Revenue Surplus Ledger in accordance with item (c) of the Pre-Enforcement Principal Payments Priorities;

plus

- (i) if a Revenue Shortfall occurs (as a result of the aggregate of items (a) to (h) above being insufficient to pay or provide for items (a) to (g) of the Pre-Enforcement Revenue Payments Priorities), the amount then standing to the credit of the General Reserve Ledger to the extent necessary to cover such Revenue Shortfall;

plus

- (j) if a Remaining Revenue Shortfall occurs (as a result of the aggregate of items (a) to (i) above being insufficient to pay or provide for items (a) to (f) of the Pre-Enforcement Revenue Payments Priorities), Available Issuer Principal for such Interest Payment Date in an aggregate amount sufficient to cover such Remaining Revenue Shortfall;

plus

- (k) following a Mortgage Administrator Report Failure Event and the subsequent receipt of the relevant Mortgage Administrator Reports, any amount debited from the Mortgage Administrator Failure Reserve Fund, and any Available Issuer Principal to the extent required to pay or provide for any Reconciliation Amount;

less

- (l) following a Mortgage Administrator Report Failure Event and the subsequent receipt of the relevant Mortgage Administrator Reports, any amount of Available Issuer Revenue applied to pay or provide for any Reconciliation Amount;

**"Back-Up Cash Management Agreement"** means the agreement between the Back-Up Cash Manager, the Issuer and the Trustee dated on or about the Closing Date which provides that the Back-Up Cash Manager will be appointed as Cash Manager upon the occurrence of a Cash Manager Event (as defined in the Cash Management Agreement);

**"Back-Up Cash Manager"** means Citibank, N.A., London Branch acting in its capacity as such as appointed pursuant to the Back-Up Cash Management Agreement or any successor Back-Up Cash Manager in such capacity;

**"Back-Up Cash Manager Fee"** means the back-up cash manager fee as specified in clause 4.1 (*Back-Up Cash Manager Fees Payable*) of the Back-Up Cash Management Agreement;

**"Back-Up Cash Manager Termination Notice"** means a notice to the Back-Up Cash Manager from the Issuer delivered in accordance with the terms of clause 6 (*Termination*) of the Back-Up Cash Management Agreement;

**"Back-Up Mortgage Administration Agreement"** means the agreement dated on or about the Closing Date between WBBS (as Originator, Originator Beneficiary and Mortgage Administrator), the Back-Up Mortgage Administrator, the Issuer and the Trustee which provides that the Back-Up Mortgage Administrator will act as a delegate mortgage administrator upon the occurrence of a Mortgage Administrator Delegation Event;

**"Back-Up Mortgage Administration Fee"** means:

- (a) an administration fee of 0.18 per cent. per annum calculated by reference to the aggregate Current Balance of all Mortgage Loans in the Mortgage Portfolio as at the last day of the immediately preceding Calculation Period; and
- (b) a special administration fee of 0.25 per cent. per annum calculated by reference to the aggregate Current Balance of all Mortgage Loans in the Mortgage Portfolio as at the last day of the immediately preceding Calculation Period which are 60 days or more overdue in payment;

**"Back-Up Mortgage Administrator"** means Link Mortgage Services Limited acting in such capacity or any successor in such capacity pursuant to the Back-Up Mortgage Administration Agreement;

**"Back-Up Mortgage Administrator Facilitator"** means Maples Fiduciary Services (UK) Limited acting in such capacity or any successor in such capacity pursuant to the Mortgage Administration Agreement;

**"Back-Up Mortgage Administrator Facilitator Fee Letter"** means the letter dated on or about the date of the Mortgage Administration Agreement setting out the fees payable to the Back-Up Mortgage Administrator Facilitator by the Issuer;

**"Back-Up Mortgage Administrator Invocation Fee"** means a one off payment of an amount of £85,000, payable on the invocation of the Back-Up Mortgage Administrator pursuant to clause 2.1 (*Appointment*) of the Back-Up Mortgage Administration Agreement;

**"Back-Up Mortgage Administrator Start-Up Fee"** means an amount of £28,000 payable on the date of the Back-Up Mortgage Administration Agreement in respect of the Back-Up Mortgage Administrator's initial data mapping, test file loading and life cycle testing undertaken prior to such date;

**"Back-Up Mortgage Administrator Termination Notice"** means a notice to the Back-Up Mortgage Administrator from the Issuer delivered in accordance with the terms of clause 7.3 (*Termination*) of the Back-Up Mortgage Administration Agreement;

**"BACS"** means the operator for the time being of the Direct Debiting Scheme, being at the Closing Date, Bankers Automated Clearing Services Limited;

**"Bank of England Base Rate"** means the Bank of England's official dealing rate (repo rate) as set by the UK Monetary Policy Committee, or such alternative rate or index which is not controlled by the Originator, that the Originator considers to be the most appropriate in the circumstances;

**"Base Rate Modification"** has the meaning given to it in clause 16.2(g) (*Additional Right of Modification of Transaction Documents*) of the Trust Deed;

**"Base Rate Modification Certificate"** has the meaning given to it in clause 16.2(g)(i) (*Additional Right of Modification of Transaction Documents*) of the Trust Deed;

**"Beneficiaries"** has the meaning given to it in clause 2.5 (*Declaration and Confirmation of Sub-Trust*) of the Collection Account Declaration of Trust;

**"Beneficiaries Deed"** means the beneficiaries deed so named entered into on or about the Closing Date between the Originator Beneficiary and the Issuer;

**"Benefit"** means in respect of any asset, agreement, property or right (each a **"Right"** for the purpose of this definition) held, assigned, conveyed, transferred, charged, sold or disposed of by any person and shall be construed so as to include:

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;
- (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to

such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;

- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights;
- (d) the benefit of all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and
- (e) all items expressed to be held on trust for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach;

**"Block Voting Instruction"** means:

- (a) in relation to any Meeting, a document in the English language issued by a Paying Agent:
  - (i) certifying that certain specified Notes have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:
    - (A) the conclusion of the Meeting; and
    - (B) the surrender to such Paying Agent, not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption), of the receipt for the deposited or blocked Notes and notification thereof by such Paying Agent to the Issuer and the Trustee;
  - (ii) certifying that the depositor of such specified Note or a duly authorised person on its behalf has instructed the relevant Paying Agent that the votes attributable to such specified Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
  - (iii) listing the total number and (if Definitive Notes have been issued) the certificate numbers of such specified Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

- (iv) authorising a named individual or individuals to vote in respect of the Deposited Notes in accordance with such instructions;

**"Book-Entry Interests"** means the beneficial interests in the Global Notes recorded by Euroclear and Clearstream, Luxembourg;

**"Borrower"** means, in relation to a Mortgage Loan, the individual or individuals specified as such in the relevant Mortgage Terms together with the individual or individuals (if any) from time to time assuming an obligation to repay such Mortgage Loan or any part of it;

**"Breach of Duty"** means in relation to any person a wilful default, fraud, negligence or breach of trust or (other than with respect to the Trustee) material breach of any agreement by such person;

**"Buildings Policies"** means:

- (a) all buildings insurance policies relating to freehold Properties which have been taken out in the name of the relevant Borrower in accordance with the applicable Mortgage Terms or the recommendations contained in the Offer Conditions provided by the Originator to Borrowers who elect to arrange independent buildings insurance for their Properties; and
- (b) all landlord's buildings insurance policies relating to leasehold Properties;

**"Business Day"** means, a day on which commercial banks and foreign exchange markets settle payments in London;

**"Calculation Date"** means in relation to an Interest Payment Date, the third Business Day prior to such Interest Payment Date and a Calculation Date shall relate to an Interest Payment Date (and be the **"related Calculation Date"** in respect of such Interest Payment Date) where such Calculation Date immediately precedes such Interest Payment Date;

**"Calculation Period"** means each period from, and including, the first day in a calendar month in which a Calculation Date occurs (or in respect of the first Calculation Period, from the Closing Date) to (and including) the last day in the calendar month immediately preceding the next Calculation Date (or in respect of the first Calculation Period, the first Calculation Date). A Calculation Period shall relate to an Interest Period (and be the **"related Calculation Period"** in respect of such Interest Period) where such Calculation Period runs to (and includes) the last day in the calendar month immediately preceding the Calculation Date which relates to the Interest Payment Date in respect of such Interest Period;

**"Call Option"** means the option of the Issuer to redeem all (but not some only) of the Notes on any Interest Payment Date from and including the Step-Up Date in accordance with Condition 9.3(b) (*Optional Redemption in Whole*);

**"Call-back Contact"** means a person so named in the schedule to Schedule 1 (*Form of Account Bank Mandate*) of the Account Bank Agreement;

**"Capital Ledger"** means the ledger of the Transaction Account so named in the books of the Issuer and maintained by the Cash Manager on behalf of the Issuer;

**"Capitalised Arrears"** means, in relation to a Mortgage Loan, at any date, amounts of interest (excluding Arrears of Interest) which are overdue in respect of that Mortgage Loan and which as at that date have been added to the principal balance in respect of such Mortgage Loan in accordance with the Mortgage Terms or otherwise at the discretion of the Originator, acting in accordance with any applicable regulatory obligations;

**"Cash"** means cash and/or amounts standing to the credit of a bank account, as the context shall require;

**"Cash Management Agreement"** means the cash management agreement so named entered into on or about the Closing Date between the Cash Manager, the Issuer, the Back-Up Cash Manager, the Trustee and the Originator (as the same may be amended, restated, supplemented, replaced and/or novated from time to time);

**"Cash Management Services"** means the cash management and other services set out in the Cash Management Agreement;

**"Cash Manager"** means WBBS in its capacity as Cash Manager or any successor Cash Manager appointed in accordance with the terms of the Cash Management Agreement;

**"Cash Manager Covenant"** means a covenant of the Cash Manager contained in clause 10.1 (*Cash Manager Covenants*) of the Cash Management Agreement and **"Cash Manager Covenants"** means all of those covenants;

**"Cash Manager Event"** means any of the events specified in clause 13.1 (*Cash Manager Events*) of the Cash Management Agreement;

**"Cash Manager Fees"** means the fees payable by the Issuer to the Cash Manager in accordance with clause 8 (*Cash Manager Fees*) of the Cash Management Agreement;

**"Cash Manager Records"** means the original and/or any copies of all documents and records, in whatever form or medium, relating to the Cash Management Services including all computer tapes, files and discs relating to the Cash Management Services;

**"Cash Manager Termination Date"** means the date specified in a Cash Manager Termination Notice or in a notice delivered pursuant to clause 13 (*Termination*) or as determined in accordance with clause 13.2 (*Resignation of Cash Manager*) of the Cash Management Agreement;

**"Cash Manager Termination Notice"** means a notice to the Cash Manager from the Issuer or the Trustee delivered in accordance with the terms of clause 13 (*Termination*) of the Cash Management Agreement substantially in the form set out in Schedule 7 (*Form of Cash Manager Termination Notice*) of the Cash Management Agreement;

**"CCA"** means the Consumer Credit Act 1974;

**"Certificate of Title"** means a solicitor's or licensed conveyancer's report or certificate of title obtained by or on behalf of the Originator in respect of each Property substantially in the form of the pro-forma set out in the Standard Documentation;

**"Chairman"** means, in relation to any Meeting, the individual who takes the chair in accordance with Paragraph 7 (*Chairman*) of the Provisions for Meetings of Noteholders;

**"CHAPS"** means transfers by way of the Clearing House Automated Payment System or such other system as may replace it;

**"Charged Accounts"** means the Issuer Accounts and any bank or other account in which the Issuer may at any time acquire a Benefit and over which the Issuer has created an Encumbrance in favour of the Trustee pursuant to the Deed of Charge;

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

**"Citi Organisation"** means Citigroup, Inc., Citibank, N.A., Citibank Europe plc, their branches, subsidiaries and affiliates and anyone who succeeds them or to whom they assign their rights other than Citibank, N.A., London Branch;

**"CitiDirect"** means the electronic/internet-based banking platform provided by the Account Bank to enable the Issuer to transact over the Transaction Account and the Swap Collateral Account;

**"Class"** or **"class"** means in relation to the Notes, each or any of the Class A Notes and the Class B Notes, as the context may require;

**"Class A Global Note"** means any global note certificate issued in respect of the Class A Notes;

**"Class A Noteholders"** means the persons who for the time being are holders of the Class A Notes;

**"Class A Notes"** means the £350,000,000 Class A mortgage backed floating rate Notes due 2054 (whether represented by Definitive Notes or the Class A Global Note);

**"Class A Principal Deficiency Sub-Ledger"** means the sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes;

**"Class B Global Note"** means any global note certificate issued in respect of the Class B Notes;

**"Class B Noteholders"** means the persons who for the time being are holders of the Class B Notes;

**"Class B Notes"** means the £33,100,000 Class B mortgage backed floating rate Notes due 2054 (whether represented by Definitive Notes or the Class B Global Note);

**"Class B Principal Deficiency Sub-Ledger"** means the sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes;

**"Clearing Systems"** means each of Euroclear and Clearstream, Luxembourg;

**"Clearstream, Luxembourg"** means Clearstream Banking, S.A. and any successor to its business;

**"Closing Date"** means 25 January 2018 or such other date as the Issuer and the Joint Lead Managers may agree;

**"Closing Date Adjustment Amounts"** has the meaning given to it in Paragraph 7, Schedule 7 (*Calculations, Allocations and Payments*) of the Originator Trust Deed;

**"Collection Account Bank"** means HSBC Bank plc acting in such capacity or its successor;

**"Collection Account Declaration of Trust"** means the declaration of sub-trust dated 25 January 2018 in relation to the Collection Accounts pursuant to the Original Collection Account Declaration of Trust and any subsequent declaration of trust or sub-trust so named, each being made by WBBS;

**"Collection Account Sub-Trust"** has the meaning given to it in clause 2.3 (*Declaration and Confirmation of Sub-Trust*) of the Collection Account Declaration of Trust;

**"Collection Accounts"** means the accounts in the name of WBBS held with the Collection Account Bank into which payments received from Borrowers in respect of the Mortgage Loans are paid and **"Collection Account"** means any one of them;

**"Collections"** means Principal Collections and Revenue Collections;

**"Common Nominee"** means the entity in whose name the Global Note shall be registered with as common nominee for Euroclear and Clearstream, Luxembourg;

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

**"Common Services Provider"** means a person nominated by the ICSDs to perform the role of common service provider;

**"Common Terms"** means the provisions set out in Schedule 2 of the Incorporated Terms Memorandum;

**"Companies Acts"** has the meaning given to it in Section 2 of the Companies Act 2006;

**"Compounded Daily SONIA"** has the meaning given to it in Schedule 3 (*the Terms and Conditions of the Notes*) to the Trust Deed;

**"Conditions"** means the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in Schedule 3 (*Terms and Conditions*) of the Trust



Deed, as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly;

**"Converted Loan"** means a Mortgage Loan which is the subject of a Product Switch;

**"Corporate Services Agreement"** means the agreement so named dated on or about the Closing Date between the Corporate Services Provider, the Share Trustee, Holdings, the Issuer and the Originator;

**"Corporate Services Provider"** means Maples Fiduciary Services (UK) Limited (registered number 9422850), a private limited company incorporated under the laws of England and Wales, whose registered office is at 11<sup>th</sup> Floor, 200 Aldersgate Street, London, EC1A 4HD or such other person or persons for the time being acting as corporate services provider to the Issuer and Holdings under the Corporate Services Agreement;

**"Corporate Services Provider Fee Letter"** means the letter dated the date of the Corporate Services Agreement, setting out the amount of fees payable to the Corporate Services Provider by the Issuer;

**"Covenant to Pay"** means: (i) in respect of the Notes, the covenants of the Issuer contained in clause 5 (*Covenant to Repay Principal*) and clause 6 (*Covenant to Pay Interest*) of the Trust Deed; and (ii) in respect of the Secured Amounts, contained in clause 3 (*Issuer's Undertaking to Pay*) of the Deed of Charge;

**"CRA"** means the Consumer Rights Act 2015;

**"CRA Regulation"** means Regulation (EC) No 1060/2009, as amended, of the European Parliament and of the Council of 16 September 2009 on credit rating agencies;

**"Credit Support Annex"** means any credit support annex executed in accordance with the provisions of the Fixed Rate Swap Agreement;

**"Creditor"** means any person to whom a payment is to be made under the Payments Priorities;

**"CRR"** means Regulation (EU) No 575/2013, otherwise known as the Capital Requirements Regulation;

**"CTA 2009"** means the Corporation Tax Act 2009;

**"CTA 2010"** means the Corporation Tax Act 2010;

**"Current Balance"** means, in respect of a Mortgage Loan on any date (the **"determination date"**), the aggregate balance of the Mortgage Loan on such date which shall comprise the following (without double counting):

- (a) the Initial Advance;
- (b) each Further Advance;

- (c) Capitalised Arrears;
- (d) any capitalised high LTV fees, insurance fees, booking fees and valuation fees; and
- (e) any other amount not included in (a) to (e) above which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or is intended to be secured by the Mortgage relating to such Mortgage Loan;

less

- (f) any prepayment, repayment or payment of the foregoing made on or prior to the determination date;

**"Cut-off Date"** means 30 September 2017;

**"Data Controller"** means a person who (either alone or jointly in common with other persons) determines the purposes for which and the manner in which any Transaction Personal Data are, or are to be processed;

**"Data Processor"** means any person, other than an employee of the Data Controller, who processes any Transaction Personal Data on behalf of the Data Controller;

**"Day Count Fraction"** means, in respect of an Interest Period, the actual number of days in such period divided by 365;

**"Deed of Charge"** means the deed so named entered into on or about the Closing Date between the Issuer and the Trustee, and any document expressed to be supplemental to the Deed of Charge;

**"Deed of Postponement"** means a deed or agreement whereby a mortgagee of a Property agrees with the Originator to postpone its mortgage over the Property so that the sums secured by it will rank for repayment after the sums secured by the relevant Mortgage;

**"Deferred Consideration"** means an amount equal to the excess (if any) of any Available Issuer Revenue or Post Enforcement Issuer Amount (as applicable) remaining after paying or providing for items in the relevant Payments Priorities ranking in priority to item (q) of the Pre-Enforcement Revenue Payments Priorities or clause 15.1.10 of the Post-Enforcement Payments Priorities (as applicable) and which is payable by the Issuer to the Originator in accordance with the terms of the Originator Trust Deed.;

**"Deferred Interest"** has the meaning ascribed to it in Condition 8.10 (*Interest Deferred*);

**"Definitive Notes"** means any definitive note representing any of the Notes in, or substantially in the form set out in Schedule 2 (*Form of Definitive Note*) of the Trust Deed;

**"Deposited Notes"** means Notes that are certified by a Paying Agent to have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system;

**"Designated Personnel"** means, in relation to the Cash Manager or the Retiring Cash Manager, the personnel designated by such Cash Manager or such Retiring Cash Manager to carry out the Services;

**"Determination Period"** has the meaning given to it in Paragraph 15.1 of Schedule 2 of the Cash Management Agreement;

**"Direct Debit"** means a written instruction of an Obligor authorising its bank to honour a request of the Originator to debit a sum of money on specified dates from the account of the Obligor for credit to an account of the Originator;

**"Direct Debiting Scheme"** means the system for the manual or automated debiting of bank accounts by Direct Debit operated in accordance with the principal rules of certain members of the Association for Payment Clearing Services;

**"Discounted Variable Rate Loans"** means those Mortgage Loans to the extent that and for such period that their Mortgage Terms provide that they are subject to an interest rate which is set at a fixed margin below the Standard Variable Rate;

**"Dispute"** means a dispute arising out of or in connection with any Transaction Document (including a dispute regarding the existence, validity or termination of any Transaction Document or the consequences of its nullity);

**"Distribution Compliance Period"** means the period from the earlier of the Closing Date or the commencement of the offering to 40 days after the later of the commencement of the offering and the Closing Date;

**"DPA"** means the Data Protection Act 1998;

**"DPA Registration"** means a registration with the UK Data Protection Commissioner under the DPA;

**"Early Repayment Charges"** means any charges (other than a Redemption Fee) which a Borrower is required to pay in the event that the Borrower repays all or any part of the relevant Mortgage Loan before a specified date in the Mortgage Terms;

**"ECB"** means the European Central Bank;

**"EEA"** means the European Economic Area;

**"Electronic Notification of Discharge"** means an electronic notification of the discharge of a mortgage or charge, sent to the Land Registry in lieu of a paper discharge;

**"EMIR"** means Regulation (EU) n. 648/2012 of the European Parliament and of the Counsel of 4 July 2012;

**"Encumbrance"** means:

- (a) a mortgage, standard security, charge, pledge, lien, assignation in security or other encumbrance securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

**"Enforcement Notice"** means a notice issued by the Trustee to the Issuer declaring the Notes to be due and repayable pursuant to Condition 13 (*Events of Default*);

**"Enforcement Procedures"** means the exercise of rights and remedies against an Obligor in respect of such Obligor's obligations arising from any Mortgage Loan in respect of which such Obligor is in default in accordance with the Originator's Policy;

**"Entitled Persons"** means, in relation to payment of interest or principal in respect of a class, the Noteholders of the relevant class and/or, to the extent that the Principal Paying Agent and/or the relevant Paying Agents have properly paid any such amounts to the Noteholders of such class and not been paid by the Issuer pursuant to clause 7.1 (*Issuer to pay Principal Paying Agent*) of the Agency Agreement, the Principal Paying Agent for itself and/or the Paying Agents;

**"EU Insolvency Regulation"** means Council Regulation (EC) No. 1346/2000 of 29 May 2000;

**"euro", "Euro" or "€"** means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty;

**"Euroclear"** means Euroclear Bank SA/NV and any successor to such business;

**"Event of Default"** means any one of the events specified in Condition 13 (*Events of Default*) of the Notes;

**"Exchange Act"** means the United States Securities Exchange Act of 1934, as amended;

**"Exchange Date"** means the first day following the expiry of forty calendar days after the Closing Date;

**"Exchange Event"** means:

- (a) in the case of a Global Note held in Euroclear or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or

otherwise) or announce an intention permanently to cease business or do so cease business and no alternative clearing system satisfactory to the Trustee is available; or

- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation by a revenue authority or a court of, 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 withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were in definitive form and a certificate to such effect signed by an authorised director of the Issuer is delivered to the Trustee;

**"Excluded Services"** has the meaning given to it in clause 2.1 (*Appointment*) of the Back-Up Mortgage Administration Agreement;

**"Expenses"** means, in respect of the Closing Date, the expenses incurred or to be incurred by the Issuer in connection with the purchase of the Mortgage Portfolio and the issue of Notes on or about such date, including, amongst others, the underwriting fees payable to the Arranger, the fees payable to the Trustee and the Rating Agencies and the fees and expenses payable in respect of legal counsel to the Lead Managers and the Trustee;

**"Extraordinary Resolution"** means: (a) a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Noteholders by a majority of not less than three quarters of the votes cast; or (b) a Written Resolution;

**"FAC Calculation Date"** means 3 Business Days following the last Business Day of the Advance Period;

**"Facilities"** means, in relation to the Cash Manager or the Retiring Cash Manager, the computer facilities and other office equipment located in the Premises and the Designated Personnel;

**"FATCA"** means Sections 1471 through 1474 of the U.S. Internal Revenue Code;

**"FATCA Compliant Entity"** means a person payments to whom are not subject to FATCA Withholding;

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

**"FCA"** means the United Kingdom Financial Conduct Authority (successor to the Financial Services Authority from 1 April 2013 and references to the FCA shall include references to the Financial Services Authority prior to 1 April 2013);

**"FCA Client Money Rules"** means the client money rules set out in the FCA's Client Assets sourcebook

**"FCA Handbook"** means the FCA's Handbook of Rules and Guidance, as may be amended, revised or supplemented from time to time;

**"Final Discharge Date"** means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied that all the Secured Amounts have been paid or discharged in full;

**"Final Maturity Date"** means the Interest Payment Date falling in October 2054;

**"Financial Statements"** means, in respect of any person, audited financial statements of such person for a specified period (including, a balance sheet, profit and loss account (or other form of income statement) and statement of cash flow);

**"First Amendment Date"** means 12 April 2021;

**"First Interest Payment Date"** means the Interest Payment Date falling in April 2018;

**"Fitch"** means Fitch Ratings Limited and includes any successor to its rating business;

**"Fixed Rate Loan Balance"** means, in respect of a Calculation Period, the aggregate adjusted Current Balance less Accrued Interest of all Fixed Rate Loans (being the aggregate Current Balance of all Fixed Rate Loans less the aggregate Current Balance of those Fixed Rate Loans which are six Monthly Payments or more in arrears) on the last day of the Calculation Period immediately preceding the relevant Calculation Period, as notified to the Fixed Rate Swap Provider by the Mortgage Administrator in accordance with the Mortgage Administration Agreement;

**"Fixed Rate Loans"** means the Mortgage Loans to the extent that and for such period that their Mortgage Terms provide that the interest rate does not vary and is fixed by the Originator;

**"Fixed Rate Swap"** means a fixed rate-SONIA swap entered into pursuant to the Fixed Rate Swap Agreement;

**"Fixed Rate Swap Agreement"** means the agreement in the form of a 1992 ISDA Master Agreement (including a schedule thereto, a Credit Support Annex and one or more confirmations) dated on or about the Closing Date between the Issuer and the Fixed Rate Swap Provider (as the same may be amended, restated, supplemented, replaced and/or novated from time to time);

**"Fixed Rate Swap Provider"** means J.P. Morgan AG in its capacity as fixed rate swap provider pursuant to the Fixed Rate Swap Agreement, and any replacement thereto in such capacity;

**"Floating Charge"** means the floating charge created by clause 5 (*Creation of Floating Charge*) of the Deed of Charge;

**"Force Majeure Event"** means an event beyond the reasonable control of the person affected including (but not limited to) strike, lock out, labour dispute, act of God, war, riot, civil commotion, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, fire, flood and/or storm, which

prohibits the performance of the obligations of such person contemplated by the Transaction Documents;

**"Form of Proxy"** means, in relation to any Meeting, a document in the English language available from the Registrar, signed by a Noteholder or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorised officer and delivered to the Registrar, not later than 48 hours before the time fixed for such Meeting, appointing a named individual or individuals to vote in respect of a Noteholder;

**"FPO"** means the Financial Services and Markets Act (Financial Promotion) Order 2005.

**"FSMA"** means the Financial Services and Markets Act 2000 (as amended);

**"Further Advance"** means, in relation to a Mortgage Loan, any advance of further money following the making of the Initial Advance to a Borrower which is secured by the same Mortgage as the Initial Advance, but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage;

**"Further Advance Adjustment Amounts"** has the meaning given to it in paragraph 8 of Schedule 7 (*Calculations, Allocations and Payments*) of the Originator Trust Deed;

**"Further Advance Conditions"** means the criteria set out in Schedule 3 (*Further Advance Conditions*) of the Mortgage Administration Agreement;

**"Further Advance Consideration"** means the consideration paid by the Issuer to the Originator for the Issuer Interest in any Further Advance, being an amount equal to 99 per cent. of the principal amount of the Further Advance as at the Advance Date;

**"Further Advance Consideration Payment Date"** has the meaning given to it in clause 5.3.1 (*Payment of Further Advance Consideration*) of the Originator Trust Deed;

**"Further Advance Loan"** means a Mortgage Loan in relation to which a Further Advance is made;

**"Further Advance Satisfaction Date"** means (a) in relation to the Further Advance Conditions set out in paragraphs 1 to 13 (excluding paragraph 9) of Schedule 3 of the Mortgage Administration Agreement, the last business day of the Advance Period; and (b) in relation to the Further Advance Condition set out in paragraph 9 of Schedule 3 of the Mortgage Administration Agreement, the day on which the Fixed Rate Swap is next reset following the relevant Advance Date;

**"General Data Protection Regulation"** means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data;

**"General Reserve Advance"** means, in respect of the Closing Date, the advance under the Subordinated Loan Agreement dated on or about such Closing Date for the purpose of establishing the General Reserve Fund;

**"General Reserve Fund"** means the reserve fund established on the Closing Date by the Issuer which will be initially funded by the Subordinated Loan Provider up to the General Reserve Fund Required Amount and which will subsequently be funded on each Interest Payment Date from Available Issuer Revenue in accordance with the Pre-Enforcement Revenue Payments Priorities;

**"General Reserve Fund Required Amount"** means (a) on the Closing Date an amount equal to £5,250,000 (being an amount equal to 1.50 per cent. of the Principal Amount Outstanding of the Class A Notes as at the Closing Date), (b) on each Calculation Date, an amount equal to 1.50 per cent. of the Principal Amount Outstanding of the Class A Notes on such date prior to deducting any repayments to be made on the related Interest Payment Date and (c) zero on any date on or after the Class A Notes are fully repaid;

**"General Reserve Ledger"** means the ledger in the books of the Issuer so named and maintained by the Cash Manager on behalf of the Issuer;

**"General Reserve Release Amount"** means any amount in excess of the General Reserve Fund Required Amount.

**"General Reserve Release Conditions"** means:

- (a) no Event of Default has occurred and is continuing;
- (b) the amount standing to the debit of the Class A Principal Deficiency Sub-Ledger is zero;
- (c) the aggregate Current Balances of all Mortgage Loans that are three or more months in arrears on such date is less than 3 per cent. of aggregate Current Balances of all Mortgage Loans on such date; and
- (d) the aggregate Principal Losses in respect of the Mortgage Portfolio are equal to less than 1 per cent. of the total Current Balance of the Mortgage Portfolio; on the Closing Date;

**"Global Notes"** means the Notes of each Class represented on issue by a global note in registered form for each such Class of Notes;

**"Governmental Authority"** means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

**"Group"** means WBBS, together with its Subsidiaries;

**"HMRC"** means Her Majesty's Revenue and Customs;

**"holder"** means the registered holder of a Note as entered in the Register in respect of that Note and the words **"holders"** and related expressions shall (where appropriate) be construed accordingly;



**"Holding Company"** means a holding company as defined in section 1159 of the Companies Act 2006;

**"Holdings"** means Kenrick No. 3 Holdings Limited (registered number 11001230), a private limited company incorporated under the laws of England and Wales, whose registered office is at 11<sup>th</sup> Floor, 200 Aldersgate Street, London, EC1A 4HD;

**"Housing Indices"** means the United Kingdom residential property prices, as measured by the Nationwide House Price Index and the Halifax Price Index;

**"ICOB"** means the FCA's Insurance: Conduct of Business Sourcebook, as the same may be amended, revised or supplemented from time to time;

**"ICSDs"** means Clearstream, Luxembourg and Euroclear;

**"ICTA"** means the Income and Corporation Taxes Act 1988;

**"In Arrears"** or **"in arrears"** means, in respect of a Mortgage Loan, that one or more Monthly Payments in respect of such Mortgage Loan have become due and remain unpaid (either in whole or in part) by a Borrower;

**"Incorporated Terms Memorandum"** means the memorandum so named dated on or about the Closing Date and signed for the purpose of identification by each of the Transaction Parties;

**"Indemnified Parties"** has the meaning given to it in clause 5.3 (*Representations, Warranties and Covenants*) of the Back-Up Mortgage Administration Agreement;

**"Initial Advance"** means, in relation to a Mortgage Loan, the original principal amount advanced to the relevant Borrower including the amount of any retention advanced to the relevant Borrower after completion of the Mortgage and does not include any: (a) Further Advance; or (b) Early Repayment Charge;

**"Initial Consideration"** means an amount equal to 99 per cent of the aggregate of the Current Balance less Accrued Interest in relation to each Mortgage Loan on the Closing Date;

**"Insolvency Act"** means the Insolvency Act 1986;

**"Insolvency Event"** in respect of a company or a building society means:

- (a) such company is unable or admits its inability to pay its debts as they fall due (after taking into account any grace period or permitted deferral), or suspends making payments on any of its debts; or
- (b) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities; or
- (c) the company takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or a moratorium is declared in respect of any of its indebtedness; or

- (d) the commencement of negotiations with one or more creditors of such company with a view to rescheduling any indebtedness of such company other than in connection with any refinancing in the ordinary course of business; or
- (e) any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (i) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any part of the undertaking or assets of such company; or
  - (ii) an encumbrancer (excluding, in relation to the Issuer, the Trustee or any Receiver) taking possession of the whole or any part of the undertaking or assets of such company; or
  - (iii) the making of an arrangement, composition, or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of such company, a reorganisation of such company, a conveyance to or assignment for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally other than in connection with any refinancing in the ordinary course of business; or
  - (iv) any distress, execution, diligence, attachment or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of such company (excluding, in relation to the Issuer, by the Trustee or any Receiver); or
- (f) an order being made or an effective resolution being passed for the winding-up of the company except, in the case of the Issuer, a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have been previously approved by the Trustee in writing or by an Extraordinary Resolution of the holders of the Most Senior Class; or
- (g) any procedure or step is taken, or any event occurs, analogous to those set out in (a)-(f) above, in any jurisdiction,

and any reference to a "company" in this definition shall be deemed to include reference to a building society;

**"Insolvency Official"** means, in relation to a company or building society, a liquidator, (except, in the case of the Issuer, a liquidator appointed for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Trustee or by an Extraordinary Resolution of the holders of the Most Senior Class) provisional liquidator, administrator, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction;

**"Insolvency Proceedings"** means the winding-up, dissolution or administration (whether by court action or otherwise) of a company or corporation and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or of any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration (whether by court action or otherwise), arrangement, adjustment, protection or relief of debtors;

**"Instructions"** means any written notices, written directions or written instructions received by the Trustee or Agents in accordance with the provisions of the Trust Deed or Agency Agreement from an Authorised Person or from a person reasonably believed by such entity to be an Authorised Person;

**"Insurance Policies"** means:

- (a) all buildings insurance policies relating to freehold or commonhold Properties which have been taken out in the name of the relevant Borrower in accordance with the applicable Mortgage Terms or the recommendations contained in the Offer Conditions provided by the Originator to Borrowers who elect to arrange independent buildings insurance for their Properties;
- (b) all landlord's buildings insurance policies relating to leasehold Properties;
- (c) any insurance policy of the Originator which is intended to cover financial loss incurred by the Originator in respect of a Mortgage Loan in relation to which adequate insurance of the related Property has not been arranged by the relevant Borrower;
- (d) any properties in possession insurance policy which is intended to indemnify against financial loss incurred in respect of any Property where the relevant Property is taken into possession by the Originator, to the extent such policy relates to the Mortgage Loans; and
- (e) any mortgage indemnity guarantee policies relating to Mortgage Loans that have an original LTV greater than 80 per cent.;

**"Interest Amount"** means in respect of a Note for any Interest Period the amount of interest calculated on the related Interest Determination Date in respect of such Note for such Interest Period by:

- (a) multiplying the Principal Amount Outstanding of such Note on the Interest Payment Date related to such Interest Determination Date by the relevant Note Rate; and
- (b) then multiplying the amount so calculated in paragraph (a) by the relevant Day Count Fraction and rounding the resultant figure down to the nearest Minimum Amount;

**"Interest Determination Date"** means the date falling five Business Days prior to each Interest Payment Date and an Interest Determination Date shall relate to an Interest Period (and be the **"related Interest Determination Date"** in respect of such

Interest Period) where the Interest Period commences on the Interest Payment Date preceding such Interest Determination Date, provided that, if any Notes become due and payable in accordance with Condition 13 (*Events of Default*), the final Interest Determination Date shall be deemed to be the date on which such Notes became due and payable;

**"Interest Determination Ratio"** means: (i) the aggregate Issuer Revenue calculated in the three preceding Mortgage Administrator Reports (or such smaller number of preceding Mortgage Administrator Reports as may be available on the date the Interest Determination Ratio is calculated); divided by (ii) the aggregate of the Issuer Revenue and the Issuer Principal Receipts calculated in such Mortgage Administrator Reports;

**"Interest Payment Date"** means the 11<sup>th</sup> day of January, April, July and October in each year commencing on the First Interest Payment Date, provided that if any such day is not a Business Day, the Interest Payment Date shall be the immediately succeeding Business Day;

**"Interest Period"** means the period from (and including) an Interest Payment Date to but excluding the next succeeding Interest Payment Date;

**"Interest Shortfall"** has the meaning given to it in clause 6.2.1 (*Rate of interest*) of the Subordinated Loan Agreement;

**"Investment Company Act"** means the Investment Company Act 1940, as amended;

**"IOA"** means the initial issue outstanding amount for the Notes;

**"Issue Price"** means, in respect of the Notes, an amount equal to 100 per cent. of the aggregate Principal Amount Outstanding of such Notes on the Closing Date;

**"Issuer"** means Kenrick No. 3 Plc (registered number 11001450), a public limited company incorporated under the laws of England and Wales, whose registered office is at 11<sup>th</sup> Floor, 200 Aldersgate Street, London, EC1A 4HD;

**"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 CTA 2009;

**"Issuer Accounts"** means the Transaction Account and any Swap Collateral Account and **"Issuer Account"** means any of them and any additional or replacement bank accounts held in the name of the Issuer from time to time with the prior written consent of the Trustee;

**"Issuer Consideration"** means the Initial Consideration and the Deferred Consideration;

**"Issuer Covenants"** means the covenants of the Issuer set out in Schedule 7 (*Issuer Covenants*) of the Trust Deed;

**"Issuer Interest"** means an undivided share of 99 per cent. of the beneficial interest in the Originator Trust Property;

**"Issuer Interest Amount"** has the meaning given to it in paragraph 7 (Calculations, Allocations and Payments) of the Originator Trust Deed;

**"Issuer Jurisdiction"** means England and Wales (and the United Kingdom, for tax purposes) or such other jurisdiction in which the Issuer or any Substituted Obligor (as contemplated by Condition 21 (*Substitution of Issuer*)) is incorporated and/or subject to taxation;

**"Issuer Percentage"** means 99 per cent;

**"Issuer Principal Amount"** means £383,100,000;

**"Issuer Principal Losses"** means the amount that is 99 per cent. of Principal Losses;

**"Issuer Principal Receipts"** means, for each Interest Payment Date, the amount that is 99 per cent. of the Principal Receipts received during the related Calculation Period;

**"Issuer Profit Amount"** means for the first accounting reference period of the Issuer, determined in accordance with Chapter 3, Part 15 Companies Act 2006, an aggregate of £21,000 in equal instalments on each Interest Payment Date falling within that accounting reference period, and £250 on each Interest Payment Date thereafter in each case to be credited to Issuer Profit Ledger of the Transaction Account and to be retained by the Issuer as profit in respect of the business of the Issuer;

**"Issuer Profit Ledger"** means the ledger of the Transaction Account so named in the books of the Issuer and maintained by the Cash Manager on behalf of the Issuer;

**"Issuer Revenue"** means, for each Interest Payment Date, the amount that is 99 per cent. of the Net Revenue for such Interest Payment Date;

**"Issuer Security Power of Attorney"** means the power of attorney contained in clause 25 (*Power of Attorney*) of the Deed of Charge;

**"Issuer's Termination Notice"** shall have the meaning given to it in clause 10.1 (*Change of Account Bank, Trustee or Cash Manager*) of the Account Bank Agreement;

**"Issuer Warranties"** means the representations and warranties given by the Issuer and set out in Schedule 6 (*Issuer's Representations and Warranties*) of the Trust Deed and **"Issuer Warranty"** means any of them;

**"ITA 2007"** means the Income Tax Act 2007;

**"Joint Lead Manager"** means each of J.P. Morgan Securities plc and Lloyds Bank plc;

**"Judgment"** means any order, judgment, decision or decree issued by a court or tribunal of competent jurisdiction;

**"Kenrick 2 Collection Account Declaration of Trust"** means the declaration of sub-trust dated 28 May 2013, in relation to the Collection Accounts;

**"Kenrick 2 Originator Trustee"** means WBBS in its capacity as originator trustee of the sub-trust declared over the Collection Accounts on 28 May 2013;

**"Kenrick 2 Trust Property"** has the meaning given to it in clause 2.1 (*Declaration and Confirmation of Sub-Trust*) of the Collection Account Declaration of Trust;

**"Kenrick 2 Trust Property"** has the meaning given to in clause 2.1 (*Declaration and Confirmation of Sub-Trust*) of the Collection Account Declaration of Trust;

**"Kenrick 2 WBBS Beneficiary"** means WBBS in its capacity as beneficiary of the sub-trust declared over the Collection Accounts on 28 May 2013;

**"Land Registry"** means the body responsible for recording details of land in England and Wales;

**"Ledgers"** means the Revenue Ledger, the Principal Ledger, the Principal Deficiency Ledger, the Issuer Profit Ledger, the General Reserve Ledger, the Capital Ledger, the Revenue Surplus Ledger, the Mortgage Administrator Failure Reserve Ledger and the Swap Collateral Ledger and **"Ledger"** means any one of them;

**"Lending Criteria"** means the criteria contained in Schedule 3 (*Lending Criteria*) to the Originator Trust Deed or such other criteria as would be acceptable to a Prudent Mortgage Lender;

**"Liabilities"** means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including, without limitation properly incurred legal fees and expenses and any Taxes and penalties incurred by that person;

**"Loan Files"** means the file or files relating to each Mortgage Loan (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing *inter alia* correspondence between the Borrower and the Originator and including mortgage documentation applicable to the Mortgage Loan, each letter of offer for that Mortgage Loan, the Valuation Report (if applicable) and, to the extent available, the solicitor's or licensed conveyancer's Certificate of Title;

**"LPA"** means the Law of Property Act 1925;

**"LTV", "LTV ratio" or "loan-to-value ratio"** means the ratio (expressed as a percentage) of the Current Balance of a Mortgage Loan to: (i) where no Further Advance has been made, the lesser of the valuation (as provided in the relevant Valuation Report) or purchase price of the Property; or (ii) where a Further Advance has been made, the valuation prepared for such Further Advance;

**"Markets in Financial Instruments Directive"** means the EU Directive 2004/39/EC;

**"Master Definitions Schedule"** means Schedule 1 of the Incorporated Terms Memorandum;

**"Material Adverse Effect"** means, as the context specifies:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or
- (b) in respect of a Transaction Party, a material adverse effect on:
  - (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of such Transaction Party; or
  - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or
  - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents; or
- (c) in the context of any Mortgage Loan and/or its Related Security, a material adverse effect on:
  - (i) the value of that Mortgage Loan;
  - (ii) the value of the Property secured by the related Mortgage and therefore the value of the Mortgage Loan; or
  - (iii) the rights available to a Mortgagee in respect of the repayment of that Mortgage Loan (including, without limitation, the enforceability of rights against third parties) and therefore the value of the Mortgage Loan; or
  - (iv) the amount likely to be received upon a sale or likely to be financed against the security of that Mortgage Loan; or
- (d) a material adverse effect on the validity or enforceability of any of the Notes;

**"Maturity Date"** means, in respect of a class of Notes, the Final Maturity Date, or such other date on which the Notes are redeemed in full;

**"MCOB"** means the FCA's Mortgages and Home Finance: Conduct of Business Sourcebook, as the same may be amended, revised or supplemented from time to time;

**"Meeting"** means a meeting of Noteholders of any class or classes (whether originally convened or resumed following an adjournment);

**"MiFID II"** means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;

**"Minimum Amount"** means one penny;

**"Minimum Denomination"** means in respect of the Notes represented by the Global Notes and (if issued) the Definitive Notes £100,000 and, for so long as Euroclear and Clearstream, Luxembourg so permit, any amount in excess thereof in integral multiples of £1,000;

**"Modification Certificate"** has the meaning given to it in clause 17.2 (*Additional Right of Modification of Transaction Documents*) of the Trust Deed;

**"Monthly Investor Report"** means the monthly report so named to be given by the Cash Manager substantially in the form set out in Schedule 3 (*Form of Monthly Investor Report*) of the Cash Management Agreement;

**"Monthly Payment"** means the amount which the relevant Mortgage Terms require a Borrower to pay on each Monthly Payment Date in respect of that Borrower's Mortgage Loan;

**"Monthly Payment Date"** means the date on which interest (and principal in relation to a repayment mortgage) is due to be paid by a Borrower on a Mortgage Loan or, if any such day is not a Business Day, the next following Business Day except where such next following Business Day falls in a different month in which case, the preceding Business Day;

**"Moody's"** means Moody's Investors Service Limited and includes any successor to its rating business;

**"Mortgage"** means in respect of any Mortgage Loan each first fixed charge by way of legal mortgage which secures the repayment of the relevant Mortgage Loan including the Mortgage Conditions applicable to it and together, the **"Mortgages"**;

**"Mortgage Account"** means all Mortgage Loans relating to the same Property and thereby forming a single mortgage account;

**"Mortgage Administration Agreement"** means the agreement so named dated on or about the Closing Date between, among others, the Issuer, the Mortgage Administrator, the Originator, the Trustee and the Back-Up Mortgage Administrator Facilitator;

**"Mortgage Administration Data"** means the Loan Files kept (or duplicated) in a computerised and/or other form of electronic data retrieval format;

**"Mortgage Administration Fee"** has the meaning given in clause 11 (*Remuneration*) of the Mortgage Administration Agreement;

**"Mortgage Administration Services"** means the mortgage administration services to be performed by the Mortgage Administrator pursuant to the Mortgage Administration Agreement;

**"Mortgage Administrator"** means WBBS in its capacity as mortgage administrator pursuant to the Mortgage Administration Agreement or such other person as may from time to time be appointed as delegate mortgage administrator of the Mortgage Loans pursuant to the Mortgage Administration Agreement;



**"Mortgage Administrator Delegation Event"** has the meaning given to such term in clause 17 (*Delegation*) of the Mortgage Administration Agreement.

**"Mortgage Administrator Delegation Notice"** means a notice to the Mortgage Administrator from the Issuer or the Trustee delivered in accordance with the terms of clause 17.1 (*Delegation*) of the Mortgage Administration Agreement;

**"Mortgage Administrator Failure Reserve Fund"** means the reserve fund established upon the occurrence of a Mortgage Administrator Report Failure Event which will be funded on each relevant Interest Payment Date from Available Issuer Revenue in accordance with the Pre-Enforcement Revenue Payments Priorities;

**"Mortgage Administrator Failure Reserve Ledger"** means the ledger in the books of the Issuer so named and maintained by the Cash Manager on behalf of the Issuer;

**"Mortgage Administrator Report"** means a report to be provided by the Mortgage Administrator in respect of each Calculation Period in accordance with the terms of the Transaction Documents;

**"Mortgage Administrator Report Failure Event"** means, in relation to an Interest Payment Date, any occasion where the Mortgage Administrator has failed to deliver a Mortgage Administrator Report in relation to any of the preceding Calculation Periods in accordance with the Mortgage Administration Agreement and such failure is continuing on the related Calculation Date;

**"Mortgage Conditions"** or **"Loan Conditions"** means the terms and conditions applicable to a Mortgage Loan, as contained in the Originator's "Mortgage Conditions booklet for England and Wales" applicable from time to time;

**"Mortgage Deed"** means, in respect of any Mortgage, the deed in written form creating that Mortgage;

**"Mortgage Loan"** means a residential mortgage loan, secured by one or more Mortgages and other Related Security, and any Further Advances made relating to the same Property (whether or not secured by the same Mortgage and Related Security) which is designated by the Originator on the Closing Date (or Advance Date in relation to a Further Advance) to be included in the Originator Trust Property in which the Issuer will acquire the Issuer Interest on the Closing Date (or Advance Date in relation to a Further Advance);

**"Mortgage Loan Interest Rate"** means the rate at which interest accrues on a Mortgage Loan from time to time;

**"Mortgage Loan Reacquisition Notice"** means a notice substantially in the form set out in Schedule 6 (*Form of Mortgage Loan Reacquisition Notice*) to the Originator Trust Deed;

**"Mortgage Loan Terms Adjustment"** means a variation of the financial terms and conditions of any of the Mortgage Loan and/or its Related Security;

**"Mortgage Portfolio"** means the portfolio of Mortgage Loans, Further Advances, Mortgages and other Related Security and all Rights, Ancillary Rights, interest,

Benefit, income and payments in relation thereto comprised in the Originator Trust established by the Originator on the Closing Date and on each relevant Advance Date, but excluding, from time to time, (for the avoidance of doubt) each Mortgage Loan and its Related Security which is reacquired by the Originator pursuant to the Originator Trust Deed and in which the Issuer no longer has any beneficial interest;

**"Mortgage Regulation Date"** means the date when regulation of residential mortgage business by the FCA under the FSMA came into force in the United Kingdom on 31 October 2004;

**"Mortgage Terms"** means all the terms and conditions applicable to a Mortgage Loan, including without limitation the applicable Mortgage Conditions and Offer Conditions;

**"Mortgagee"** means the person for the time being entitled to exercise the rights of the mortgagee under a Mortgage;

**"Most Senior Class"** means:

- (a) the Class A Notes whilst they remain outstanding; and
- (b) when no Class A Notes remain outstanding, thereafter, the Class B Notes;

**"Net Revenue"** means, for each Interest Payment Date, the aggregate Revenue Receipts collected during the related Calculation Period less amounts collected during the related Calculation Period which properly belong to third parties including (but not limited to):

- (a) payments of certain insurance premia where such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts;
- (b) amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account; and
- (c) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower or the Originator;

**"Nominated Director"** has the meaning given to it in clause 5.2 (*Acceptance of Appointment and Payment*) of the Corporate Services Agreement;

**"Nominated Secretary"** has the meaning given to it in clause 5.2 (*Acceptance of Appointment and Payment*) of the Corporate Services Agreement;

**"Note Principal Payment"** means, on any Interest Payment Date:

- (a) in the case of each Class A Note, an amount equal to the lesser of the amount of Available Issuer Principal available to be applied in or towards redeeming the Class A Notes in accordance with the Pre-Enforcement Principal Payments Priorities and the Principal Amount Outstanding of the Class A Notes, each

determined as at the related Calculation Date, divided by the number of outstanding Class A Notes;

- (b) in the case of each Class B Note, an amount equal to the lesser of the Available Issuer Principal available to be applied in or towards redeeming the Class B Notes in accordance with the Pre-Enforcement Principal Payments Priorities and the Principal Amount Outstanding of the Class B Notes, each determined as at the related Calculation Date, divided by the number of outstanding Class B Notes,

in each case rounded down, if necessary, to the nearest Minimum Denomination;

**"Note Rate"** for each Interest Period means in respect of each class of Notes, Compounded Daily SONIA determined as at the related Interest Determination Date plus the Relevant Margin in respect of such class, provided that the Note Rate shall at all times be greater than or equal to zero;

**"Noteholders"** means the Class A Noteholders and the Class B Noteholders or, where the context otherwise requires, the holders of Notes of a particular class or classes;

**"Notes"** means the Class A Notes and the Class B Notes and "Note" means any of them;

**"Notice"** means any notice delivered under or in connection with any Transaction Document;

**"Notice of Assignment to Account Bank"** means the notice of assignment to the Account Bank, a form of which is in Schedule 2 of the Deed of Charge;

**"Notice of Non-Satisfaction of Further Advance Conditions"** has the meaning given to it in clause 5.4.1 (*Further Advance Conditions and Representations and Warranties*) of the Originator Trust Deed;

**"Notice of Trust to Collection Account Bank"** means the notice scheduled to the Collection Account Declaration of Trust;

**"Notices Condition"** means Condition 22 (*Notices*);

**"Notices Details"** means the provisions set out in Schedule 3 (*Notice Details*) of this Incorporated Terms Memorandum;

**"Notification Event"** means each of the events set out below:

- (a) the delivery by the Trustee to the Issuer of an Enforcement Notice in accordance with the Conditions;
- (b) the occurrence of a Mortgage Administrator Termination Event;
- (c) the termination of the appointment of the Originator as Mortgage Administrator in accordance with the terms of the Mortgage Administration Agreement; and

(d) the occurrence of a Power of Attorney Event;

**"Obligations"** means all of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents;

**"Obligor"** means a borrower or a guarantor under an Asset Agreement;

**"Observation Period"** means, in respect of an Interest Period, the period from and including the date falling 5 Business Days prior to the first day of the relevant Interest Period and ending on, but excluding, the date which is 5 Business Days prior to the Interest Payment Date for such Interest Period (or the date falling 5 Business Days prior to such earlier date, if any, on which the Notes become due and payable);

**"Obtained Consents"** means:

- (a) the approval of the Prospectus by the Financial Conduct Authority (i) as required by listing rules made for the purposes of Section 74 of FSMA and (ii) as required by Section 85(2) of FSMA;
- (b) application for the Notes to be listed on the official list of the UKLA and the granting of such application;
- (c) application for the Notes to be admitted to trading on the Regulated Market of the Stock Exchange and the granting of such application;
- (d) the registration of a correctly completed Forms MR01 and original executed copies of the Deed of Charge and the Incorporated Terms Memorandum with the Registrar of Companies; and
- (e) the necessary notifications under the DPA;

**"Offer Conditions"** means the terms and conditions applicable to a specified Mortgage Loan as set out in the relevant offer letter to the Borrower;

**"Official List"** means the official list maintained by the FCA under Section 74 of FSMA;

**"Original Collection Account Declaration of Trust"** has the meaning given to it in the Collection Account Declaration of Trust;

**"Original WBBS Beneficiary"** means WBBS in its capacity as beneficiary of the sub-trust declared over the Collection Accounts on 30 April 2012;

**"Originator"** means WBBS acting in its capacity as originator of the Mortgage Loans and their Related Security;

**"Originator's Policy"** means the originating, underwriting, administration, arrears and enforcement policy applied by the Originator from time to time to loans and the security for their repayment which are beneficially owned solely by the Originator;

**"Originator Account"** means the Originator's account so named specified in the Account Details or such other account or accounts as the Originator may have designated as the Originator Account;

**"Originator Asset Warranties"** means the representations and warranties in respect of the Mortgage Loans as set out in Schedule 2, Part 1 (*Originator Asset Warranties*) of the Originator Trust Deed and given by the Originator;

**"Originator Beneficiary"** means WBBS in its capacity as the originator beneficiary under the Originator Trust pursuant to the Originator Trust Deed;

**"Originator Beneficiary Interest Amount"** has the meaning given to it in paragraph 7 (Calculations, Allocations and Payments) of the Originator Trust Deed;

**"Originator Consideration"** means, in relation to the Mortgage Portfolio which is to be acquired, an amount payable by the Originator Beneficiary to the Originator equal to 1 per cent. of the Current Balance of each Mortgage Loan which is included in the Mortgage Portfolio or in respect of a Further Advance, 1 per cent. of the principal amount of such Further Advance as at the relevant Advance Date;

**"Originator Covenants"** means the covenants set out in Schedule 2 (*Originator Covenants*) of the Originator Trust Deed and given by the Originator;

**"Originator Interest"** means an undivided share of 1 per cent. of the beneficial interest in the Originator Trust Property;

**"Originator Percentage"** means 1 per cent;

**"Originator Power of Attorney"** means the power of attorney granted by the Originator in favour of the Issuer and the Trustee contained in the Originator Trust Deed;

**"Originator Share"** has the meaning given to it in clause 2.4 (*Declaration and Confirmation of Sub-Trust*) of the Collection Account Declaration of Trust;

**"Originator Trust"** means the trust created pursuant to the Originator Trust Deed;

**"Originator Trust Beneficiaries"** means the Originator Beneficiary and the Issuer Beneficiary and **"Originator Trust Beneficiary"** means either of them;

**"Originator Trust Deed"** means the originator trust deed so named dated on or about the Closing Date between among others, the Originator, the Issuer and the Originator Trustee;

**"Originator Trust Property"** means:

- (a) all of the Originator's Benefit in, to and under all Mortgage Loans;
- (b) all of the Originator's Benefit in, to and under all monies due or to become due in payment of such Mortgage Loans, comprising accrued and unpaid Revenue Receipts and Principal Receipts;

- (c) all of the Originator's Benefit in, to and under all monies relating to such Revenue Receipts and Principal Receipts and income, if any, earned on such monies;
- (d) WBBS' beneficial interest in the Collection Account Declaration of Trust in its capacity as trustee of the Originator Trust;
- (e) all of the Originator's Benefit in and to all Related Security and any other rights relating to the Mortgage Loans (including but not limited to any rights to receive payment under the Insurance Policies); and
- (f) all Reacquisition Amounts received by the Originator Trustee;

**"Originator Trust Share"** has the meaning given to it in clause 2.3 (*Declaration and Confirmation of Sub-Trust*) of the Collection Account Declaration of Trust;

**"Originator Trustee"** means WBBS acting in its capacity as trustee of the Originator Trust;

**"Originator Warranties"** means the representations and warranties given by the Originator and set out in the Originator Trust Deed and **"Originator Warranty"** means any of them;

**"Other Approved Payment"** means any payment required by a Transaction Document (or by any other contract to which the Issuer is a party) or by law to be made by the Issuer and with respect to which the Trustee gives its prior written approval;

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

- (a) those which have been redeemed in full and cancelled 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 Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions;
- (c) those which have been purchased and cancelled, (including Notes surrendered for cancellation), as provided in Condition 9.12 (Cancellation of purchased or redeemed Notes) and notice of the cancellation of which has been given to the Trustee;
- (d) those which have become void under the Conditions;
- (e) those mutilated or defaced Notes which have been surrendered or cancelled and those Notes which are alleged to have been lost, stolen or destroyed, in

each case in respect of which replacement Notes have been issued pursuant to the Conditions; and

- (f) any Global Note, to the extent that it shall have been exchanged for Definitive Notes pursuant to the provisions contained therein and 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 and which Notes are for the time being outstanding for the purposes of clause 15 (*Waiver*), clause 16 (*Modifications*), clause 20 (*Proceedings and Actions by the Trustee*), clause 29 (*Appointment of Trustees*) and clause 30 (*Notice of a New Trustee*) of the Trust Deed and Condition 13 (*Events of Default*), Condition 14 (*Enforcement*) and Condition 16 (*Meetings of Noteholders*) and the Provisions for Meetings of Noteholders; and
- (iii) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Originator, the Issuer, any holding company of the Originator or the Issuer or any other subsidiary of such holding company or of the Originator (the "**Relevant Persons**"), in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except where all of the Notes of any class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such class of Notes (the "**Relevant Class of Notes**") shall be deemed to remain outstanding except that, if there is any other class of Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes and one or more Relevant Persons are not the beneficial owners of all the Notes of such class, then the Relevant Class of Notes shall be deemed not to remain outstanding;

"**Overpayment**" means, in relation to a payment by a Borrower in an amount greater than the scheduled Monthly Payment then due on the relevant Mortgage Loan, or a one-off payment by a Borrower of amounts in respect of principal not then due and payable in respect of such Mortgage Loan, the amount by which such payment exceeds the scheduled Monthly Payments then due in respect of such Mortgage Loan;

"**Paying Agents**" means the Principal Paying Agent and the paying agents named in the Agency Agreement together with any successor or additional paying agents appointed from time to time in connection with the Notes under the Agency Agreement;

"**Paying Transaction Party**" means where any Transaction Party is under an obligation created by a Transaction Document to make a payment to a Receiving Transaction Party the Transaction Party who is to make such payment;

"**Payment Instruction**" has the meaning set out in clause 5.1(a) (*Instructions from the Cash Manager*) of the Account Bank Agreement;

**"Payments Priorities"** means the Pre-Enforcement Payments Priorities and the Post-Enforcement Payments Priorities;

**"Permitted Encumbrance"** means any Encumbrance permitted to be created in accordance with a Transaction Document;

**"Pool Factor"** means the fraction expressed as a decimal to the sixth point of which the numerator is Principal Amount Outstanding of a Note of that class and the denominator is the Principal Amount Outstanding of such class of Note as at the Closing Date;

**"Post-Enforcement Issuer Amounts"** means all amounts other than Swap Excluded Receipts and Third Party Amounts received or recovered in respect of the Charged Property, such amounts (including, for the avoidance of doubt, amounts received on enforcement or realisation of the Security);

**"Post-Enforcement Payments Priorities"** means the provisions relating to the order of priority of payments from the Transaction Account, set out in clause 15.1 (*Post-Enforcement Payments Priorities*) of the Deed of Charge;

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

**"Power of Attorney Event"** means:

- (a) the occurrence of an Insolvency Event in relation to WBBS;
- (b) WBBS is in breach of its obligations to enforce the terms of any Mortgage Loan pursuant to the Mortgage Administration Agreement, provided that: (a) if such breach is capable of remedy, such breach has continued unremedied for 30 days after the earlier of WBBS becoming aware of the breach and the date on which written notice from the Issuer or Trustee of such breach, requiring the same to be remedied, shall have been given to WBBS; and (b) in the opinion of the Trustee such breach is materially prejudicial to the Noteholders;
- (c) WBBS is in breach of any other obligation pursuant to the Mortgage Administration Agreement (other than as set out in (a) or (b) above) or of clause 18 (*Calculation and Allocation of Issuer Interests and Originator Interests*) of the Originator Trust Deed and, if such breach is capable of remedy, fails to remedy such breach within 60 days after the earlier of becoming aware of the breach and receiving written notice from the Issuer or the Trustee requiring the same to be remedied, but only if in the opinion of the Trustee such breach is materially prejudicial to the Noteholders; or
- (d) WBBS is no longer able to perform any of its material servicing obligations pursuant to the Mortgage Administration Agreement, except where no other person could lawfully perform such obligations;

**"Pre-Enforcement Payments Priorities"** means the Pre-Enforcement Revenue Payments Priorities and the Pre-Enforcement Principal Payments Priorities;



**"Pre-Enforcement Principal Payments Priorities"** means the provisions relating to the order of priority of payments from the Principal Ledger set out in Part B, Schedule 4 (*Payments Priorities*) of the Cash Management Agreement;

**"Pre-Enforcement Revenue Payments Priorities"** means the provisions relating to the order of priority of payments named as such and set out in Part A, Schedule 4 (*Payments Priorities*) of the Cash Management Agreement;

**"Premises"** means, as applicable, the business premises of the Cash Manager or the Retiring Cash Manager at which the Services are performed;

**"Principal Amount Outstanding"** means, on any day:

- (a) in relation to a Note, the principal amount outstanding of that Note as at the Closing Date, less the aggregate of any principal payments in respect of that Note which have been paid on or prior to that day;
- (b) in relation to a class, the aggregate of the amount in (a) in respect of all Notes outstanding in such class; and
- (c) in relation to the Notes outstanding at any time, the aggregate of the amount in (a) in respect of all Notes outstanding, regardless of class;

**"Principal Collections"** means all amounts received in respect of Principal Receipts;

**"Principal Deficiency Ledger"** means the principal deficiency ledger comprising the Class A Principal Deficiency Sub-Ledger and the Class B Principal Deficiency Sub-Ledger maintained by the Cash Manager on behalf of the Issuer which records on it all deficiencies arising from Issuer Principal Losses allocated to the Notes and Available Issuer Principal used to pay a Remaining Revenue Shortfall;

**"Principal Ledger"** means the ledger in the books of the Issuer so named and maintained by the Cash Manager on behalf of the Issuer;

**"Principal Losses"** means any losses arising in relation to a Mortgage Loan (including any Set-Off Losses);

**"Principal Paying Agent"** means Citibank, N.A., London Branch in its capacity as principal paying agent in accordance with the terms of the Agency Agreement or any successor appointed from time to time in connection with the Notes under the Agency Agreement;

**"Principal Receipts"** means:

- (a) any payment in respect of principal received in respect of any Mortgage Loan (including payments of arrears of principal, Capitalised Arrears, capitalised fees and expenses and Overpayments);
- (b) any payment received in respect of any claim under an Insurance Policy in respect of a Property in connection with a Mortgage Loan;

- (c) recoveries of principal on redemption (including partial redemption) of any Mortgage Loan;
- (d) recoveries of principal from defaulting Borrowers on enforcement of any Mortgage Loan (including deriving from the proceeds of sale of the relevant Property);
- (e) the principal component of any Reacquisition Amounts; and
- (f) any other payments received in respect of the Originator Trust Property which are not classified as Revenue Receipts;

**"Principal Receivables"** means, on any day, the principal payments (whether or not yet due) which remain to be paid by the relevant Obligors under the Asset Agreements, but excludes all Principal Recoveries;

**"Principal Recoveries"** means all principal payments received in respect of an Asset after a Principal Loss in respect of such Asset has been deducted from the Principal Deficiency Ledger;

**"Proceedings"** means any legal proceedings relating to a Dispute;

**"Product Period"** means the period, usually between one and five years, during which the initial rates in respect of the Fixed Rate Loans are offered;

**"Product Switch Conditions"** means the criteria set out in Schedule 4 (*Product Switch Conditions*) of the Mortgage Administration Agreement;

**"Product Switches"** means any variation in the financial terms or conditions applicable to a Mortgage Loan other than any variation made pursuant to clause 7.1(d) (*Authority to agree Product Switches*) of the Mortgage Administration Agreement;

**"Property"** means a freehold, leasehold or commonhold property which is subject to a Mortgage;

**"Prospectus"** means the prospectus of the Issuer dated on or about 23 January 2018 for the purposes of the Prospectus Directive;

**"Prospectus Directive"** means EU Directive 2003/71/EC;

**"Prospectus Rules"** means the prospectus rules issued by the FCA under Part VI of FSMA;

**"Provisions for Meetings of Noteholders"** means the provisions contained in Schedule 4 (*Provisions for Meetings of Noteholders*) of the Trust Deed;

**"Proxy"** means, in relation to any Meeting, a person appointed to vote under a Form of Proxy or Block Voting Instruction other than any person whose appointment has been revoked and in relation to whom the relevant Paying Agent and/or the Registrar has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting;

**"Prudent Mortgage Lender"** means a reasonably prudent residential mortgage lender lending to borrowers in England and Wales who generally satisfy the lending criteria of traditional sources of residential mortgage capital;

**"Qualified Institution"** means an institution which:

- (a) is a bank within the meaning of section 991 of the Income Tax Act 2007 and for the purposes of section 878 of the Income Tax Act 2007 and which pays interest under any relevant Issuer Document in the course of its business; and
- (b) at all times has the Required Rating;

**"Rating"** means the rating of each class of Notes given by each of the Rating Agencies and **"Ratings"** means all of such ratings;

**"Rating Agencies"** means Fitch and Moody's and **"Rating Agency"** means any one of them;

**"Ratings Confirmation"** means the Rating Agencies' confirmation that any action, determination or exercise of discretion proposed to be taken by the Issuer and/or the Trustee will not have an adverse effect on the then current rating of the Notes;

**"reacquire"** means, in relation to a Mortgage Loan and its Related Security comprised in the Originator Trust Property, agreement by the Issuer Beneficiary and the Originator Beneficiary pursuant to the Originator Trust Deed and Beneficiaries Deed that such Mortgage Loan together with its Related Security will no longer be held on trust in the Originator Trust Property (and the words "reacquired" and "reacquisition" shall be construed accordingly);

**"Reacquisition Amount"** means, in relation to a reacquisition of a Mortgage Loan, an amount equal to the Current Balance in relation to such Mortgage Loan at the close of business on the Business Day preceding the date of completion of such reacquisition plus reasonable fees and expenses payable thereon to the date of reacquisition;

**"Receivables"** means the Principal Receivables and the Revenue Receivables;

**"Receiver"** means any receiver, manager, receiver or manager or administrative receiver appointed in respect of the Issuer by the Trustee in accordance with clause 17 (*Appointment of Receiver*) of the Deed of Charge;

**"Receiver Liabilities"** means any Liabilities due and payable by the Issuer to any Receiver in accordance with the Deed of Charge together with interest accrued due as provided in the Trust Deed;

**"Receiving Transaction Party"** means, where any Transaction Party is under an obligation created by a Transaction Document to make payment to another Transaction Party, the Transaction Party which is to receive such payment;

**"Reconciliation Amount"** means in respect of a Determination Period: (i) the actual Issuer Principal Receipts as determined in accordance with the available Mortgage Administrator Reports; less (ii) the Issuer Principal Receipts in respect of such

Determination Period as determined in accordance with Condition 8.11(b)(iii) (*Determinations and Reconciliation*);

"**Record Date**" has the meaning given to this term in Condition 11.3 (*Record Date*);

"**Recoveries**" means all Principal Recoveries and all Revenue Recoveries;

"**Redemption Fee**" means the standard redemption fee charged to the Borrower by the Originator where the Borrower makes a repayment of the full outstanding principal of a Mortgage Loan;

"**Reference Screen**" means the Reuters Screen SONIA Page (or such replacement page on that service which displays the relevant information) or, if that service ceases to display the information, such other screen service as may be determined by the Issuer (with the approval of the Trustee, in its sole discretion) and notified to the Fixed Rate Swap Provider;

"**Register**" means the register on which the names and addresses of the holders of the Notes and the particulars of the Notes shall be entered and kept by the Issuer at the Specified Office of the Registrar;

"**Registerable Transaction Documents**" means the Deed of Charge;

"**Registered Land**" means land in England and Wales title to which is registered at the Land Registry;

"**Registrar**" means the party responsible for the registration of the Notes, which at the Closing Date is Citibank, N.A., London Branch acting in such capacity pursuant to the Agency Agreement;

"**Regulated Market**" means a market regulated for the purposes of the Markets in Financial Instruments Directive;

"**Regulated Mortgage Contract**" means an agreement under FSMA where, at the time it is entered into on or after the Mortgage Regulation Date: (a) the borrower is an individual or trustee; (b) the contract provides for the obligation of the borrower to repay to be secured by a mortgage on land (other than timeshare accommodation) in the EEA; and (c) at least 40 per cent. of that land is used, or is intended to be used, as or in connection with a dwelling by the borrower or (in the case of credit provided to trustees) by an individual who is a beneficiary of the trust, or by a related person;

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

"**Regulatory Direction**" means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person is accustomed to comply;

**"Related Security"** means, in relation to a Mortgage Loan, the security granted for the repayment of that Mortgage Loan by the Relevant Borrower including the relevant Mortgage and all other matters applicable thereto including (without limitation):

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent, Deeds of Postponement) from occupiers and other persons having an interest in or rights in connection with the relevant Property;
- (b) each right of action of the Originator against any person (including, without limitation, any solicitor, licensed conveyancer, qualified conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given or received in connection with all or part of any Mortgage Loan and its Related Security or affecting the decision of the Originator to make or offer to make all or part of the relevant Mortgage Loan; and
- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (including, the Buildings Policies) deposited, charged, obtained, or held in connection with the relevant Mortgage Loan, Mortgage and/or Property and Loan Files;

**"Relevant"** means:

- (a) when used in relation to the execution of or the entering into of a Transaction Document and in conjunction with a reference to any Transaction Party, a Transaction Document which such Transaction Party is required to execute or enter into or has executed or entered into; and
- (b) when used in respect of the Transaction Documents generally and in conjunction with a reference to any particular Transaction Party, the Transaction Documents to which such Transaction Party is a party together with the Transaction Documents that contain provisions that otherwise bind or confer rights upon such Transaction Party,

and references to **"Relevant Transaction Documents"** and cognate expressions shall be construed accordingly;

**"Relevant Date"** means, in respect of any payment in relation to the Notes, whichever is the later of:

- (a) the date on which the payment in question first becomes due; and
- (b) if the full amount payable has not been received by the relevant Paying Agent or the Trustee on or prior to such date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with the Notices Condition;

**"Relevant Information"** means any written information provided by the Issuer or the Originator, as the case may be, to the Lead Managers in connection with the

preparation of the Prospectus or any presentation by any Lead Manager to the Rating Agencies or investors;

**"Relevant Margin"** means in respect of an Interest Period:

- (a) for the Class A Notes, [•] per cent. per annum for each Interest Period up to and excluding the Interest Period commencing on the Step-Up Date and thereafter [•] per cent. per annum; and
- (b) for the Class B Notes, [•] per cent. per annum for each Interest Period;

**"Relevant Screen"** means a page of the Reuters service or of the Bloomberg service, or of any other medium for the electronic display of data as may be previously approved in writing by the Trustee and as has been notified to the Noteholders in accordance with the Notices Condition;

**"Relevant Software"** means all the computer software used by the Cash Manager in the performance of the Services;

**"Remaining Revenue Shortfall"** means for each Calculation Date, the extent, if any, by which Available Issuer Revenue (excluding for these purposes the amount referred to in paragraph (j) in the definition thereof) is insufficient to pay items (a) to (f) of the Pre-Enforcement Revenue Payments Priorities in full;

**"Repayment Loan"** means a Mortgage Loan where the Borrower makes monthly payments of both interest and principal so that, when the Mortgage Loan matures, the full amount of the principal of the Mortgage Loan will have been repaid;

**"Replacement Notes"** means any Notes which have been authenticated and delivered by the Principal Paying Agent under the terms of the Agency Agreement, as a replacement for any which have been mutilated or defaced or which are alleged to have been destroyed and **"Replacement Note"** means any one of them;

**"Replacement Swap Premium"** means any amount to be paid by the Issuer to a replacement fixed rate swap provider or received by the Issuer from a replacement fixed rate swap provider upon entry by the Issuer into an agreement with such replacement fixed rate swap provider to replace the Fixed Rate Swap, as the case may be;

**"Reporting Delegate"** means J.P. Morgan AG acting as such under the Reporting Delegation Agreement;

**"Reporting Delegation Agreement"** means the agreement dated on or about the Closing Date pursuant to which the Issuer appoints the Reporting Delegate;

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time;

**"Required Agent"** means any Paying Agent (which may be the Principal Paying Agent) or Transfer Agent which is the sole remaining Paying Agent or Transfer Agent with its Specified Office in any city where a stock exchange on which the Notes are listed requires there to be a Paying Agent or Transfer Agent;

**"Required Filings"** means, in respect of the Issuer:

- (a) the filing of the Prospectus with the Company Announcements Office of the Stock Exchange;
- (b) the filing with the FCA and the making of the Prospectus available to the public with the FCA in accordance with rule 3.2 of the Prospectus Rules; and
- (c) the registration of a correctly completed Form MR01 and an original executed copy of each of the Registerable Transaction Documents with the Registrar of Companies; and
- (d) any other required filings,

each in accordance with any relevant Requirement of Law or any Regulatory Direction;

**"Required Paying Agent"** means any Paying Agent (which may be the Principal Paying Agent) which is the sole remaining Paying Agent with its Specified Office in any city where a stock exchange on which the Notes are listed requires there to be a Paying Agent;

**"Required Rating"** means:

- (a) a short-term, issuer default rating of at least F1 or a long-term issuer default rating of at least A by Fitch; and
- (b) a long-term issuer default rating of at least A3 by Moody's,

or such other rating as is consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Class A Notes;

**"Requirement of Law"** in respect of any person shall mean:

- (a) any law, treaty, rule, requirement or regulation;
- (b) a notice by or an order of any court having jurisdiction;
- (c) a mandatory requirement of any regulatory authority having jurisdiction; or
- (d) a determination of an arbitrator or Governmental Authority,

in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply;

**"Reserved Matter"** means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes of any class, to change the amount of principal or interest due on any date in respect of the Notes of any class or to alter the method of calculating

the amount of any payment in respect of the Notes of any class (other than any Base Rate Modification);

- (b) (except in accordance with Condition 21 (*Substitution of Issuer*) and clause 18 (*Substitution*) of the Trust Deed) to effect the exchange, conversion or substitution of the Notes of any class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed and/or for cash;
- (c) to change the currency in which amounts due in respect of the Notes of any class are payable;
- (d) to alter the priority of payment of interest or principal in respect of the Notes of any class;
- (e) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (f) to amend this definition;

**"Retained Interest"** means the interest retained by the Originator pursuant to Paragraph 7 of Part 1 of Schedule 2 of the Originator Trust Deed;

**"Retiring Cash Manager"** means the Cash Manager or any successor whose appointment is terminated pursuant to the Cash Management Agreement other than by termination at the Final Discharge Date;

**"Revenue Collections"** means all amounts received in respect of Revenue Receipts;

**"Revenue Ledger"** means the ledger in the books of the Issuer so named and maintained by the Cash Manager on behalf of the Issuer;

**"Revenue Receipts"** means payments received by the Originator Trustee representing:

- (a) payments of interest on the Mortgage Loans (including amounts derived from Arrears of Interest and Accrued Interest but excluding Capitalised Arrears, if any) and Third Party Amounts due from time to time under the Mortgage Loans;
- (b) recoveries of interest (excluding Capitalised Arrears, if any) from defaulting Borrowers under Mortgage Loans being enforced;
- (c) recoveries of interest and principal (excluding Capitalised Arrears, if any) from defaulting Borrowers under Mortgage Loans in respect of which enforcement procedures have been completed;
- (d) such proportion of each Reacquisition Amount as is attributable to Accrued Interest, Arrears of Interest and other interest amounts in respect of the Mortgage Loans (excluding, for the avoidance of doubt, Capitalised Arrears, if any); and



- (e) any Early Repayment Charges which have been paid by Borrowers in respect of the Mortgage Loans;

**"Revenue Shortfall"** means for each Calculation Date, the amount, if any, by which Available Issuer Revenue (excluding for these purposes any amounts referred to paragraphs (i) and (j) in the definition thereof) is insufficient to pay items (a) to (g) of the Pre-Enforcement Revenue Payments Priorities in full;

**"Revenue Surplus"** means for each Calculation Date, the amount, if any, by which Available Issuer Revenue exceeds the aggregate amounts payable by the Issuer on the related Interest Payment Date, if such Interest Payment Date is on or following the Step-Up Date, under items (a) to (j) (inclusive) of the Pre-Enforcement Revenue Payments Priorities;

**"Revenue Surplus Ledger"** means the ledger maintained by the Cash Manager on behalf of the Issuer which records on it as a debit all Revenue Surplus equal to the Revenue Surplus Required Amount;

**"Revenue Surplus Required Amount"** means:

- (a) for so long as the Class A Notes are outstanding on such date, the lower of (i) the Principal Amount Outstanding of the Class A Notes (taking into account any repayment of such Class A Notes on such date) and (ii) the Revenue Surplus; or
- (b) if no Class A Notes are outstanding on such date, zero;

**"Reverse Charge"** means the charge arising as a result of Section 8(1) of VATA;

**"Rounded Arithmetic Mean"** means the arithmetic mean (rounded, if necessary, to the nearest 0.0001 per cent.);

**"RTB Loan"** means a mortgage loan extended to a borrower in connection with the purchase by the borrower of a property from a local authority or certain other land, under the "right-to-buy" schemes governed by the Housing Act 1985 (as amended by the Housing Act 2004) where the period during which a statutory charge referred to in Section 156 of the Housing Act 1985 has not expired;

**"SEC"** or **"Securities and Exchange Commission"** means the United States Securities and Exchange Commission;

**"Secured Amounts"** means any and all of the monies and liabilities which the Issuer covenants to pay or discharge under the Deed of Charge and all other amounts owed by it to each of the Secured Creditors under and pursuant to the relevant Transaction Documents;

**"Secured Creditors"** means the Trustee (in its own capacity and as trustee on behalf of the following creditors of the Issuer), the Corporate Services Provider, the Account Bank, the Mortgage Administrator, the Back-Up Mortgage Administrator, the Back-Up Mortgage Administrator Facilitator, the Cash Manager, the Back-Up Cash Manager, the Originator, the Noteholders, any Receiver or Appointee appointed by the Trustee, the Agent Bank, the Paying Agents, the Transfer Agent, the Registrar, the

Fixed Rate Swap Provider, the Reporting Delegate and the Subordinated Loan Provider;

**"Secured Obligations"** means the monies and liabilities which the Issuer covenants and undertakes in clause 3 (*Issuer's Undertaking to Pay*) of the Deed of Charge to pay or discharge and all claims, demands or damages for breach of any such covenant, and references to Secured Obligations includes references to any of them;

**"Securities Act"** means the United States Securities Act of 1933, as amended;

**"Securitisation Tax Regime"** means the permanent regime for the taxation of securitisation companies established pursuant to the Finance Act 2005 (and which now take effect under Chapter 4, Part 13 of the CTA 2010) and the regulations made thereunder;

**"Security"** means the security granted by the Issuer to the Trustee under and pursuant to the Deed of Charge in favour of the Secured Creditors;

**"Security Protection Notice"** means a notice in, or substantially in, the form of the document so named set out in the Deed of Charge;

**"Senior Expenses"** means expenses of the Issuer which rank at items (a) to (d) of the Pre-Enforcement Revenue Payments Priorities or items (a) to (c) in the Post-Enforcement Payments Priorities (as applicable);

**"Set-Off Losses"** means any reduction in Principal Receipts as a result of Borrowers exercising set-off rights against the Originator;

**"Share Trust Deed"** means the declaration of trust dated 12 October 2017 pursuant to which the Share Trustee holds the beneficial interest in the entire issued share capital of Holdings on discretionary trust;

**"Share Trustee"** means MaplesFS UK Group Services Limited (registered number 10715493), a company incorporated under the laws of England and Wales, whose principal office is at 11<sup>th</sup> Floor, 200 Aldersgate Street, London, EC1A 4HD;

**"Significant Deposit Loan"** means a Mortgage Loan where the Borrower has a deposit holding with the Originator which exceeds the maximum deposit limit covered under the Financial Services Compensation Scheme;

**"Signing Date"** means on or about 23 January 2018;

**"Solvency II Regulation"** means Regulation (EU) No. 2015/35;

**"SONIA"** means, in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average rate for such Business Day as provided by the administrator of such rate to authorised distributors and as then published on the Reference Screen or, if the Reference Screen is unavailable, as otherwise published by such authorised distributors in each case on the Business Day immediately following such Business Day;

**"Specified Office"** means, in relation to any Agent:

- (a) the office specified against its name in the Notices Details; or
- (b) such other office as such Agent may specify in accordance with clause 13.8 (*Changes in Specified Offices*) of the Agency Agreement;

**"Specified Party"** means any of the Agents, the Back-Up Cash Manager, the Back-Up Mortgage Administrator, the Back-Up Mortgage Administrator Facilitator, the Collection Account Bank, the Corporate Services Provider, the Account Bank and the Share Trustee;

**"SPV Criteria"** means the criteria established from time to time by the Rating Agencies for a single purpose company in the Issuer Jurisdiction;

**"Standard Documentation"** means the standard documentation, a list of which is set out in the Originator Trust Deed;

**"Standard Variable Rate"** means the variable base rate applicable to Variable Rate Loans and Discounted Variable Rate Loans in the Mortgage Portfolio as set, other than in limited circumstances, by the Mortgage Administrator from time to time pursuant to clause 4.1 (*Standard Variable Rate*) of the Mortgage Administration Agreement;

**"Step-Up Date"** means the Interest Payment Date falling in January 2023;

**"Sterling"** and **"£"** denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

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

**"Sub-contractor"** means any sub-contractor, sub-agent, delegate or representative;

**"Subordinated Loan"** means the Subordinated Loan that the Subordinated Loan Provider made available to the Issuer on the Closing Date pursuant to the Subordinated Loan Agreement;

**"Subordinated Loan Advance"** means the amount of the Subordinated Loan advanced to the Issuer on the Closing Date;

**"Subordinated Loan Agreement"** means the subordinated loan agreement so named dated on or about the Closing Date between the Issuer, the Subordinated Loan Provider and the Trustee;

**"Subordinated Loan Interest Period"** has the meaning given to it in clause 5 (*Interest Periods and Duration*) in the Subordinated Loan Agreement;

**"Subordinated Loan Provider"** means WBBS in its capacity as Subordinated Loan provider pursuant to the Subordinated Loan Agreement;

**"Subscription Agreement"** means the agreement so named dated on or about 23 January 2018 between, *inter alios*, the Issuer, the Originator and the Joint Lead Managers;

**"Subsidiary"** means a subsidiary as defined in section 1159 of the Companies Act 2006;

**"Substituted Obligor"** means a single purpose company that meets the SPV Criteria;

**"Successor Cash Manager"** means an entity identified and appointed to act as successor Cash Manager in accordance with the Cash Management Agreement to perform the Cash Management Services;

**"Successor Trustee"** means an entity appointed in accordance with clause 30 (*Notice of a New Trustee*) of the Trust Deed to act as successor trustee under the Trust Deed;

**"Swap Collateral"** means any cash or securities (and any interest, distributions and/or liquidation proceeds thereon (as applicable)) transferred by the Fixed Rate Swap Provider to the Issuer on any date pursuant to the terms of the Credit Support Annex to the Fixed Rate Swap Agreement that has not been returned to the Fixed Rate Swap Provider pursuant to the terms of the Fixed Rate Swap Agreement;

**"Swap Collateral Account"** means the account or accounts in the name of the Issuer so named and maintained by the Cash Manager on behalf of the Issuer having the details set out in the Account Bank Agreement in which all Swap Collateral is held by the Issuer;

**"Swap Collateral Ledger"** means the ledger in the books of the Issuer so named and maintained by the Cash Manager on behalf of the Issuer in respect of the relevant Swap Collateral Account;

**"Swap Collateral Return Payment"** means any amount of cash (including any termination payment but excluding payments due under a Fixed Rate Swap (other than pursuant to a Credit Support Annex)) or securities (including for the avoidance of doubt, any interest and income earned on such cash or securities) required to be transferred to the Fixed Rate Swap Provider from a Swap Collateral Account in accordance with the applicable Fixed Rate Swap Agreement or Credit Support Annex;

**"Swap Excluded Payments"** means any payment by the Issuer to the Fixed Rate Swap Provider relating to: (a) Swap Tax Credits; (b) payments or deliveries due under the Credit Support Annex; (c) termination payments to the extent such payment can be funded from Swap Excluded Receipts; or (d) replacement swap fees to the extent such fees can be funded from Swap Excluded Receipts, in accordance with the Fixed Rate Swap Agreement;

**"Swap Excluded Receipts"** means:

- (a) Swap Tax Credits;
- (b) Swap Collateral;

- (c) Replacement Swap Premium, to the extent required to make any payment due to the Fixed Rate Swap Provider in respect of an Early Termination Date (as defined in the Fixed Rate Swap Agreement) designated under the Fixed Rate Swap Agreement; and
- (d) any payment received from the Fixed Rate Swap Provider in respect of an Early Termination Date (as defined in the Fixed Rate Swap Agreement) designated under the Fixed Rate Swap Agreement (whether such payment is received by way of payment of cash or by applying Swap Collateral to discharge the early termination payment in respect of any Early Termination Date), to the extent such payment is required to pay a replacement fixed rate swap provider to enter into a replacement swap;

**"Swap Provider Downgrade Event"** means the occurrence of an Additional Termination Event (as defined in the Fixed Rate Swap Agreement) following the failure by the Fixed Rate Swap Provider to take the required remedial action in accordance with the requirements of the ratings downgrade provisions set out in the Fixed Rate Swap Agreement;

**"Swap Rate Modification"** has the meaning given to it in clause 16.2(h) of the Trust Deed;

**"Swap Rate Modification Certificate"** has the meaning given to it in clause 16.2(h) of the Trust Deed;

**"Swap Senior Amounts"** means all amounts payable to the Fixed Rate Swap Provider which rank at item (e) of the Pre-Enforcement Revenue Payments Priorities or item (d) in the Post-Enforcement Payments Priorities (as applicable);

**"Swap Subordinated Amount"** means any termination payment due to the Fixed Rate Swap Provider, after the application of Swap Excluded Payments, which arises due to the termination of a Fixed Rate Swap as a result of either: (i) an event of default where the Fixed Rate Swap Provider is the defaulting party; or (ii) the Swap Provider Downgrade Event;

**"Swap Tax Credits"** means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Fixed Rate Swap Provider to the Issuer or a reduced payment from the Issuer to the Fixed Rate Swap Provider;

**"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 and **"Taxes"**, **"taxation"**, **"taxable"** and comparable expressions shall be construed accordingly;

**"Tax Authority"** means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal,

revenue, customs or excise function (including, without limitation, Her Majesty's Revenue and Customs);

**"Tax Credits"** means any tax credits other than a Tax Credit as such term is defined in paragraph (n)(i) of part 5 of the Schedule to the Fixed Rate Swap Agreement;

**"Tax Deduction"** means any deduction or withholding on account of Tax;

**"Tax Payment"** means any payment for or on account of Tax;

**"TER Regulations"** means the regulations concerning the transfer, exchange and registration of Notes as originally set out in Schedule 1 of the Agency Agreement;

**"Third Party Amounts"** means, in relation to Revenue Receipts, amounts which properly belong to third parties such as (but not limited to):

- (a) payments of certain insurance premia where such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts;
- (b) amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account; and
- (c) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower or the Originator;

**"Third Party Collection Agent"** means an entity that acts as collection agent for the Issuer and the Beneficiaries under the Direct Debiting Scheme or any successor to that scheme pursuant to clause 5.1(a)(i) of the Mortgage Administration Agreement;

**"Third Party Expenses"** means any amounts due and payable by the Issuer to third parties (not being Secured Creditors) without breach of the Transaction Documents including any Liabilities payable in connection with:

- (a) the purchase by the Issuer of the Issuer Interest;
- (b) the purchase or disposal of any Authorised Investments;
- (c) any filing or registration of any Transaction Documents;
- (d) any provision for and payment of the Issuer's liability to any Tax Authority for any Tax;
- (e) any Requirement of Law or any Regulatory Direction;
- (f) any legal or audit or other professional advisory fees (including Rating Agency fees);
- (g) any directors' fees or emoluments;

- (h) any advertising, publication, communication and printing expenses including postage, telephone and telex charges;
- (i) the admission of the Notes to the Official List or to trading on the Regulated Market of the Stock Exchange; and
- (j) any other amounts then due and payable to third parties and incurred without breach by the Issuer of the provisions of the Transaction Documents;

**"Title Deeds"** means, in relation to each Mortgage Loan and its Related Security and the Property relating thereto, all conveyancing deeds and all other documents which make up the title to the Property and the security for the Mortgage Loan and all searches and enquiries undertaken in connection with the grant by the Borrower of the related Mortgage;

**"Transaction"** means each of the transactions in the series of transactions contemplated by the Transaction Documents and **"Transactions"** means all of them;

**"Transaction Account"** means the account held in the name of the Issuer with the Account Bank having the details set out in the Account Bank Agreement or any successor or replacement to such account at the Account Bank or at any other successor account bank;

**"Transaction Documents"** means the Agency Agreement, Beneficiaries Deed, Cash Management Agreement, Back-Up Cash Management Agreement, Corporate Services Agreement, Collection Account Declaration of Trust, Deed of Charge, Fixed Rate Swap Agreement, Reporting Delegation Agreement, Account Bank Agreement, Incorporated Terms Memorandum, Originator Trust Deed, Originator Power of Attorney, Mortgage Administration Agreement, the Back-Up Mortgage Administration Agreement, the Share Trust Deed, Subordinated Loan Agreement, Trust Deed (including the Conditions), the Notes, and such other related documents which are referred to or relate to the terms of the above documents or which relate to the issue of the Notes or are designated as a **"Transaction Document"**;

**"Transaction Party"** means any person who is a party to a Transaction Document and **"Transaction Parties"** means some or all of them;

**"Transaction Personal Data"** means data which relates to a living Obligor or any other living individual who can be identified:

- (a) from such data; or
- (b) from such data and other information which is in the possession of, or is likely to be in the possession of, the Data Controller;

and where such data are subject to processing (as defined by the DPA) in connection with any Transaction;

**"Transfer Agent"** means Citibank, N.A., London Branch acting as transfer agent pursuant to the Agency Agreement;

**"Transfer Date"** means, with respect to Mortgage Loans in the Mortgage Portfolio on the Closing Date, the Closing Date and any other date in which the Originator repurchases the Mortgage Loans pursuant to the Originator Trust Deed;

**"Trust Corporation"** means a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation;

**"Trust Deed"** means the deed so named (including the Conditions and the Notes) dated on or about the Closing Date between the Issuer and the Trustee constituting the Notes, and any document expressed to be supplemental to the Trust Deed;

**"Trust Documents"** means the Trust Deed and the Deed of Charge and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions of the Trust Deed or the Deed of Charge (as applicable);

**"Trust Proceeds"** means all recoveries, receipts and benefits received by the Trustee by virtue of the Trust Property save for monies or other assets which it is entitled to retain for its own account or which are earmarked for receipt by a third party other than as part of the Trust Property;

**"Trust Property"** means the benefit of the Covenant to Pay, the Issuer Covenants, the Originator Covenants, the Issuer Warranties, the Originator Warranties, the Security and all proceeds of the Security;

**"Trustee"** means Citicorp Trustee Company Limited, acting through its principal office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and acting in its capacity as Trustee under the terms of the Trust Documents, or such other person as may from time to time be appointed as Trustee (or co-trustee) pursuant to the Trust Documents;

**"Trustee Acts"** means both the Trustee Act 1925 and the Trustee Act 2000 of England and Wales;

**"Trustee Fees"** means the fees (including taxes and any interest payable pursuant to clause 8 (*Fees, Duties and Taxes*) and clause 28 (*Remuneration*) of the Trust Deed) payable by the Issuer to the Trustee in accordance with clause 8 (*Fees, Duties and Taxes*) and clause 28 (*Remuneration*) of the Trust Deed;

**"Trustee Liabilities"** means any Liabilities due and payable by the Issuer to the Trustee in accordance with the terms of the Trust Documents together with interest payable in accordance with the terms of the Trust Documents;

**"TSC Regulations"** means the Taxation of Securitisation Companies Regulations 2006;

**"U.S. Persons"** means U.S. Persons as defined in Regulation S under the Securities Act;



"**UCITS**" means Directive 2009/65/EC;

"**UKLA**" means the FCA in its capacity as competent authority for the purposes of Part VI of the FSMA;

"**Unfair Practices Directive**" means Directive 2005/29/EC on unfair business-to-consumer commercial practices adopted by the European Parliament and Council on 11 May 2005;

"**United Kingdom** or "**UK**" means the United Kingdom of Great Britain and Northern Ireland;

"**Unregulated Asset Agreements**" means any Asset Agreement other than a Regulated Asset Agreement;

"**UTCCR**" means the UK Unfair Terms in Consumer Contracts Regulations 1999 as amended;

"**Valuation Report**" means the valuation report or reports for mortgage purposes, obtained by the Originator from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Prudent Mortgage Lender and which has been approved by the relevant officers of the Originator;

"**Valuer**" means an Associate or Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers who was at the relevant times either a member of a firm which was on the list of Valuers approved by or on behalf of the Originator from time to time or an Associate or Fellow of the Royal Institute of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers employed in-house by the Originator acting for the Originator in respect of the valuation of a Property;

"**Variable Mortgage Rate**" means the rate of interest which determines the amount of interest payable each month on a Variable Rate Loan;

"**Variable Rate Loans**" means those Mortgage Loans to the extent that and for such period that their Mortgage Terms provide that they are subject to an interest rate which may at any time be varied in accordance with the relevant Mortgage Terms (and shall, for the avoidance of doubt, exclude Mortgage Loans during the period that they are Fixed Rate Loans);

"**VAT**" means:

- (a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the United Kingdom, value added tax imposed by VATA and legislation and regulations supplemental thereto); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for or levied in addition to, such tax referred to in (a) above or elsewhere;

**"VAT Group"** means a group for the purposes of the VAT Grouping Legislation;

**"VAT Grouping Legislation"** means: (a) sections 43 to 43D (inclusive) of VATA; (b) the Value Added Tax (Groups: eligibility) Order 2004 (SI 2004/1931); and (c) any similar provisions relating to VAT outside the United Kingdom;

**"VATA"** means the Value Added Tax Act 1994;

**"Voter"** means, in relation to any Meeting, the bearer of a Proxy or the bearer of a Definitive Note who produces such Definitive Note at such Meeting;

**"WBBS"** means West Bromwich Building Society, a building society incorporated under the Building Societies Act 1986 (registered number 651B) whose principal office is at 2 Providence Place, West Bromwich, B70 8AF;

**"Weighted Average Fixed Rate"** means, in respect of a Calculation Period, the weighted average (by adjusted Current Balance) of the fixed rates of interest charged to borrowers of Fixed Rate Loans during the relevant Calculation Period as notified by the Mortgage Administrator in accordance with the provisions of the Mortgage Administration Agreement;

**"Written Resolution"** means a resolution in writing signed by or on behalf of holders of not less than 100% of the Principal Amount Outstanding of Notes of the relevant class, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

**"24 hours"** means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where any 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

**"48 hours"** means 2 consecutive periods of 24 hours.

## 2. **PRINCIPLES OF INTERPRETATION AND CONSTRUCTION**

### 2.1 **Knowledge**

2.1.1 References in any Transaction Document to the expressions "so far as the Originator is aware" or "to the best of the knowledge, information and belief of the Originator" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Originator, together with the knowledge which such persons could have had if the Originator had actually carried out the procedures set out in the Originator's Policy.

2.1.2 References in any Transaction Document to the expressions "so far as the Cash Manager is aware" or "to the best of the knowledge, information and belief of the Cash Manager" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Cash Manager, together with the knowledge which such persons could have had if the Cash Manager had actually carried out the procedures set out in the Originator's Policy.

- 2.1.3 References in any Transaction Document to the expressions "so far as the Issuer is aware" or "to the best of the knowledge, information and belief of the Issuer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of the directors of the Issuer located, together with the knowledge which such persons could have had if the Issuer had actually carried out the procedures set out in the Originator's Policy.
- 2.1.4 References in any Transaction Document to the expressions "so far as the Trustee is aware" or "to the best of the knowledge, information and belief of the Trustee" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Trustee.

## 2.2 Interpretation

Any reference in the Transaction Documents to:

a document being in an "***agreed form***" means that the form of the document in question has been agreed between the proposed parties thereto and that a copy thereof has been signed for the purposes of identification by Clifford Chance LLP;

"***continuing***", in respect of an Event of Default, shall be construed as a reference to an Event of Default which has not been waived or remedied in accordance with the terms of the Conditions or, as the case may be, the relevant Transaction Document;

a "***Class***" or "***class***" shall be a reference to a class of the Notes being the Class A Notes or the Class B Notes and "***classes***" shall be construed accordingly;

"***Euroclear***" and/or "***Clearstream, Luxembourg***" shall, wherever the context so admits, be deemed to include reference to any additional or alternative clearing system approved by the Issuer and the Trustee in relation to the Notes;

"***holder***" means the registered holder of a Note and the words "***holders***" and related expressions shall (where appropriate) be construed accordingly;

"***including***" shall be construed as a reference to "***including without limitation***", so that any list of items or matters appearing after the word "***including***" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list of those items or matters forming a part of the category described prior to the word "including";

"***indebtedness***" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a "***law***" shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, bye law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;

a "**month**" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month except that:

- (a) if any such numerically corresponding day is not a Business Day, such period shall end on the immediately succeeding Business Day to occur in that next succeeding calendar month or, if none, it shall end on the immediately preceding Business Day; and
- (b) if there is no numerically corresponding day in that next succeeding calendar month, that period shall end on the last Business Day in that next succeeding calendar month,

and references to "**months**" shall be construed accordingly;

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

"**principal**" shall, where applicable, include any premium;

"**repay**", "**redeem**" and "**pay**" shall each include both of the others and "**repaid**", "**repayable**" and "**repayment**", "**redeemed**", "**redeemable**" and "**redemption**" and "**paid**", "**payable**" and "**payment**" shall be construed accordingly;

a reference to any person defined as a "**Transaction Party**" in this Agreement or in any Transaction Document or in the Conditions shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests;

"**set-off**" shall be deemed to include analogous rights in other relevant jurisdictions.

a "**subsidiary**" means a subsidiary as defined in section 1159 of the Companies Act 2006;

a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred; and

a "**wholly owned subsidiary**" of a company or corporation shall be construed as a reference to any company or corporation which has no other members except that other company or corporation and that other company's or corporation's wholly owned subsidiaries or persons acting on behalf of that other company or corporation or its wholly owned subsidiaries.

## 2.3 Currency symbols

"**euro**", "**EUR**" or "**€**" denotes the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty.

"£" and "*Sterling*" denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

## **2.4 Transaction Documents and other agreements**

Any reference to the Incorporated Terms Memorandum, any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to the Incorporated Terms Memorandum, such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated, supplemented, restated, modified or replaced.

## **2.5 Statutes and Treaties**

Any reference to a statute or treaty shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.

## **2.6 Days and Time**

Any reference in any Transaction Document to a day shall, unless the contrary indication appears, be a reference to a calendar day and any reference in any Transaction Document to a time of day shall, unless a contrary indication appears, be a reference to London time.

## **2.7 Schedules**

Any Schedule of, or Appendix to a Transaction Document forms part of such Transaction Document and shall have the same force and effect as if the provisions of such Schedule or Appendix were set out in the body of such Transaction Document. Any reference to a Transaction Document shall include any such Schedule or Appendix.

## **2.8 Headings**

Section, Part, Schedule, Paragraph and Clause headings are for ease of reference only.

## **2.9 Sections**

Except as otherwise specified in a Transaction Document, reference in a Transaction Document to:

- 2.9.1 a "*Section*" shall be construed as a reference to a Section of such Transaction Document;
- 2.9.2 a "*Part*" shall be construed as a reference to a Part of such Transaction Document;
- 2.9.3 a "*Schedule*" shall be construed as a reference to a Schedule of such Transaction Document;

- 2.9.4 a "*Clause*" shall be construed as a reference to a Clause of a Part or Section (as applicable) of such Transaction Document;
- 2.9.5 a "*Paragraph*" shall be construed as a reference to a Paragraph of a Schedule of such Transaction Document; and
- 2.9.6 "*this Agreement*" or "*this Deed*" (as applicable) shall be construed as a reference to such Transaction Document together with any Schedules thereto.

## 2.10 **Number**

In any Transaction Document, save where the context otherwise requires, words importing the singular number include the plural and *vice versa*.

## 2.11 **Time of the Essence**

Any date or period specified in any Transaction Document may be postponed or extended by mutual agreement between the parties, but as regards any date or period originally fixed or so postponed or extended, time shall be of the essence.

## **SCHEDULE 2 COMMON TERMS**

### **PART 1 GENERAL LEGAL TERMS**

#### **1. FURTHER ASSURANCE**

Each Transaction Party referred to as an "Obligor" in any Transaction Document for the purposes of this Paragraph shall (at such Transaction Party's cost) do and execute, or arrange for the doing and executing of, each act, document and thing requested of it by any Transaction Party referred to as an "Obligee" in such Transaction Document for the purposes of this paragraph in order to implement and/or give effect to such Transaction Document and the Transaction contemplated by it.

#### **2. ENTIRE AGREEMENT**

##### **2.1 Entire Agreement**

The Transaction Documents and any document referred to in the Transaction Documents constitute the entire agreement and understanding between the Transaction Parties relating to the Transactions and supersede any previous agreements between the parties relating to the subject matter of the Transaction Documents.

##### **2.2 No reliance**

Each Transaction Party agrees that:

2.2.1 it has not entered into any of the Transaction Documents in reliance upon any representation, warranty or undertaking of any other Transaction Party which is not expressly set out or referred to in one of the Transaction Documents;

2.2.2 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 Transaction Party or in respect of any untrue statement by any other Transaction 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.

##### **2.3 Breach of Duty**

Nothing in this Paragraph shall have the effect of limiting or restricting any liability of a Transaction Party arising as a result of any Breach of Duty.

#### **3. APPLICATION OF COMMON TERMS**

##### **3.1 Separate parties**

Where any Transaction Party acts in more than one capacity, the provisions of the Common Terms shall apply to such person as though it were a separate party in each such capacity.

### **3.2 Inconsistency**

If a provision of any Transaction Document is inconsistent with any provision of the Common Terms or the Master Definitions Schedule, the provision of such Transaction Document shall prevail, save where any provision of such Transaction Document relates to VAT, in which case the VAT provisions of the Common Terms shall prevail.

## **4. TRUSTEE PARTY TO TRANSACTION DOCUMENTS**

### **4.1 Better preservation and enforcement of rights**

Except where any Transaction Document provides otherwise, the Trustee has agreed to become a party to each Transaction Document to which it is a party only for the better preservation and enforcement of its rights under such Transaction Document and the Trust Documents and shall not assume any liabilities or obligations under any Transaction Document unless such obligation or liability is expressly assumed by the Trustee in such Transaction Document.

### **4.2 Trustee has no responsibility**

The Trustee shall not have any responsibility for any of the obligations of the other Transaction Parties and the other Transaction Parties acknowledge that the Trustee has no such responsibility and that the Trustee is entitled to the protections contained in and on the terms set out in the Trust Documents.

## **5. CHANGE OF TRUSTEE**

If there is an appointment of a Successor Trustee in accordance with the terms of the Trust Deed, each of the Transaction Parties shall execute such documents and take such action as the Successor Trustee and the outgoing Trustee may reasonably require for the purposes of vesting in the Successor Trustee the benefit of the Transaction Documents and the rights, powers and obligations of the Trustee under the Transaction Documents, and releasing the outgoing Trustee from its future obligations under the Transaction Documents.

## **6. SERVICES NON EXCLUSIVE**

### **6.1 Non Exclusivity**

Subject to the provisions of the Transaction Documents, nothing in the Transaction Documents shall prevent any Transaction Party from rendering services similar to those provided for in the Transaction Documents to other persons, firms or companies or from carrying on any business similar to or in competition with the business of any of the Transaction Parties.

### **6.2 Existing Businesses**



Nothing in the Transaction Documents shall prevent any Transaction Party from carrying on its own business in the manner which it thinks fit, unless, by so doing, it would render itself unable to perform its obligations under the Transaction Documents in the manner contemplated in the Transaction Documents.

**7. RESTRICTION ON ENFORCEMENT OF SECURITY, NON PETITION AND LIMITED RECOURSE**

**7.1 No proceedings against the Issuer**

Only the Trustee may pursue the remedies available under the general law or under the Trust Documents to enforce the Security and no Transaction Party shall be entitled to proceed directly against the Issuer to enforce the Security. Each Transaction Party (other than the Issuer and the Trustee) agrees with and acknowledges to each of the Issuer and the Trustee, and the Trustee agrees with and acknowledges to the Issuer, that:

- 7.1.1 none of the Transaction Parties (nor any person on their behalf, other than the Trustee) are entitled, otherwise than as permitted by the Transaction Documents, to direct the Trustee to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- 7.1.2 none of the Transaction Parties (other than the Trustee) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to any of such Transaction Parties;
- 7.1.3 until the date falling two years after the Final Discharge Date none of the Transaction Parties nor any person on their behalf shall initiate or join any person in initiating an Insolvency Event or the appointment of an Insolvency Official in relation to the Issuer other than a Receiver or an administrator appointed under Clause 17 (*Appointment and Removal of Administrator and Receiver*) of the Deed of Charge; and
- 7.1.4 none of the Transaction Parties shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Payments Priorities not being complied with.

**7.2 Limited Recourse**

- 7.2.1 Subject to paragraph 7.2.2 below, each Transaction Party (other than the Issuer and the Trustee) agrees with and acknowledges to each of the Issuer and the Trustee, and the Trustee agrees with and acknowledges to the Issuer, that notwithstanding any other provision of any Transaction Document (other than the Notes), all obligations of the Issuer to such Transaction Party, including, without limitation, the Obligations, are limited in recourse as set out below:
  - (a) each Transaction Party agrees that it will have a claim only in respect of the Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Issuer's other assets or its contributed capital;

- (b) sums payable to each Transaction Party in respect of the Issuer's obligations to such Transaction Party shall be limited to the lesser of: (a) the aggregate amount of all sums due and payable to such Transaction Party; and (b) the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Charged Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Issuer in accordance with the Payments Priorities in priority to or *pari passu* with sums payable to such Transaction Party; and
- (c) upon the Trustee giving written notice to the Relevant Transaction Parties that it has determined in its sole opinion, and the Mortgage Administrator having certified to the Trustee, that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Relevant Transaction Documents, the relevant Transaction Party shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

7.2.2 Notwithstanding any other clause or provision in the Transaction Documents, no provision in any Transaction Document other than Condition 10 (*Limited Recourse*) shall limit or in any way reduce the amount of interest that would otherwise be payable by the Issuer under any Note, if and to the extent that such limitation or reduction falls to any extent to be determined by reference to the results of any business or part of a business or the value of any property.

## 8. PROVISIONS RELATING TO THE TRANSACTION DOCUMENTS

### 8.1 Acknowledgement of the Security

Each Secured Creditor:

- 8.1.1 acknowledges the Security created by the Trust Documents;
- 8.1.2 (other than the Trustee) undertakes to the Trustee not to do anything inconsistent with the Security or the terms of the Transaction Documents;
- 8.1.3 acknowledges that the Security is held by the Trustee for the benefit of all the Secured Creditors and that any Receiver shall be appointed by the Trustee for the benefit of all the Secured Creditors subject to the Deed of Charge; and
- 8.1.4 acknowledges the existence of the rights conferred on the Noteholders by Condition 13.2 (*Delivery of Enforcement Notice*) and Condition 14.1 (*Proceedings*).

8.2 Upon enforcement of Security, the Issuer authorises and instructs each of the Secured Creditors, in relation to the Issuer's rights (but not its obligations) under the relevant Transaction Documents, to deal with the Trustee without reference to the Issuer.

8.3 Each Secured Creditor (except, in the case of Paragraph 8.3.1 only, the Trustee) acknowledges and consents to the assignment referred to in Clause 4.1.4 (*Creation of Fixed Security*) of the Deed of Charge and confirms that:

8.3.1 after delivery of an Enforcement Notice, it will deal only with the Trustee in relation to the Issuer's rights (but not its obligations) under the relevant Transaction Documents without any reference to the Issuer; and

8.3.2 as of the date of this document it has not received from any other person any other notice of any assignment or charge of, or any Encumbrance created by the Issuer over its rights under the Transaction Documents.

#### 8.4 **Secured Creditors and Transaction Documents**

Each Secured Creditor shall be deemed to have notice of all of the provisions of the Transaction Documents.

#### 8.5 **Receipt**

The Trustee is hereby authorised to execute on behalf of the Secured Creditors a receipt in respect of all or part only of the Secured Amounts, as may be appropriate from time to time.

#### 8.6 **Recoveries after Enforcement**

Except for moneys paid out by the Trustee pursuant to the Post-Enforcement Payments Priorities, all monies received or recovered by the Secured Creditors other than the Trustee in respect of the Secured Amounts after delivery of an Enforcement Notice (whether by way of set off, retention, compensation, balancing of accounts or otherwise) shall forthwith be paid to (and pending such payment held on trust for) the Trustee.

### 9. **OBLIGATIONS AS CORPORATE OBLIGATIONS**

#### 9.1 **No recourse against shareholders and others**

No Transaction 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 the Transaction Documents.

#### 9.2 **No liability for Obligations of the Issuer**

The Transaction Parties shall not have any liability for:

- (a) any obligation of a Borrower under any Mortgage Loan or any Related Security comprised in the Originator Trust Property and nothing in the Transaction Documents shall constitute a guarantee, or similar obligation, by them of any Mortgage Loan, Mortgage or any Borrower; or

- (b) (save in the case of the Issuer) the Obligations of the Issuer and nothing in the Transaction Documents shall constitute the giving of a guarantee, an indemnity or the assumption of a similar obligation by any of such other Transaction Parties in respect of the performance by the Issuer of the Obligations.

## **10. VARIATION OF TRANSACTION DOCUMENTS**

A variation of any Transaction Document is valid only if it is in writing and signed by or on behalf of each Transaction Party which is a party to such Transaction Document. The Issuer will notify the Rating Agencies of any material variation.

## **11. EXERCISE OF RIGHTS AND REMEDIES**

### **11.1 No waiver**

A failure to exercise or delay in exercising a right or remedy provided by any Transaction Document or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by any Transaction Document or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

### **11.2 Rights and remedies cumulative**

Except where any Transaction Document specifically provides otherwise, the rights and remedies contained in a Transaction Document are cumulative and not exclusive of rights or remedies provided by law.

## **12. PARTIAL INVALIDITY**

The invalidity, illegality or unenforceability of a provision of a Transaction Document does not affect or impair the continuation in force of the remainder of such Transaction Document.

## **13. NO PARTNERSHIP**

Except where any Transaction Document specifically provides otherwise, no provision of any Transaction Document creates a partnership between any of the Transaction Parties or makes a Transaction Party the agent of another Transaction Party for any purpose. Except where any Transaction Document provides otherwise, a Transaction Party has no authority or power to bind, to contract in the name of, or to create a liability for another Transaction Party in any way or for any purpose.

## **14. CONTINUATION OF OBLIGATIONS**

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

## **15. ASSIGNMENT AND SUBCONTRACTING**

## **15.1 Successors**

Each Transaction Document shall be binding upon and enure to the benefit of each Transaction Party which is a party to such Transaction Document or is otherwise bound by its terms and its or any subsequent successors, transferees and assigns.

## **15.2 Assignment**

Except where any Transaction Document provides otherwise or with the prior written consent of the Trustee, a Transaction Party (other than the Trustee) may not assign or transfer or purport to assign or transfer a right or obligation under any Transaction Document to which it is a party.

## **15.3 Benefit**

Each Transaction Party (other than the Trustee) is entering into each Transaction Document to which it is a party for its benefit and not for the benefit of another person.

## **15.4 Delegation**

Except where any Transaction Document specifically provides otherwise, a Transaction Party (other than the Trustee) may not subcontract or delegate the performance of any of its obligations under a Transaction Document.

## **16. THIRD PARTY TRANSACTION RIGHTS**

Save as expressly provided in a Transaction Document, rights under a Transaction Document only accrue to a person party to such Transaction Document. Accordingly a person who is not a party to a Transaction Document shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of any Transaction Document, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **17. CONFIDENTIALITY**

### **17.1 Confidentiality of information**

Each Transaction Party agrees that prior to the Final Discharge Date and thereafter it shall keep confidential and it shall not disclose to any person whatsoever, any information relating to the business, finances or other matters of a confidential nature of any of the Originator, the Cash Manager or the Issuer (as the case may be) which it may have obtained as a result of the execution of any Transaction Document or of which it may otherwise have become possessed as a result of the performance of its obligations in respect of the Transaction including any information concerning the identity of any Obligor.

### **17.2 Disapplication of confidentiality provisions**

The Transaction Parties shall use all reasonable endeavours to prevent any disclosure referred to in Paragraph 17.1 (*Confidentiality of information*) provided however that the provisions of Paragraph 17.1 (*Confidentiality of information*) shall not apply:

- 17.2.1 to the disclosure of any information to any person who is a Transaction Party insofar as such disclosure is expressly permitted by the relevant Transaction Document;
- 17.2.2 to the disclosure of any information already known to the recipient otherwise than as a result of entering into any of the Transaction Documents;
- 17.2.3 to the disclosure of any information with the consent of the relevant Transaction Parties;
- 17.2.4 to the disclosure of any information which is or becomes public knowledge otherwise than as a result of the conduct of the recipient;
- 17.2.5 to the disclosure of any information:
  - (a) in order to obtain the admission of the Notes to the Official List; or
  - (b) in connection with the admission of the Notes to trading on the Regulated Market of the Stock Exchange;
  - (c) which it is necessary or desirable to provide to investors or prospective investors in the Notes; or
  - (d) which is necessary for any Class of Notes to constitute eligible collateral for the Bank of England discount window facility or the credit operations established by the European Central Bank or any other liquidity or similar facilities established by central bank operations;
- 17.2.6 to the extent that the recipient is required to disclose the same pursuant to any Requirement of Law or any Regulatory Direction;
- 17.2.7 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 Asset Agreements or the Transaction Documents or, in the case of the Trustee, for the purpose of discharging, in such manner as it thinks fit, its duties or obligations under or in connection with the Transaction Documents in each case to such persons as require to be informed of such information for such purposes or, in the case of the Trustee, in connection with transferring or purporting to transfer its rights and obligations to a Successor Trustee;
- 17.2.8 to the extent that the recipient needs to disclose the same to any of its employees provided that before any such disclosure each Transaction Party shall make the relevant employees aware of its obligations of confidentiality under the relevant Transaction Document and shall at all times procure compliance with such obligations by such employees;
- 17.2.9 to the disclosure of any information to professional advisers who receive the same under a duty of confidentiality;
- 17.2.10 to the disclosure of any information disclosed to a prospective Successor Cash Manager, Successor Trustee, prospective delegate Mortgage Administrator or

replacement Fixed Rate Swap Provider on the basis that the recipient will hold such information confidential upon substantially the same terms as this Paragraph 17.2 (*Disapplication of Confidentiality Provisions*);

17.2.11 to the disclosure of any information which any Rating Agency may require to be disclosed to it or its professional advisers on the basis that the recipient will hold such information confidential upon substantially the same terms as this Paragraph; or

17.2.12 to the disclosure of any information which the Lead Manager may require to be disclosed to them or their professional advisers on the basis that the recipient will hold such information confidential upon substantially the same terms as this Paragraph.

## **18. NOTICES**

### **18.1 Communications in writing**

Except as specified in any Transaction Document, any Notice:

18.1.1 shall be in writing;

18.1.2 shall be in the English language or accompanied by a translation thereof into English certified (by an officer of the person making or delivering the same) as being a true and accurate translation thereof; and

18.1.3 shall be delivered personally or sent by first class post pre paid recorded delivery (and air mail if overseas) or by fax or by email to the party due to receive the Notice at its address, fax number or email address and marked for the attention of the person or persons set out in the Notices Details or to another address or fax number or email address or marked for the attention of another person or persons specified by the receiving party by not less than 7 days' written notice to the other Transaction Parties received before the Notice was despatched.

### **18.2 Time of receipt**

Unless there is evidence that it was received earlier, a Notice marked for the attention of the person specified in accordance with Paragraph 18.1 (*Communications in writing*) is deemed given:

18.2.1 if delivered personally, when left at the relevant address referred to in the Notices Details;

18.2.2 if sent by post, except air mail, two Business Days after posting it;

18.2.3 if sent by air mail, six Business Days after posting it;

18.2.4 if sent by fax, on completion of its transmission/when confirmation of its transmission has been recorded by the sender's fax machine; and

18.2.5 if sent by email two Business Days after sending it.

### 18.3 **Business day**

In Paragraph 18.2 (*Time of Receipt*) "business day" means a day other than a Saturday, Sunday or public holiday in either the country from which the Notice is sent or in the country to which the Notice is sent.

## 19. **COUNTERPARTS**

Each Transaction Document may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

## 20. **GOVERNING LANGUAGE**

The Transaction Documents are in the English language. If the Transaction Documents are translated into another language, the English language text shall prevail.

## **PART 2 PAYMENT PROVISIONS**

### 1. **CALCULATIONS AND PAYMENTS**

#### 1.1 **Basis of accrual**

Except as otherwise provided in any Transaction Document, any interest, commitment commission or fees due from one Transaction Party to another under any Transaction Document shall accrue from day to day and shall be calculated on the basis of a year of the number of days referred to in the definition of Day Count Fraction (or, in any case where market practice differs, in accordance with market practice).

#### 1.2 **Prima facie evidence**

In any legal action or proceeding arising out of or in connection with any Transaction Document (except the Trust Documents), the Cash Manager Records shall be prima facie evidence of the existence and amounts due from one Transaction Party to another or to any third party.

#### 1.3 **Currency indemnity**

If any sum (a "**Sum**") due from a Paying Transaction Party to a Receiving Transaction Party under any Transaction Document or any order, judgment, award or decision given or made in relation thereto has to be converted from the currency (the "**First Currency**") in which such Sum is payable into another currency (the "**Second Currency**") for the purpose of:

1.3.1 making or filing a claim or proof against the Paying Transaction Party; or

1.3.2 obtaining or enforcing an order, judgment, award or decision in any court or other tribunal,

the Paying Transaction Party shall indemnify the Receiving Transaction Party from and against any loss suffered or incurred as a result of any discrepancy between: (a)



the rate of exchange used for such purpose to convert such Sum from the First Currency into the Second Currency; and (b) the rate or rates of exchange available to such person at the time of receipt of such Sum.

#### **1.4 Payments to the Originator**

On each date on which any Transaction Document requires an amount to be paid by a Transaction Party to the Originator, such Transaction Party shall make the relevant amount available to the Originator by payment to the Originator Account for value on the due date no later than the time specified in the relevant Transaction Document or, if no time is specified in the Transaction Document, by close of banking hours in the place of payment on the due date.

#### **1.5 Payments to the Issuer**

On each date on which any Transaction Document requires an amount to be paid by a Transaction Party to the Issuer, such Transaction Party shall make the relevant amount available to the Issuer by payment to the relevant Issuer Account for value on the due date no later than the time specified in the relevant Transaction Document or, if no time is specified in the relevant Transaction Document, by close of banking hours in the place of payment on the due date.

#### **1.6 Payments to other Transaction Parties**

On each date on which any Transaction Document requires an amount to be paid by one Transaction Party to another Transaction Party (other than to the Originator or to the Issuer), the Paying Transaction Party shall make the relevant amount available to the Receiving Transaction Party by payment to the account specified in the relevant Transaction Document for value on the due date no later than the time specified in the relevant Transaction Document or, if no time is specified in the relevant Transaction Document, by close of banking hours in the place of payment on the due date.

#### **1.7 No set off**

All payments required to be made by any Transaction Party under the Transaction Documents shall be calculated without reference to any set off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set off or counterclaim, other than as specified by a Transaction Document.

#### **1.8 Partial Payments**

If and whenever a payment is made by any Transaction Party to another under any Transaction Document, the Receiving Transaction Party shall, except as otherwise provided in any Transaction Document, apply the amount received towards the obligations of the Paying Transaction Party under the relevant Transaction Document in the following order:

- 1.8.1 first, in or towards payment of any Liabilities which the Receiving Party is entitled to be paid under the terms of the relevant Transaction Document;
- 1.8.2 secondly, in or towards payment *pro rata* of any accrued interest due but unpaid;

1.8.3 thirdly, in or towards payment *pro rata* of any principal due but unpaid; and

1.8.4 fourthly, in or towards payment *pro rata* of any other sum due but unpaid.

## 1.9 Variation of partial payments

The order of payments set out in Paragraph 1.8 (*Partial Payments*) shall override any appropriation made by any Paying Transaction Party but the order set out in sub paragraphs 1.8.2, 1.8.3 and 1.8.4 of Paragraph 1.8 (*Partial Payments*) may be varied if the relevant Transaction Parties so agree and for this purpose "**relevant Transaction Parties**" means Transaction Parties who might, in the Trustee's sole opinion, be affected by such variation in application.

## 1.10 Business Days

Except as otherwise provided in any Transaction Document any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or on the preceding Business Day (if there is not).

## 1.11 Rectification

If any amount paid pursuant to a Transaction Document (other than by or to the Trustee) shall be determined (after consultation in good faith between the Transaction Parties which are parties to the relevant Transaction Document) to have been incorrect, the Transaction Parties shall consult in good faith in order to agree upon an appropriate method for rectifying such error so that the amounts subsequently received and retained by all relevant Transaction Parties are those which they would have received and retained if no such error had been made.

## 1.12 Amounts not due to be held on trust

If any Secured Creditor other than the Trustee:

- (a) receives any amount which should not have been paid out of an Issuer Account and which it purports to apply; or
- (b) purports to set off any amount owed to it by the Issuer in or towards satisfaction of any sum owed by it under any Transaction Document other than out of amounts in the relevant Issuer Account and in strict accordance with the Payments Priorities,

such Secured Creditor shall hold the amount so received or applied on trust for the Trustee and for application in accordance with the Payments Priorities.

## 2. VAT

### 2.1 Sums payable exclusive of VAT

Any sum set out in a Transaction Document as payable, or otherwise payable pursuant to a Transaction Document:

- (a) by one Transaction Party (other than the Trustee or the Issuer) to any other Transaction Party;
- (b) by the Issuer to a Specified Party or the Trustee; or
- (c) by the Trustee to any Transaction Party other than WBBS (in its capacity as Cash Manager, Originator, Originator Beneficiary, Originator Trustee, Mortgage Administrator and Subordinated Loan Provider),

shall be deemed to be exclusive of any VAT which is or becomes chargeable on any supply or supplies for which that sum (or any part thereof) is the whole or part of the consideration for VAT purposes.

## 2.2 Sums payable inclusive of VAT

Any sum set out in a Transaction Document as payable, or otherwise payable, pursuant to a Transaction Document:

- (a) by the Issuer to any person that is a party to that Transaction Document other than a Specified Party or the Trustee; or
- (b) by the Trustee to WBBS (in its capacity as Cash Manager, Originator, Originator Beneficiary, Originator Trustee, Mortgage Administrator and Subordinated Loan Provider),

shall be inclusive of any VAT which is or becomes chargeable on any supply or supplies for which that sum (or any part thereof) is the whole or part of the consideration for VAT purposes and section 89 of VATA shall not apply to affect the amount of such sum payable.

## 2.3 Payment of amounts in respect of VAT

Where:

- (a) any person that is a party to a Transaction Document (such person, a "**Supplier**" for the purposes of this Paragraph 2 (VAT)) makes a supply to another person that is also a party to that Transaction Document (such person, the "**Recipient**" in relation to that supply for the purposes of this Paragraph 2 (VAT)) for VAT purposes pursuant to that Transaction Document;
- (b) the sum which is the consideration (in whole or in part) for that supply is (or, if the consideration for that supply were in cash, would be) deemed to be exclusive of VAT in accordance with Paragraph 2.1 (*Sums payable exclusive of VAT*) above; and
- (c) the Supplier is required to account to any relevant Tax Authority for any VAT chargeable on that supply,

the Recipient shall pay to the Supplier an additional amount equal to that VAT, such additional amount to be paid at the same time as paying any other consideration for

that supply, save that where the consideration for that supply does not consist of, or wholly of, money, such sum shall be paid no later than five (5) Business Days before the last day on which the Supplier can account to the relevant Tax Authority for the VAT due in respect of that supply without incurring interest or penalties and the Supplier shall (in either case) provide the Recipient with a valid VAT invoice in respect of that supply.

## **2.4 Reverse Charges**

In relation to any supply that gives rise to a Reverse Charge, where the Recipient of that supply is the Issuer or the Trustee:

- (a) the consideration for such supply shall (unless the Supplier in relation thereto is a Specified Party, the Issuer or the Trustee) be reduced to such amount as, with the addition thereto of the VAT chargeable on such supply, equals the amount which would have been payable by the Recipient had such supply not given rise to such charge as aforesaid; or
- (b) if the consideration does not consist of, or wholly of, money, or the consideration actually paid is less than the amount in respect of or by reference to which VAT is charged, the Supplier shall (unless it is a Specified Party, the Issuer or the Trustee) pay to the Recipient an amount equal to the VAT chargeable on the supply no later than 5 Business Days before the last day (which the Recipient shall notify the Supplier of in writing) on which the Recipient can account to the relevant Tax Authority for the VAT due in respect of that supply without incurring interest or penalties.

## **2.5 Costs and expenses**

- (a) References (including, for the avoidance of doubt, references within definitions) in any Transaction Document to any fee, cost, loss, disbursement, commission, damages, expense, charge or other liability incurred by the Issuer and in respect of which the Issuer is to be reimbursed or indemnified by any other person under the terms of, or the amount of which is to be taken into account in any calculation or computation set out in, any Transaction Document shall include such part of such fee, cost, loss, disbursement, commission, damages, expense, charge or other liability as represents any VAT and also any VAT for which the Issuer is required to account to any relevant Tax Authority under any regime applicable to acquisitions for VAT purposes or the Reverse Charge in relation to such fee, cost, loss, disbursement, commission, damages, expense, charge or other liability.
- (b) References (including, for the avoidance of doubt, references within definitions) in any Transaction Document to any fee, cost, loss, disbursement, commission, damages, expense, charge or other liability incurred by any person (other than the Issuer) and in respect of which such person is to be reimbursed or indemnified by any other person under the terms of, or the amount of which is to be taken into account in any calculation or computation set out in, any Transaction

Document shall include such part of such fee, cost, loss, disbursement, commission, damages, expense, charge or other liability as represents any VAT and also any VAT for which such first person is required to account to the relevant Tax Authority under any regime applicable to acquisitions for VAT purposes or the Reverse Charge in relation to such fee, cost, loss, disbursement, commission, damages, expense, charge or other liability, but (in each such case) only to the extent that such first person is not entitled to a refund (by way of credit or repayment) in respect of such VAT from any relevant Tax Authority.

## **2.6 VAT Groups**

Any reference in a Transaction Document to any person, when construing any provision in relation to VAT, shall (where appropriate and unless the context otherwise requires) be construed, at any time when such person is treated as a member of a VAT Group, to include a reference to the representative member of such group at such time (so that a reference to x, for example, would read "x or the relevant representative member of the VAT Group of which x is a member (as the case may be)") (the term "representative member" to have the same meaning as for the purposes of the VAT Grouping Legislation).

## **3. WITHHOLDING TAXES**

### **3.1 Tax Deduction**

Except as otherwise provided in any Transaction Document, each payment made by a Paying Transaction Party to a Receiving Transaction Party under any Transaction Document shall be made without any Tax Deduction, unless a Tax Deduction is required by any Requirement of Law.

### **3.2 Notification**

If a Paying Transaction Party (other than the Trustee) becomes aware that it must make a Tax Deduction in respect of any payment under any Transaction Document (or that there is any change in the rate or the basis of a Tax Deduction) it shall notify the Receiving Transaction Party accordingly.

### **3.3 Tax gross up**

If a Tax Deduction is required by law to be made by a Paying Transaction Party (other than the Issuer or the Trustee) the amount of the payment due from such Paying Transaction Party shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

### **3.4 Tax Credits**

If a Paying Transaction Party (other than the Trustee) makes a Tax Payment and a Receiving Transaction Party determines that a Tax Credit is attributable to that Tax Payment and the Receiving Transaction Party has obtained, utilised and retained that Tax Credit then the Receiving Transaction Party shall pay an amount to the Paying Transaction Party which the Receiving Transaction Party determines will leave it

(after that payment) in the same after tax position as it would have been in had the Tax Payment not been required to be made by the Paying Transaction Party.

4. **COSTS**

Except as otherwise provided in any Transaction Document, the Originator shall pay all of the costs relating to the negotiation, preparation, execution and implementation by the Transaction Parties of each Transaction Document and of each document referred to in it.

## **PART 3**

### **GOVERNING LAW PROVISIONS**

#### **1. GOVERNING LAW**

Unless specified otherwise in the relevant Transaction Document, each Transaction Document and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law.

#### **2. JURISDICTION**

##### **2.1 English courts**

The courts of England have non-exclusive jurisdiction to settle any dispute arising from or connected with each Transaction Document (a "**Dispute**"), including a dispute relating to non-contractual obligations or regarding the existence, validity or termination of the relevant Transaction Document or the consequences of its nullity.

##### **2.2 Convenient forum**

Each Transaction Party other than the Trustee agrees that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

##### **2.3 Jurisdiction**

Paragraph 2.1 (*English Courts*) is for the benefit of the Trustee for the purpose of this Paragraph 2 in any Transaction Document. As a result each Transaction Party acknowledges that Paragraph 2.1 (*English Courts*), does not prevent the Trustee from taking any Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Trustee may take concurrent Proceedings in any number of jurisdictions.

**SCHEDULE 3**  
**NOTICE DETAILS**

1. In the case of the Originator, Originator Trustee, Originator Beneficiary, Mortgage Administrator, Cash Manager, and Subordinated Loan Provider:

Address: 2 Providence Place, West Bromwich, B70 8AF

Attention: The Secretary

Tel: +44 345 241 3784

2. in the case of the Issuer:

Address: 11<sup>th</sup> Floor, 200 Aldersgate Street, London, EC1A 4HD

Fax: +44 20 7466 1700

Tel: +44 20 7466 1600

Email: london\_structured@maples.com

Attention: the Directors

3. in the case of Holdings:

Address: 11th Floor, 200 Aldersgate Street, London, EC1A 4HD

Fax: +44 20 7466 1700

Tel: +44 20 7466 1600

Email: london\_structured@maples.com

Attention: the Directors

4. in the case of the Trustee:

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

Fax: +44(0)20 7500 5877

Attention: Agency and Trust

5. in the case of the Principal Paying Agent:

Address: Citibank, N.A., Citigroup Centre, Canary Wharf, London E14 5LB

Fax: +353 (0)1622 2210

Attention: Agency and Trust



6. in the case of the Transfer Agent:  
Address: Citibank, N.A., Citigroup Centre, Canary Wharf, London E14 5LB  
Fax: +353 (0)1622 2031  
Attention: Agency and Trust
7. in the case of the Registrar:  
Address: Citibank, N.A., Citigroup Centre, Canary Wharf, London E14 5LB  
Fax: +353 (0)1622 2031  
Attention: Agency and Trust
8. in the case of the Agent Bank:  
Address: Citibank, N.A., Citigroup Centre, Canary Wharf, London E14 5LB  
Fax: +353 (0)1622 2201  
Attention: Agency and Trust
9. in the case of the Corporate Services Provider and Back-Up Mortgage Administrator Facilitator:  
Address: Maples Fiduciary Services (UK) Limited, 11th Floor, 200 Aldersgate Street, London, EC1A 4HD  
Fax: +44 20 7466 1700  
Tel: +44 20 7466 1600  
Email: london\_structured@maples.com  
Attention: The Manager
10. in the case of the Share Trustee:  
Address: Maples FS UK Group Services Limited, 11th Floor, 200 Aldersgate Street, London, EC1A 4HD  
Fax: +44 20 7466 1700  
Tel: +44 20 7466 1600  
Email: london\_structured@maples.com  
Attention: The Director
11. in the case of the Account Bank:

Address: Citibank, N.A., London Branch, Citigroup Centre, Canary Wharf, London E14 5LB

Email: For Instructions (as defined in the Account Bank Agreement):  
[at.instructions@citi.com](mailto:at.instructions@citi.com)  
For general correspondence: [gss.spagaccountbank@citi.com](mailto:gss.spagaccountbank@citi.com)

Attention: Specialised Agency Group

12. in the case of the Back-Up Mortgage Administrator:

Address: Link Mortgage Services Limited, Crown House, Crown Street, Ipswich, Suffolk, IP1 3HS

13. Attention: The Company Secretary

14. Fax: 01473 283 838

15. Email: [notices@lgmortgageservices.co.uk](mailto:notices@lgmortgageservices.co.uk)

16. in the case of the Back-Up Cash Manager:

Address: Citibank, N.A., Citigroup Centre, Canary Wharf, London E14 5LB

Fax: +44 (0)20 7500 5877

Attention: Agency and Trust

17. in the case of the Fixed Rate Swap Provider and Reporting Delegate:

Address: J.P. Morgan AG, TaunusTurm, Taunustor 1, 60310, Frankfurt am Main, Germany

Attention: Legal Department

With a copy to:

Address: J.P. Morgan Securities plc, 25 Bank Street, 23rd Floor, Canary Wharf, London E14 5JP

Attention: Legal Department - Derivatives Practice Group

Fax: +44 020 3493 0687

**SCHEDULE 4**  
**ACCOUNT DETAILS**

Collection Accounts Details

Name of Bank: HSBC Bank plc

Sort Code: 40-46-13

Account No.: 41365738, 91066277, 51577867

Name of Bank: HSBC Bank plc

Sort Code: 40-02-50

Account No.: 31398679, 81398660, 71398563, 41417428, 41417436

## SIGNATORIES

Agent Bank, Back-Up Cash Manager, Back-Up Mortgage Administrator, Back-Up Mortgage Administrator Facilitator, Cash Manager, Corporate Services Provider, Fixed Rate Swap Provider, Reporting Delegate, Account Bank, Holdings, Issuer, Originator, Originator Beneficiary, Originator Trustee, Mortgage Administrator, Principal Paying Agent, Registrar, Share Trustee, Subordinated Loan Provider, Transfer Agent and Trustee.

### **Originator, Originator Trustee, Originator Beneficiary, Mortgage Administrator, Cash Manager and Subordinated Loan Provider**

**SIGNED** by a duly authorised representative  
for and on behalf of  
**WEST BROMWICH BUILDING SOCIETY**

)  
)  
) \_\_\_\_\_  
**Signature**

### **Issuer**

**SIGNED** by MaplesFS UK Corporate  
Director No. 1 Limited  
as director for and on behalf of  
**KENRICK NO. 3 PLC**

)  
)  
) \_\_\_\_\_  
**Signature**

### **Share Trustee**

**SIGNED** by  
a duly appointed representative of  
**MAPLESFS UK GROUP SERVICES  
LIMITED**

)  
)  
) \_\_\_\_\_  
**Signature**

### **Corporate Services Provider and Back-Up Mortgage Administrator Facilitator**

**SIGNED** by  
a duly appointed representative for and on behalf of  
**MAPLES FIDUCIARY SERVICES (UK) LIMITED**

)  
)  
) \_\_\_\_\_  
**Signature**

## Holdings

**SIGNED** by MaplesFS UK Corporate Director  
No. 1 Limited,  
as director for and on behalf of  
**KENRICK NO. 3 HOLDINGS LIMITED**

)  
)  
) \_\_\_\_\_  
**Signature**

## Trustee

**EXECUTED** by a duly authorised representative  
for and on behalf of  
**CITICORP TRUSTEE COMPANY LIMITED**

)  
)  
) \_\_\_\_\_  
**Signature**

## Agent Bank, Account Bank, Principal Paying Agent, Transfer Agent, Registrar and Back-Up Cash Manager

**EXECUTED** by a delegated signatory  
for and on behalf of  
**CITIBANK, N.A., LONDON BRANCH**

)  
)  
) \_\_\_\_\_  
**Signature**

## Fixed Rate Swap Provider and Reporting Delegate

**EXECUTED** by a duly authorised representative  
for and on behalf of  
**J.P. MORGAN AG**

)  
)  
) \_\_\_\_\_  
**Signature**

## Back-Up Mortgage Administrator

**SIGNED** for and on behalf of  
**LINK MORTGAGE SERVICES LIMITED**  
by its Authorised Signatory

)  
)  
) \_\_\_\_\_  
**Signature**